



# 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  
Carl Daniels  
Ed Stange  
Brandon Johnson

Arenac Advisor  
Vacant

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  
Vacant



## 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 #3 in Arenac County (Standish, Lincoln, and Arenac townships)

Brandon Johnson – COC member  
David Miller – First Alternate to COC

Elected to represent LAA #3 in Iosco County (Grant, Tawas, and Baldwin townships)

Al Erickson – COC member  
Jim Groff – First Alternate to COC

## County Committee Reorganization

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

### Arenac County

Carl Daniels – Chairman  
Ed Stange – Vice Chairman  
Brandon Johnson – Member  
Vacant – 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  
Vacant – 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



## Chris Ancel

Chris is retiring the end of January after working for the agency since 1972 first as a temporary and later on as a full time employee.

We will be holding an open house on January 21, 2009 at the Standish FSA Office from 10:00 a.m. till 3:00 p.m. All are invited. Come and join with us as we celebrate.



## 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 2008. 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 will no longer be reported 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.

### **MILC Program**

The 2008 farm bill authorized the milk income loss program (MILCX). Sign up is under way and continues through January 21, 2009. Dairy producers have received letters recently notifying them of sign up provisions.

### **Farm Operation Changes**

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

### **2008 DCP changes**

The 2008 farm bill authorized changes to the DCP program in regards to the forms used and required. As of today, we still do not have information to provide you on the ACRE provisions of the farm bill that would allow you to make an educated decision.

As soon as the information is available we will be distributing the information to producers.

In the meantime farmers can sign up farms with base acres greater than 10 acres for the 2009 program and receive an advance of 22%. It appears that a selection of ACRE provisions will be allowed to occur sometime later this spring.

### **Payment Limits & Direct Attribution**

For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000** is such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program



For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

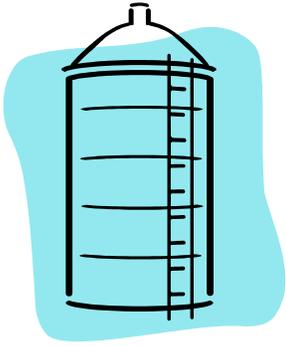
Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination thereof; and (2) personal labor or active personal management, or a combination thereof. For more detailed information contact your local 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.

This procedure does not apply to the commodity loan, farm loan programs or Loan Deficiency Program. Spouses must have an FSA-211 on file to sign commodity loan documents or loan deficiency applications on behalf of each other.

Spouses are not authorized to sign FSA-211 on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities.



## **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.

## **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 farm's crop acreage base:

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

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 date 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.

To be effective for the current fiscal year, the farm division must be requested by August 1<sup>st</sup> of the fiscal year for farms subject to the Direct and Counter Cyclical Program. A request for a farm division after current fiscal year payments have been made will be processed in the following fiscal year. However, if the producer requests that the reconstitution not be processed in the following fiscal year, all payments shall be refunded. After the payment is refunded, the reconstitution may be processed. For more information about farm reconstitutions, contact the county office staff.

## **Crop Protection Policies – Sales Deadlines**

There are two ways to protect your investment in growing crops.

- Crop Insurance – purchased through private agents (list available for review at FSA office) for selected crops. Various insurance levels and options are available for certain fees.

Check with a private agent for more details.

- NAP – purchased through FSA for all crops not covered by Crop Insurance. This covers a 50% (or greater) crop loss for an administrative fee of \$250 per crop per year with a maximum limit of \$750 per producer per county.

The deadline to purchase Crop Insurance or NAP on most crops intended for harvest during 2009 is **March 15, 2009**.





### Special Accommodations

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office staff directly or by phone.

### Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.



Dates to Remember	
Jan. 19	Office closed for the observance of Martin Luther King Jr.'s Birthday
Jan 31	Final date to apply for Wool or Mohair LDP
Feb 16	Office closed for the observance of Presidents Day
Mar 15	Crop insurance deadline
June 1	DCP sign up ends
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program & CREP

Visit our Web site at:  
[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)

### Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

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 of program information ( Braille, large print, audiotope, 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.