



# Cass County Farm Service Agency NEWSLETTER

February 2010

Issue No. 1

Cass County  
USDA Service Center

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

County Committee  
F David Grabemeyer  
Carl Sparks  
Dan Stutsman  
Esther Leach

County Committee meets  
3<sup>rd</sup> Wednesday of the  
month at 9:30 A.M.

Staff  
Marcia J Collins  
Judi Kidman  
Zelda Cloud  
Rhonda Barnett  
Robert Dohm  
John Green  
Richard Swartz



## Supplemental Revenue Assistance Program (SURE) BACKGROUND

SURE provides benefits for farm revenue losses due to natural disaster. It is the 2008 Farm Bill's successor to the prior Ad Hoc Crop Disaster Programs. Unlike the prior USDA Disaster Programs, SURE is legislated through 2011. For SURE program purposes, a "farm" refers to all acreage in all counties that is planted or intended to be planted to crops that are for sale by the producer.

## **ELIGIBLE FARMS**

SURE payments are available to producers on farms that are located in a county covered in a qualifying natural disaster declaration (USDA Secretarial Declarations only) or in a contiguous county OR the actual production is less than 50% of the normal production. In order to receive payments, the farm must suffer at least a 10% eligible production loss on at least one crop of economic significance. Cass County has a USDA Secretarial Designation.

## **ELIGIBLE PRODUCERS**

To be eligible for the SURE Program, all of the farming operation's crops (planted or intended) that are of economic significance must be covered by either Federal Crop Insurance (CI) or FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage. An exception is a crop that is not economically significant (one which is not expected to contribute at least 5% of the farm's income.) Coverage must also be obtained for other crops for which CI or NAP is available, such as nursery, honey, and floriculture. However, coverage for grazed crops is not required for SURE. Eligible farmers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farm do not have to meet the CI requirement.

## **PAYMENT CALCULATION**

Producers with qualifying losses are eligible to receive 60% of the difference between the SURE Disaster Program Guarantee and the actual Farm Revenue.

## **DISASTER PROGRAM GUARANTEE**

The guarantee is determined by totaling the calculated guarantee for each crop. For insured crops, the guarantee is based on the level of coverage the producer has elected. Higher levels of coverage will result in higher crop guarantees. For NAP crops, the guarantee is based on a formula that includes the yield, acreage, and price factors. The farms Disaster Program guarantee cannot exceed 90% of the expected revenue for the farm.

## **TOTAL FARM REVENUE**

Included in the Total Farm Revenue calculation are estimated crop value, CI indemnities, NAP payments, Market Assistance Loan proceeds, other disaster payments, DCP payments (15% of direct payments, plus all CC payments and ACRE payments).

## **SURE CALCULATOR**

To assist farmers and ranchers in evaluating their options with SURE, USDA has created a SURE Calculator. Note that to qualify for SURE; producers need to obtain CI or NAP on all crops in all counties in all states. To utilize the Calculator, visit the FSA website [www.fsa.usda.gov](http://www.fsa.usda.gov) Under "I want to . . ." in the upper right corner, click on "View Farm Bill Information".

We are taking



now

appointments. Please call our office to make yours

**REMEMBER THAT ALL 2010 CROPS MUST BE COVERED BY NAP OR CROP INSURANCE FOR A PRODUCER TO BE ELIGIBLE FOR THE SURE PROGRAM FOR 2010.**

## **Direct and Counter Cyclical Program (DCP) for 2010**

Enrollment for the 2010 DCP program has begun and will continue through the deadline of June 1, 2010. USDA will not accept any late filed applications. Farmers may contact the local office for an appointment or make use of the eDCP automated website to sign up. Don't delay signing up, June 1st comes at most farmer's busiest time and a 22% advance payment is available. Base acres must be planted to an annual crop, be in hay, or idle grasses. Fruits & Vegetables (FAV) can not be planted on base acres unless the farm or producer has FAV history. In cases where FAVs can be planted, the producer will receive an acre-for-acre reduction in their program payment. Farms with less than 10.0 acres of base will be ineligible for payments. Exceptions apply to socially disadvantaged and limited resource farmers. Payments can only be earned by the person who has the risk in producing and marketing the crop. Annual crop certification of all cropland on the farm is required. HEL and wetland provisions apply. Lease agreements will be needed if an advance payment is requested prior to June 1st. Leases must include at a minimum:

- Landowner & Operator names printed and signatures
- Signature dates
- The type of lease (cash, barter, with terms)
- Length of lease if multiple years (3 year lease from 2009-2011)

The ACRE alternative provides eligible producers a state level revenue guarantee, based on the 5 year Olympic average yield and the 2 year national average price. Producers who elect the ACRE program for a farm agree to:

- Forgo counter cyclical payments
- Accept a 20% reduction in the guaranteed direct payment
- Accept a 30% reduction in loan rates for all commodities produced on the farm

ACRE payments are revenue based and are tied to crop production and the National Average Market price for planted covered commodity crops on the farm.

## **Reporting Requirements**

Producers who participate in ACRE must annually report acreage and **production** to FSA by the acreage reporting deadline of July 15th (June 30th for Wheat)

## **New AGI Requirements**

There are new rules for the Adjusted Gross Income requirements:

- AGI forms (CCC-926) will be required from **each producer** for 2010.
- AGI compliance activities for 2009 and 2010 will be verified by IRS using IRS tax data
- All 2009/2010 participants will be reviewed
- County Office personnel will not be involved with the AGI reviews
- Authorization for IRS to use and disclose certain tax information to CCC/FSA for AGI compliance verification purposes

Requirements include the new form, CCC-927 2009 and/or 2010 Consent To Disclosure of Tax Information – Individual; to be completed by an individual with a Social Security number, that is a program participant or who is a member of a legal entity that is a program participant in 2009 and/or 2010. And the CCC-928 2009 and/or 2010 to be completed by a legal entity with a employer identification number that is a program participant that is a member of another legal entity that is a program participant in 2009 and/or 2010

- Form CCC-927 or CCC-928 must be timely submitted by each individual or legal entity that received, directly and indirectly, 2009 and/or 2010 program payments.
- To protect private information, producers will complete and mail the consent forms to the IRS. Form must be mailed within 60 days of signature date.
- **Failure to timely file the form will result in the refund of 2009 and/or 2010 program benefits received from FSA and NRCS.**
- A reconciliation will identify producers that have not submitted a consent form to IRS and have received 2009 payments, requested or received 2010 program payments (payments include both FSA and NRCS)

## **2010 NAP Coverage Deadline Approaching**

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each crop or commodity, except livestock, for which CAT is not available. **The application deadline date for the 2010 NAP coverage for most spring planted crops is March 15, 2010. (Wheat, small grains, fall speltz, forage crops, fruits, berries, and asparagus was in the fall of 2009).**

Producers with NAP coverage must remember to complete the following to qualify for NAP benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent, due to a natural disaster condition.
- Crops must be inspected by Loss Adjuster to be eligible to receive payment for a loss.

## **NAP Production Reporting**

Production records for individual crops need to be filed with our office to establish an approved NAP yield each year. Records submitted must be reliable or verifiable. The records need to show crop disposition. It is recommended producers submit 2009 production records soon after harvest. *All production records for 2009 must be submitted by the 2010 acreage report date for the crop. The final acreage reporting date for NAP crops is July 15, 2010.*

## **COUNTY COMMITTEE ELECTION RESULTS**

Thank you to all who participated in the County Committee election process. Dan Stutsman of Edwardsburg has been elected to the County Committee for Local Administrative Area II, representing the townships of Ontwa, Mason, North and South Porter, Jefferson, and Calvin. At the first meeting of the year held on January 19, 2010, David Grabemeyer was selected as Chairperson, Carl Sparks as Vice Chairperson and Dan Stutsman as Regular Member.

## **Risk Management**

FSA will be assisting RMA in monitoring crop conditions throughout the growing season, all suspected cases of fraud, waste and abuse will be referred to RMA. Producers who suspect fraud, waste and abuse of the FCIC program can report it to the FSA county office, RMA or OIG.

## **Spouse Signatures**

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 FSA-211s on behalf of each other or sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Spouses must have a power of attorney on file or sign personally for claim settlements, such as promissory notes, and on security documents for price support loans.

## **Farm Reconstitutions**

At FSA, farms are “constituted” to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. If an owner or operator can not agree about program participation, like in the case of the new ACRE program, then producers should inquire about a reconstitution of the farm at the local FSA office. 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 **August 1** for farms enrolled in specific programs.

## **FOREIGN LANDOWNERS**



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.

## **PAYMENT PROCESS CHANGES**

You may have noticed that your transaction statements for payments you have received have looked different. Local FSA Offices are no longer making the payments to producers. All payments and transaction statements are now issued out of Kansas City. This also includes corn loan repayments where a refund is due back to the producer. Those checks can now take up to 10 days to get to the producer. Please be patient as this new Payment Centralization process is implemented.

## **1099'S**

Although we have devoted additional resources to ensuring that the payments you have received are correctly listed on the CCC-1099G, we recommend you verify the amounts shown on this form with your records. If you find that the amounts are not correct, or if you have questions regarding this form, please contact the administering FSA Service Center for the farm or farms for which the questionable program payments were received. If the FSA Service Center agrees that an amount(s) is incorrect or missing, you will be mailed a corrected Form CCC-1099-G. FSA/CCC will notify IRS of any changes to your reportable income.



**IMPORTANT DATES TO REMEMBER**

February 15	Presidents Day- Office Closed
March 15	Last Day to purchase NAP
May 31	Memorial Day- Office Closed
June 1	Last day to apply for DCP
June 30	Last day to report wheat acres
July 15	Last day to report crops
July 15	Last day to report 2009 NAP and Acre Production
Ongoing	SAFE Program Enrollment
Ongoing	CRP Continuous Signup
Ongoing	Farm Storage Facility Loans

**SPECIAL ACCOMODATIONS**

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact their local County Office in person or by phone.

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.