



NEWSLETTER



June –July 2012

MICHGAN JACKSON FSA Office

**Tamela Smith
County Executive
Director**

211 W. Ganson St.
Unit 210
Jackson, MI

517-789-7716 ext.2 phone
517-789-7886 fax
www.fsa.usda.gov/ST

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

Jackson FSA Staff

Rhonda Sauber, PT
Susan Gray, PT
Amy Duxtader, PT
Russell Lafollette,
Farm Loan Manager

Jackson County Committee Nominations

The election of agricultural producers to the Farm Service Agency (FSA) county committees is important to all farmers and ranchers, whether beginning or long established, large or small operation. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture.

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

The COC nomination period runs from June 15, 2012 through August 1, 2012. For more information just contact your local FSA office.

Payment Limitations

Anyone that plans to participate in 2012 programs is required to submit a completed CCC-902, CCC-926, and CCC-901, if applicable, for payment eligibility and payment limitation purposes. The form used previously was called a CCC-502.

Contributions

All partners, stockholders or members with an ownership interest in the legal entity must make a contribution, whether compensated

- personal labor,
- active personal management,
- or a combination of active personal labor and active personal management to the farming operation;

*Note: there are exceptions for spouses.

Additional information is available at FSA county offices or online at: www.fsa.usda.gov

Compliance

Compliance and spot checks will be utilized during the 2012 crop year. Instead of locally selecting farms, contracts, deficiency loans, etc. for spot check and review, a nationwide selection of producers is used to achieve a statistical sampling of participating producers. Spot check selections are to be conducted based on a producer's participation in the Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, etc.

State and county offices shall view and print their producer spot check lists as posted on the designated website. If an entity is selected from the national database that is no longer farming or participating in the 2012 crop year, a notation shall be made on the spot check list. For more information about the new spot check selection procedure, feel free to contact your local office for additional clarification.

Sodbusting

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in Farm Service Agency programs. Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service indicates that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage before bringing land into production.

Direct and Guaranteed Loans

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

Ask your lender about an FSA loan guarantee if you have had a setback and your lender is reluctant to extend or renew your loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

To find out more about FSA loan programs, contact the county office staff.

Controlled Substance

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits.

If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for Direct and Counter-Cyclical payments, price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-Insured Crop Disaster Assistance Program payments or disaster payments.

Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance shall, at the discretion of the court, be ineligible for any or all program payments and benefits:

- For up to 5 years after the first conviction
- For up to 10 years after the second conviction
- Permanently for a third or subsequent conviction.

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits as follows:

- up to one year upon the first conviction
- up to five years after a second or subsequent conviction.

FSA Signature Policy

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

For more clarification on spousal signature authority, feel free to contact your local FSA office.

Reports of failed acreage must be filed before disposition of the crop and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities. The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount. Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator is grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **Aug. 1** for farms enrolled in specific programs.

The following are the different methods used when doing a farm recon:

Estate Method — The division of bases, allotments and quotas for a parent farm among heirs in settling an estate

Designation of Landowner Method — May be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding

DCP Cropland Method — The division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract

Default Method — The division of bases for a parent farm for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

Beginning and Limited Resource Loans

FSA has a program to assist beginning farmers and or members of socially disadvantage tagged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's median size.

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed. Additional program information, loan applications and other materials are available at the local USDA Service Center or visit www.fsa.usda.gov and www.nrcs.usda.gov.

Special Accommodations

Reasonable accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment to attend or participate in meetings or events sponsored by the Farm Service Agency. If you require special accommodations to attend or participate in one of our events, please call the FSA county office and we will be happy to make any needed arrangements.

Dates to Remember	
June 15	COC Nominations Open
June 30	Last Day Certify fall seed crops-Wheat, Oats, Barley, Spells
July 15	Last Day to certify timely Corn, Grain Sorghum, Soybeans
June 15	COC Nominations Open
Aug. 1	Final date to request reconstitution
Aug. 1	Last Day for COC Nominations
Sept. 30	Final date to submit DCP zero share Signature or lease requirement for all current farm bill contract years direct .payment.

Selected Interest Rates for June 2012	
Farm Storage Facility Loans—7 Year	1.25%
Farm Storage Facility Loans---10 Year	1.875 %
Farm Storage Facility Loans---12Year	2.125 %
Commodity Loans 1996- Present	1.125 %