



# Baraga County News

**Baraga County  
USDA Service Center**  
Serving: Baraga,  
Gogebic, Houghton,  
Keweenaw &  
Ontonagon Counties

**Baraga County FSA**  
16403 Ojibwa Ind. Park  
Baraga, MI 49908  
906-353-8225 (phone)  
906-353-8231 (fax)  
www.fsa.usda.gov/mi

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

**County Committee**  
Sheila Perttula  
Norman Shimp  
Joseph Robillard  
Bruce King  
August Semmerling  
Roger Duschene Adv.

**Staff**  
Michael Applekamp,  
CED  
Tammy Clisch, P.T.  
Leona Delene, Temp

## COUNTY COMMITTEE ELECTION RESULTS FOR 2009

Congratulations to Sheila Perttula for being re-elected to represent producers from Ontonagon Co. which is (LAA4) for another 3 year term.

Congratulations to August Semmerling for being elected to represent the producers in Gogebic Co. which is (LAA5) for a 3 year term.

FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

## DCP SIGNUP UNDERWAY

Signup has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. You can signup at your local USDA service centers. Signup will continue until June 1, 2009. The June 1, 2009 deadline is mandatory for all participants. FSA will not accept any late-filed applications.

FSA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm.

FSA will issue advance direct payments later this month, if requested. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

## ACRE PROGRAM SIGNUP

Producers who are eligible for the DCP will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the ACRE Program will begin in the spring. You may first enroll in the DCP Program, receive advance direct payments, and then later modify your enrollment to include the ACRE Program; or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

**Once ACRE is elected for the farm it will remain enrolled in ACRE for the duration of the 2008 Farm Bill, regardless of owner and/or operator changes. If you enroll a farm in ACRE in 2009, it will be in ACRE through 2012. The decision to enroll in ACRE is irrevocable.**

ACRE provides a safety net based on State revenue losses and acts in place of the price-based safety net of counter-cyclical payments under the DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average State yield and the most recent 2-year National price for each eligible commodity. The 2-year price average for the 2009 crop will be based on the 2007 and 2008 crop years. An ACRE payment is issued when both the State and the farm have incurred a revenue loss. The payment is based on 83.3% (85% in 2012) of the farm's planted acres, times the difference between the State ACRE guarantee and the State revenue, times the ratio of the farm's yield, divided by the State expected yield. The total number of planted acres for which a producer may receive ACRE payments cannot exceed the total base on the farm. A farm participating in ACRE will not receive counter-cyclical payments; the farm's direct payment is reduced by 20%; and the marketing assistance loan rates are reduced by 30%.



## NONINSURED CROP DISASTER ASSISTANCE PROGRAM

The Noninsured Crop Disaster Assistance Program (NAP) provides assistance to eligible producers affected by natural disasters. This federally funded program covers non-insurable crop losses and planting prevented by disasters. Eligible crops include commercial crops and other agricultural commodities produced for food (including live-stock feed) or for fiber for which the catastrophic level of crop insurance is unavailable. The loss must be caused by an eligible natural disaster. Applications must be filed by eligible producers in the county office that the crop acreage is reported. Applicable fees must be paid at the time of application. Service fees are \$250.00 per crop, not to exceed \$750.00 per producer per county, and not to exceed \$1875.00 per producer for all counties. The deadline to obtain NAP coverage for spring planted crops is March 16, 2009.



## NAP POLICY HOLDERS

Producers must file a *notice of loss* with their local FSA office within 15 calendar days from the disaster occurrence or date damage to the specific crop acreage is apparent to the producer for yield losses or the final planting date for prevented planting. The notice of loss must be filed for *each* weather-related event or adverse natural occurrence that causes damage to or loss of the specific crop or commodity.

You must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable and verifiable. Records need to show crop disposition. It is recommended producers submit ALL NAP production records as soon as possible after harvest. ***All production records must be submitted by the subsequent crop year's final acreage reporting date.***

Producers with 2009 NAP Mixed Forage or Grazing policies are required to file their annual crop and acreage reports NO LATER THAN 15 CALENDAR DAYS before the onset of harvest or grazing.

## REMEMBER TO NOTIFY FSA:

***In order for us to serve you better, please contact our office with any record changes in your farming operation such as:***

***Development*** – any new parcels of land removed for houses needs to be reported.

***Owner/Operator*** – report any changes in land ownership, tenants or crop share agreements.

***Reconstitutions*** – changes that require farm combinations or divisions due to sale of land or change in operators should be reported as soon as possible.

***Farm Operating Plan*** – Any changes to the farming operation that may have an effect on “actively engaged” determinations.

***Update AD-1026*** – when you pick up any new acreage, or plan to clear, drain, or put in tile on existing cropland. Making these changes without prior approval by NRCS can result in loss of USDA program benefits.

***Address*** – Any contact information change should be updated for notification purposes.

***Direct Deposit*** – If you have changed accounts or bank, updates are needed to ensure payments are deposited correctly and in a timely manner.

## NEW ADJUSTED GROSS INCOME (AGI) PROVISIONS

The Food, Conservation, and Energy Act of 2008 made changes to the average AGI provisions. There are now **three** average AGI limitations that are applicable to the commodity, price support, disaster, and conservation programs. The new average AGI limitations will be implemented for 2009 and subsequent program years. For 2009, the *average* of the AGI reported to IRS for the years 2005, 2006 and 2007 will be used for certification purposes.

**Each** of the following, when directly or indirectly requesting benefits subject to AGI provisions, **must** certify to AGI compliance for payment eligibility:

- natural persons
- legal entities
- **all** interest holders, stockholders, or members of a legal entity
- **all** members of a joint operation or general partnership
- BIA on behalf of individual Native Americans or Indians represented.

## SUPPLEMENTAL AG DISASTER ASSISTANCE

The 2008 Farm Bill is offering five new disaster programs, however to be eligible you must have at least CAT level crop insurance for all insurable crops and/or NAP coverage for all non insurable crops. Programs included in the Supplemental Disaster Assistance will be:

- Supplemental Revenue Assistance Program(SURE)
  - Livestock Forage Disaster Program (LFP)
  - Tree Assistance Program(TAP)
  - Emergency Assistance for Livestock, Honey Bees and Farm Raised Fish (ELAP)
  - Livestock Indemnity Program (LIP)
- Producers must obtain a crop insurance policy for each insurable commodity and NAP for each non-insurable commodity on the farm to be eligible for assistance under SURE, TAP, and ELAP.

## Dairy Prices Trigger MILC Payments

Due to low milk prices FSA will be making payments in April to producers through the FSA's Milk Income Loss Contract, or MILC, program. The 2008 Farm Bill made changes to the MILC program, most notably the addition of a dairy feed ration cost adjustment in addition to changes to the payment rate and modifications to the per-operation poundage limit, depending on when the milk is produced.

FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted for feed costs. The monthly Boston price is posted online at: [http://www.fmmone.com/Northeast\\_Order\\_Prices/NE\\_Prices\\_mainnew.htm#Advance](http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_mainnew.htm#Advance). FSA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the \$16.94 MILC payment trigger price, and multiplying the difference by 45 percent. The payment factor of 45 percent will decline to 34 percent on September 1, 2012.



## CHANGE IN FARMING OPERATION

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to the office as soon as possible.

You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

## SODBUSTER-SWAMPBUSTER

Most USDA programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop (sodbuster), as determined by the Natural Resources Conservation Service (NRCS). Further, USDA participants are prohibited from converting wetlands for agricultural production purposes (swampbuster) and planting an agricultural commodity on converted wetlands.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland that does not have a previous NRCS determination, check with NRCS to assure the new crop will qualify under your conservation system and complete a new AD-1026 form with FSA prior to such activities.



## PAYMENT ELIGIBILITY AND PAYMENT LIMITATION PROVISIONS FOR 2009

The Food, Conservation, and Energy Act of 2008 made changes to payment eligibility and payment limitation provisions to be implemented for the 2009 and subsequent program years.

Actively engaged in farming still requires the following:

Significant contribution of capital, land, equipment, or combination thereof

- Significant contribution of active person labor, active personal management, or combination thereof

- Contributions must be commensurate with the claimed share of the profit or loss of the farming operation

- Contributions must be at risk for a loss

The landowner exemption still applies. A person or legal entity who is a landowner may be considered "actively engaged in farming" under the landowner exemption. **Each** of the partners, stockholders, or members must make a contribution of active personal labor and/or active personal management to the farming operation that must be performed on a regular basis, identifiable and documentable, and separate and distinct from the contributions of any other partner, stockholder, or member of the farming operation. The contribution of the partners, stockholders and members must be significant and commensurate. The legal entity will make contributions to the farming operation that is at risk for a loss, with the level of risk being commensurate with the claimed-share of the farming operation. The failure of any partner, stockholder, or member to meet this requirement will result in a reduction of payments to the payment entity commensurate with the ownership share held by that interest holder. Any change to a farming operation that results in the increase in the number of persons or legal entities for payment limitation purposes must be bona fide and substantive. Contact your local FSA Office for further information.

**CONTROLLED SUBSTANCES**

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.



**CHANGES TO FSA PAYMENT PROCESSING**

FSA deployed a new payment processing system the first part of December. Through the new system, all payments made through direct deposit will be processed through the Federal Reserve Bank and will be received in the participants account within 2-3 days of processing. For participants without direct deposit who receive payment by check, the U.S. Treasury will issue the payment and delays up to possibly 7 days should be expected.

**FSA Down-payment Program**

FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing farm property. Retiring farmers may use this program to help transfer their land to future generations.

To qualify, the applicant must make a cash down payment of at least 5 percent of the purchase price. This direct loan portion has a maximum loan amount of \$225,000. The loan has a very low fixed interest rate with a 20-year repayment.

Dates to Remember	
3/16/09	Deadline to purchase NAP coverage for spring seeded crops.
5/29/09	Office closed in honor of Memorial Day
6/1/09	Final date to enroll in DCP and ACRE
7/15/09	Final date to certify for crop year 2009.
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program

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