



Calhoun County News

April 2010

Issue No. 1

**Calhoun County FSA
USDA Service Center**
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269-781-3199 (fax)

Web Sites
www.fsa.usda.gov
www.sc.egov.usda.gov
www.fsa.usda.gov/mi

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

County Committee
David Bosserd, Chairperson
Keith Lawrence, Vice-Chair
Rita Reincke, Member
Denice Raymond, Advisor

Staff
Kim Bates, Program Tech.
Bonnie Baxter, PT
Georgann Detty PT
Ellen Kiessling, PT
Jerry Motz, Field Asst.
Phillip DeYoung, FLM
Elizabeth Lake, CED

Dates to Remember
May 31- Memorial Day, office closed
June 1 –Final date to request '09 corn & soybean loans
June 1 – DCP/ACRE Enrollment deadline
June 15 – Deadline to submit forms CCC-927/928 to IRS
June 30 – Deadline to report fall-seeded small grains
July 5 – Office closed in observance of Independence Day
July 15 – Deadline to report all crops except fall-seeded small grain
Aug 1 – Last day to request a farm combination or division
Continues – Farm Storage Facility Loans
Continues – Continuous Conservation Reserve Program & CRP-SAFE



2010 Direct and Counter-Cyclical Signup

Enrollment for the 2010 Direct and Counter-Cyclical Program (DCP) has begun and will continue through **June 1, 2010**. Call to schedule your appointment.

USDA 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 2010, eligible producers may request advance direct payments based on 22 percent of the calculated direct payment.

ACRE Program Signup

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. The June 1, 2010, signup deadline is mandatory for all participants. USDA will not accept any late-filed applications.

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. For 2010, the 2-year price average will be based on the 2008 and 2009 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 may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20%, and marketing assistance loan rates are reduced by 30%.

ACRE, Cont. -

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

Adjusted Gross Income (AGI)

USDA has 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. No actual tax data will be included in the report that IRS sends to USDA.

The agreement ensures 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 programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov>

Maintenance of DCP/ACRE Program Acres

DCP participants are required to protect all idle contract acres from erosion and weeds. Idle fields designated as "contract acres" must have a sod cover, crop residue, or volunteer grasses. Weeds are not an acceptable cover and must be mowed. Failure to control weeds on contract acres will cost you program benefits if the COC determines the producer failed to demonstrate a good faith effort to control weeds and/or erosion.

County Committee Election Results

David Bosserd, of Marshall Township, was elected to the Calhoun County FSA Committee for his third, three year term. Dave represents Local Administrative Area (LAA) 1, which covers Bedford, City of Battle Creek, Convis, Emmett, Lee, Marshall, and Pennfield townships. Dave's term began on January 1, 2010.

2010-2012 Leases

Starting with the 2010 crop year, all leases must include, at a minimum, the following information:

- Length of lease: multi-year lease must list number of years;
- Owner(s) and operators printed names **and** signatures;
- Signature dates;
- Type of lease: cash, share, barter, etc.

County Committee Meeting Dates

The regularly scheduled meeting date for the **2010** Calhoun County FSA Committee is the third Tuesday of each month. This date is subject to change. Meetings convene at 8:30 a.m. Regular session meetings are open to the public.

Supplemental Revenue Assistance Program (SURE) Signup Continues

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that incurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.



Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- At least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition. A crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm;
- Producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop production or quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

Calhoun County **did** have a Secretarial Disaster declaration for 2008; therefore, producers who obtained crop insurance or NAP coverage on all crops of economic significance will be eligible to apply for SURE. Signup is currently ongoing. A deadline date has not yet been announced.

To assist farmers in evaluating their options with SURE, USDA has created a SURE Calculator. To utilize the Calculator, visit the website http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use. A fact sheet and backgrounder are also available online.

Crop Reporting Time Fast Approaching

The annual reporting of acres for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of FSA programs. All cropland acres on the farm must be reported to receive benefits from the following programs:

- **Direct and Counter-Cyclical Program(DCP);**
- **Acreage Crop Revenue Election (ACRE);**
- **Marketing assistance loans and loan deficiency payments;**
- **Conservation Reserve Program (CRP);**
- **Non-insured Crop Disaster Assistance Program (NAP)**



Crop Reporting, cont. - Form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers need to file their acreage reports by:

- **June 30, 2010** for fall seeded small grain crops;
- **July 15, 2010** for all crops except fall seeded small grains.

Non-Insured Assistance Program (NAP) Production Reporting

Producers enrolled in the Non-insured Assistance Program (NAP) are required to provide production records for individual crops each year to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information for this and from prior years to establish your yield. If you participated in NAP in previous years, 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 2009 production records as soon as possible after harvest. All production records must be submitted by the subsequent crop year’s final acreage reporting date. Generally speaking, this is July 15th.

Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.



Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,112,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers, and loans for socially disadvantaged applicants are also available through FSA.

For details about loan eligibility or the available loan programs Calhoun County producers can contact Phill DeYoung at 269-781-4263 ext. 2.

There has been a large increase in demand for Farm Loan Program services, so please contact your FLP staff early if you need FSA credit for spring planting, etc.

Actively Engaged

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 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 cannot exceed \$40,000.

2009-Crop Commodity Loans

Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically low at harvest-time. Loans mature on the last day of the ninth (9) calendar month following the month in which the loan is approved. The current interest rate is 1.375% and the loan rates are as follows:

Crop	Loan Rate	Final Loan Availability
Corn	\$1.87/bu	June 1, 2010
Soybeans	\$4.94/bu	June 1, 2010
Soft White	\$2.06/bu	March 31, 2010
Soft Red Wht	\$1.87/bu	March 31, 2010
Oats	\$1.32/bu	March 31, 2010

Note: Loan rates will be reduced by 30% for commodities that are grown on farms enrolled in ACRE

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.



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. All individuals who are not U.S. citizens, and 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 (FSA-153) 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.

Power of Attorney

Did you know you can retain an agent to act on your behalf for programs and transactions authorized under the 2008 Farm Bill and most other FSA administered programs? This can be done by completing an FSA- 211: Power of Attorney. The form is available at your local USDA Service Center or on-line at <http://forms.sc.egov.usda.gov>. Forms completed outside FSA offices must be notarized. To find out more, call the office.

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; 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.

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, 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.

Special accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, please contact Elizabeth Lake at 269-781-4263, ext. 2