



# NEWSLETTER



**April 2012**

USDA Service Center

Chippewa/Mackinac/Luce  
County FSA  
2487 Ashmun Street  
Sault Ste Marie, MI 49783  
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[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)

Hours

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

Website

[www.fsa.usda.gov](http://www.fsa.usda.gov)

**County Committee**

Brent Cottle  
Scott Hill  
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**Committee Advisor**

Jeff Holt

**County Executive Director**

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**Farm Loan Officer**

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## Dairy Producers Reminded of MILC Program

The Michigan Farm Service Agency would like to remind dairy producers of some important program eligibility requirements for payment under the Milk Income Loss Contract program (MILC). Dairy operators currently enrolled in MILC; need to notify the local county office if there have been any changes to their dairy operation. If a payment rate is announced, dairy producers enrolled in the MILC program will need to provide our office with documentation showing the eligible milk production and commercial milk marketing for the months with a MILC payment rate in effect.

When producers enroll in MILC, a payment start month is selected. This month remains the same through all program years, unless a change is requested by the dairy. Dairy producers are allowed to change their start month an unlimited number of times throughout their enrollment in MILC provided that the changes are requested timely. MILC program participants are also required to comply with FSA's AGI requirements each fiscal year. This certification, on a CCC-931, must be completed prior to a payment being disbursed.

New dairies that have not previously participated in the MILC program will need to fill out the CCC-580, Milk Income Loss Contract.

## CRP General Sign-Up

There will be a four-week Conservation Reserve Program (CRP) general signup which will begin on March 12, 2012 and end on April 6, 2012.

CRP is a voluntary program available to agricultural producers to help them use environmentally sensitive land for conservation benefits. Producers enrolled in

CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and develop wildlife habitat. In return participants receive rental payments and cost-share assistance. Contract duration is between 10 and 15 years. Producers with expiring contracts and producers with environmentally sensitive land are encouraged to evaluate their options under CRP. Producers also are encouraged to look into CRP's other enrollment opportunities offered on a continuous, non-competitive, signup basis.

For more information on CRP and other FSA programs, visit a local FSA service center or go online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

## New Continuous CRP Initiative

FSA has announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP).

Producers can enroll land on a continuous basis beginning this summer at their local Farm Service Agency (FSA) county office. With the use of soil survey and geographic information system data, local FSA staff can quickly determine a producer's eligibility for the initiative.

Producers are encouraged to contact the local FSA office or visit FSA's website at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp) for additional information regarding CRP.

## Remember Hay Net

Producers are encouraged to use Hay Net on the FSA website (<http://www.fsa.usda.gov/haynet>). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for

## Appointments Recommended

We recommend you call to make an appointment before coming to the office to conduct business. This will enable us to prepare any necessary paperwork and research issues before your appointment. We realize how important your time is, and this will reduce the amount of time that you have to wait in the office.



farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

## DCP/ACRE Sign-Up

2012 Direct and Counter-Cyclical Program (DCP) enrollment runs from Jan. 23, 2012 through June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers planting on **DCP base** acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.

- Changes on the farm after enrolling June 1 in DCP/ACRE **must** be reported to your local FSA office. Changes may include:

- Ownership changes
- Producer changes (Individuals and Entities)
- Change in crop shares arrangements

**Note:** Changes cannot be made after Sept. 30, 2012.

## Supplemental Revenue Assistance Program (SURE)

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010.

Sign-up for 2010 SURE losses continue through **June 1, 2012**. SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.

- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

## 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 FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal

management for the farming operation. The contributions are to be performed on regular basis, must be identifiable, and separate from the contributions of others. The exception to this rule for a stockholder or member of a legal entity only occurs when 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;

- The total direct payments received by the legal entity and each of the members can't exceed \$40,000.

## NAP Enrollment

Producers must apply for coverage before a disaster strikes. Noninsured Crop Disaster Assistance Program (NAP) applications for coverage must be filed using Form CCC-471 and the applicable service fees by the closing date. Application closing dates vary by crop. Chippewa-Luce-Mackinac County producers can contact the FSA Office for specific crop application sales closing dates at: 906-632-9611 ext. 2.

Producers are reminded about the need for insurance coverage on crops in order to remain eligible for the agency's Disaster Assistance Programs such as SURE, Livestock Forage Program, Tree Assistance Program, and Emergency Livestock Assistance Program. Producers must purchase at least catastrophic (CAT) level of insurance for all insurable crops.

NAP provides coverage to producers for non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters. Crops eligible for NAP coverage are those for which crop insurance is not available, including fruits and vegetables, aquaculture, pecans, turf grass and forage crops just to name a few.

More information about NAP may be found on the FSA web site located at

<http://www.fsa.usda.gov>

## Attention Dairy Farmers

The mission of the EUP Food Hub Project is to help support and expand a healthy and sustainable food and agriculture system in our region. One very important component of this system is our local dairy industry. We know that regional dairy farmers face a number of challenges, including lack of local processing.

We would like to hear from any and all EUP dairy farmers to assist us in determining

## Spousal 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, 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.

## Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holding to the Secretary of Agriculture. Foreign persons who have purchased or sold 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% of the fair market value of the property.

the most pressing needs in this industry and how we might help. Please contact Rick Shapero, PO Box 73 Cedarville, MI 49719 or 517-282-4950 and give him your thoughts or at least your contact information so that he can follow up with you.

## 1099-G

Producers who have received payments from FSA should have received a CCC-1099-G. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to producers during the previous calendar year. 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.

When the CCC-1099-G is received, it should be checked with your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with an eAuthentication user ID and password may access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact your local FSA office for assistance locating the correct payment data.

## Maintaining the Quality of Loaned Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

## Marketing Assistance Loans

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is

ineligible for loan — even if you regain beneficial interest.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

## Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects just be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

## Beginning and Limited Resource Farmers

FSA assists beginning farmers and or members of socially disadvantaged 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 that 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.

Additional program information, loan applications and other materials are available at your local USDA Service Center. You may visit [www.fsa.usda.gov](http://www.fsa.usda.gov)



## Controlled Substances

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 or 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 offenses 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 1 year upon the first conviction
- Up to 5 years after a second or subsequent conviction

## GovDelivery

Farmers and ranchers in Michigan now have a more efficient, timely option for receiving important FSA program eligibility requirements, deadlines and related information. Through FSA’s GovDelivery electronic news service, producers can establish subscriber preferences by choosing to receive federal farm program information by topic, by state and/or by county. Producers can select as many subscriber options as they want, which allows producers who farm in multiple counties to receive updates from each county in which they operate or have an interest. To begin using GovDelivery, subscribe online at <http://www.fsa.usda.gov/subscribe> or contact your local office for subscription assistance.

## Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating expenses or help purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group.

Selected Interest Rates for March 2012	
Farm Storage Facility Loans – 7 year	1.375%
10 year	2.000%
12 year	2.250%

Dates to Remember	
March 15	NAP Signup Ends for spring planted small grains
March 12	General CRP Sign up 43 Opens
March 31	Deadline to obtain loans on harvested small grains for 2011
April 6	General CRP Signup 43 Ends
June 1	2012 DCP Enrollment closes
June 1	Deadline for 2010 SURE sign up.