



January 2010 volume #1

Farmer's Digest

Arenac/Iosco County
USDA Service Centers

Arenac County FSA
4490 M-61
Standish, MI 48658
989-846-4565 (phone)
989-846-9641 (fax)

Hours
Monday - Friday
8:00 a.m. - 4:30 p.m.

Arenac County Committee
Ed Stange
Brandon Johnson
Ken Daniels

Arenac Advisor
Courtney Rolfe

Iosco County FSA
190 M-55
Tawas City, MI 48763
989-362-3842 (phone)
989-362-8382

Hours
Monday-Friday
8:00 a.m. - 4:30 p.m.

Iosco County Committee
Joe Vohwinkle
Al Erickson
Chris Daniels

Iosco Advisor
Karen Curry

County Committee Elections

At December's meeting ballots were counted for the position of county committee member with the following results:

Elected to represent LAA #1 in Arenac County (Moffatt, Clayton, Adams, and Deep River townships)

Ken Daniels – COC member

Elected to represent LAA #1 in Iosco County (Plainfield, Wilbur, Oscoda, and AuSable townships)

Joe Vohwinkle – COC member

County Committee Reorganization

The following positions on the County Committees were determined at the reorganization meetings in January:

Arenac County

Ed Stange – Chairman
Brandon Johnson – Vice Chairman
Ken Daniels – Member
Courtney Rolfe – COC Advisor

The Arenac Committee determined to hold their regular meetings on the second Wednesday of each month. Alternate meeting day was designated as the fourth Wednesday of the month. Meetings will start at 9:00 a.m.

Iosco County

Joe Vohwinkle – Chairman
Al Erickson – Vice Chairman
Chris Daniels – Member
Karen Curry – COC Advisor

The Iosco Committee determined to hold their regular meetings on the second Thursday of each month. The fourth Thursday of the month was designated as the alternate meeting date. The meetings in Iosco will start at 9:30 a.m.

Please feel free to contact any County Committee member or the office if you have any concerns or questions

AGI, Actively Engaged

USDA has finalized a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process (**CCC-927 for an Individual, CCC-928 for an entity**). No actual tax data will be included in the report that IRS sends to USDA. Producers will be required to sign and mail the consent forms to the IRS by June 15, 2010, or within 60 days of signing the form to maintain 2009 and 2010 payments. To protect the privacy of our producers FSA will not be collecting and mailing the consent forms.

This agreement will ensure that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules **must annually certify their eligibility to receive benefits** by either submitting a statement from a certi-





fied public accountant or an attorney, or by completing form CCC-926. This form may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainserverlet>.

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the Farm Service Agency (FSA). Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management if both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that altogether qualifies as a significant contribution to the farming operation;
- The total direct payments received both directly and indirectly, by the legal entity and each of the members does not exceed \$40,000.



1099 G

During the last week of January, producers who have received payments from FSA should receive a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you in calendar year 2009. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you receive a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. **Refunds are not included on the 1099 G.**

If you have a question concerning the 1099-G refund information, you may contact the county office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.



2010 DCP/ACRE Sign Up
Sign up for the 2010 program is currently under way. Advances are again available for 22% of the projected payment amount on each farm.

Farmers with rented ground must provide one of the following in order to participate:

- cash lease signed by the owner
- the owner's signature on the CCC-509 contract
- They may sign a cash lease certification statement if the ground was rented by them in 2009.

DCP/ACRE sign up ends on June 1, 2010, Call for an appointment, or stop in and complete your enrollment as soon as possible.

Farm Operation Changes

Report your changes in farm operations as soon as possible to insure that we can timely service your operation.

Price Support

Commodity loans are available on the following crops: corn, wheat, soybeans, sunflowers, oats, and barley. Loan rates are as follows:

Arenac- corn \$1.80/bu., soybeans \$4.90/bu., red wheat \$1.75/bu., white wheat \$1.94/bu., oats \$1.32/bu., barley \$1.67/bu., sunflowers \$7.75/cwt.

Iosco – corn \$1.80/bu., soybeans \$4.88 /bu., red wheat \$1.73/bu., white wheat \$1.93/bu., oats \$1.32/bu., barley \$1.67/bu., sunflowers \$7.75/cwt.

The above loan rates are reduced by 30% for those farms participating in the ACRE provisions of the DCP program.

The last day to receive a loan on 2009 wheat, oats, and barley is March 31, 2010. The last day to obtain a loan on 2009 corn and soybeans is May 31, 2010.

Commodity loans are issued for nine months following the month of dispersal. January's interest rate is 1.375%



Unauthorized Disposition

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call the office **before** any loan grain is fed or sold.

Payment Limitation

No program benefits subject to payment limitation may be provided to any producer until the necessary payment limitation forms are filed and determinations made. A producer will remain ineligible until all required forms are provided and acted upon. An individual or entity must:

Provide significant contributions of capital, land, or equipment to the farming operation

Provide significant contributions of active personnel labor and/or active personnel management.

Make contributions or inputs to the farming operation that are commensurate with the profits or losses of the farming operation.

Be at risk, commensurate with the claimed share of inputs.

Capital cannot be acquired through a loan that was obtained by, or guaranteed by, or secured by any individual, joint operation or entity that has an interest in the farming operation. The status date for determinations is June 1 of the applicable program year.

Foreign Investor Disclosure

Federal law requires that all foreign persons or entities with foreign investors must report their agriculture holdings within 90 days of purchase. The required forms may be picked up at the FSA office.



Spousal Signature Requirement

A husband and wife can sign documents on behalf of each other for FSA and CCC programs unless written notification denying a spouse this authority has been provided to the county office.

The office of general counsel (OGC) has determined that a husband and wife cannot sign on behalf of each other on price support documents unless a power of attorney form (FSA-211) is on file at the office. Producers interested in receiving price support benefits will need to keep this in mind.

Program Outreach

FSA is constantly striving to seek out persons from minority, female, and/or underrepresented groups to ensure they are informed of the agricultural services and programs that our offices administer. Any person of legal age who has an interest in a farm as an owner or operator is eligible to participate in FSA programs and to vote in the FSA county committee election process. If you or someone you know may be eligible for our programs or would like to be included in our mailings please contact your local FSA office for more information.

Methods of Dividing Base

A farm, as defined by the Farm Service Agency, is made up of tracts of land that have the same owner and/or operator. When a change occurs in the ownership or operation of a farm, a farm reconstitution is called for, and the county FSA office staff must be promptly notified.

Dividing a farm into two or more resulting farms because of a change in ownership or operation is called a farm division, and there are three methods for dividing a farms crop acreage base:

- Estate
- Designation by Landowner; and
- Default (applicable to base acres for farm divisions only)

-continued-

Appeal Process

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

Methods of Dividing Base – continued

The estate method is the highest priority method. In this method, the farm’s acreage base is divided according to direction in a will. This method also may be used if all heirs sign a written agreement designating the division of base on the parent farm.

The designation by landowner method is the division of acreage base in the manner agreed to by the parent farm owner and the purchaser or transferee. This method is used when part or all of a tract or farm is sold. To use this method, the land that is sold must have been owned for at least three years, and the owner of the parent farm and the purchaser must file a signed memorandum of understanding (MOU) designating bases. The MOU must be filed before the farm is reconstituted or there is any subsequent transfer of ownership.

Owners who are thinking about selling any land are advised to obtain a written agreement on the division of base at the point of sale of the land. When using the designation by landowner method, all sellers and buyers must sign an FSA-155.

The default method of dividing base acreage is used when the higher priority methods of estate and designation by landowner are not applicable. Using this method of division, each resulting farm receives the base that is allocated to the tracts of land associated with each farm.

Dates to Remember	
Feb 15	Office closed – President’s Day
Mar 15	Final date to apply for crop insurance & NAP for spring seeded crops
June 1	DCP/ACRE sign up ends

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication (Braille, large print, audiotape, etc.) should contact USDA’s TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.