



Hillsdale County News

Hillsdale County USDA Service Center

Hillsdale FSA
588 Olds St. Bldg 2
Jonesville, MI 49250
Phone 517 849-9890 X 2
FAX 517 849-9895
www.fsa.usda.gov/mi

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

County Committee
Tom Schroeder -
Chairman
Sheryl Kies – Vice Chair
David Godfrey – Member
Emily McKibbin- Advisor

County Committee meets
Second Tuesday of each
month at 8:30 a.m.

Farm Program Staff
Program Technicians:
Nina Draper
Brad Everline
Cindy Gabbard
Jamie Horeni
Angela Lanius
Pattie Nichols

Linda Kline – CED

Farm Loan Staff
Deb Wheeler - PT
Joann VanDeusen -PT
Crystal Hepker -
Loan Officer
Russ LaFollette -
Loan Manager



Adjusted Gross Income

USDA has worked with the Internal Revenue Service (IRS) to establish a 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 average AGI exceeds certain limits. The limits are:

- \$500,000 of nonfarm AGI for commodity and disaster programs
- \$750,000 of farm AGI for direct payments
- \$1 million of nonfarm AGI for conservation programs

Participants in CCC programs subject to AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the IRS 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>

County Committee (COC) Election Results

David Godfrey was re-elected to the COC to represent producers and land owners from Adams, Jefferson, Pittsford, Wheatland, and Wright townships (Local Administrative Area 2). Dave was elected to his second consecutive term. The election results are:

David Godfrey — Elected to the COC
Scott Mohr — 1st alternate to COC

Emily McKibbin has been appointed to a one year term as a County Committee Advisor. She will help represent minorities and socially disadvantaged groups.

We welcome both Dave and Emily to the FSA organization.

From the CED's Desk

As a service to our producers, I wanted to highlight some of the programs that are new to FSA. There are also programs and policies that just need to be better understood by producers. Additional information is provided throughout the newsletter.

SURE – New permanent disaster program. We are currently accepting disaster applications for 2008 Crop Year. Hillsdale County has a disaster designation for both 2008 and 2009. See the article on page 2 for more information.

DCP & ACRE – Sign up **MUST** be completed by **June 1** in order to receive your annual payment. Don't miss the deadline! Call now for an appointment. See the article on page 2 for more information

WETLAND PROVISIONS:
Potential violations of the wetland rules include bringing new land into production by clearing trees or improving drainage by tiling or dredging. **Before you BEGIN any of these projects, you need to fill out form AD-1026.** With the new mapping system, updated imagery shows where land has been cleared or drained. See the article on page 3 for more information.

CERTIFICATION AND MAPS:
Due to a reduced budget, we **will not** be able to mail maps to producers. Please call the office a few days before you plan to stop by. We will print your maps and have them ready for you. See page 2 for more information.

Our programs are complex! I hope this newsletter helps you to better understand some of the programs. Please stop in or call if you have questions!

Linda

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, that are not U.S. citizens and have purchased or sold agricultural land in the county, are required to report the transaction to FSA with 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.



CRP Certification

Each year contract owners must certify that the acreage is enrolled in CRP and the CRP cover is being maintained. Annual payments will not be issued if the certification is not on file.

Call the office if you have not yet certified your CRP ground for 2010.

Lease Requirements for Rented Ground

Leases must contain:

- The type of lease (cash, share, etc)
- Landowner name, signature, and date
- Farm operator name, signature, and date
- Length of lease (list number of years)

SURE

We currently are accepting Supplemental Revenue Assistance Program (SURE) applications for Crop Year 2008. If you had a loss in production, you may qualify for a payment. Please call the office to schedule an appointment to complete the application.

The SURE program provides benefits for farm revenue losses due to natural disasters that occur in 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. If crop insurance is not available, producers must participate in the Non-Insured Assistance Program (NAP).** However, crop insurance or NAP coverage is not required for crops that are not of economic significance or for grazed acres. 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.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer do not have to purchase crop insurance.

There are additional qualifying factors. More information is available online, including a fact sheet and a SURE calculator to estimate the payment. The calculator is not official, but is intended for educational use. Go to: <http://www.fsa.usda.gov/sure>

2010 CROP CERTIFICATION

Due to a reduced operating budget, we will NOT be mailing maps for crop certification. Please call the office to schedule a time to pick up your maps. This will enable us to print them ahead so you won't have to wait.

Remember, to participate in many of our programs you must certify your crops every year by letting us know what is planted, where it is planted, and on what date it was planted.

Fall seeded crops must be reported by June 30. All others must be reported by July 15, 2010.

2010 DCP & ACRE Signup

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) and ACRE has begun and will continue through June 1, 2010. **The June 1, 2010, signup deadline is mandatory for all participants. Late filed applications will not be accepted.** USDA urges producers to make use of the eDCP automated website to sign up. Or producers can visit any USDA Service Center to complete their 2010 DCP or ACRE contracts.

ACRE

The optional ACRE Program provides a safety net based on state revenue losses. Producers participating in ACRE will receive a 20% reduction of the farm's direct payment, will receive a 30% reduction in the marketing assistance loan rate for grain from ACRE farms and will not receive counter-cyclical payments.

An ACRE farm's payment is based on a revenue guarantee calculated using the 5-year average state yield, the 5 year average farm yield, and the average of the most recent 2-year national price for each eligible commodity. An ACRE payment is issued when both the state and the farm have incurred a revenue loss.

The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm will remain in ACRE through the 2012 crop year. **This year enrollment must be completed by June 1.**

Thinking of Planting Fruits or Vegetables?



In general, producers enrolled in the Direct and Counter Cyclical Program (DCP) **may not** plant Fruits and or Vegetables on base acres enrolled in DCP.

However they may be planted:

- On a farm with a history of planting fruits and vegetables
- If the producer has an established history of planting a specific fruit or vegetable

DCP payments will be reduced by an acre for each acre of base acreage planted to a fruit or vegetable. Substantial penalties apply if these rules are not followed. Please contact the office for more information.

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.

Each stockholder or member of a legal entity 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.



SPECIAL ACCOMMODATION

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.

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 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.

Conservation Reserve Program (CRP)

At this time USDA has three ongoing CRP programs for qualifying environmentally sensitive acreage. Programs for enrollment include Continuous (CCRP); Conservation Reserve Enhancement (CREP); and State Acres For Wildlife Enhancement (SAFE). These programs remain funded and continue to provide heightened environmental and financial benefits to selected areas.

USDA has announced intentions to conduct a General CRP signup in 2010. We hope to provide you with the details in the near future.

REMEMBER: Cover maintenance for CRP is the participant's responsibility. All activity such as mowing, burning, and spraying must be conducted outside the primary nesting season for wildlife, which is August 1 – August 20. If you have a need to mow, burn, or spray before these dates, please contact the office for early approval of such activities.

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 and to purchase or improve farms.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of 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 the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

WETLAND PROVISIONS



Potential violations of the wetland rules include bringing new land into production by clearing trees or improving drainage by tiling dredging, or leveling land. **Before you BEGIN any of these projects, you need to file form AD-1026.** Natural Resources Conservation Service will make an evaluation of your land to determine how to manage the wet areas of your land most efficiently.

With the new mapping system, updated imagery shows where land has been cleared or drained. The penalty for a wetland violation can be loss of **ALL** USDA benefits. By checking with our office before you start a project, you can remain in compliance and avoid the penalties.

Spousal Signatures

A husband and wife 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 from either spouse. Spouses may not sign on behalf of the other for loans or for a partnership, joint venture, corporation, or other similar entity unless an FSA-211, Power of Attorney is on file.

IMPORTANT REMINDERS:

**1. SIGN UP FOR DCP AND ACRE – THIS YEAR
THERE ARE NO LATE FILE PROVISIONS! IF YOU DO NOT SIGN UP BY JUNE 1, YOU WILL NOT RECEIVE A PAYMENT IN OCTOBER!**

2. YOU CAN FILE AN APPLICATION FOR THE NEW DISASTER PROGRAM, SURE, FOR LOSSES ON YOUR 2008 CROP.

 **CALL 849-9890 TO SET UP AN APPOINTMENT!**

NEW FORM!!!

If you received a payment in 2009, there is now a new form you MUST file with the IRS. If you do not file this form, you may have to pay back the money you received. See page 1 of this newsletter for more information on Adjusted Gross Income. This does not apply to CRP contracts approved prior to 10-1-08.

Dates to Remember	
May 31	Memorial Day – Office Closed
May 31	Deadline for Corn & Soybean Loans
June 1	Last day to enroll in DCP & ACRE
June 30	Last day to certify fall planted crops
July 15	Last day to certify most crops and CRP
Continues	Farm Storage Facility Loan
Continues	Continuous Conservation Reserve program

Selected Interest Rates for April 2010	
7 yr. Farm Storage Facility Loans	3.125%
10 yr. Farm Storage Facility Loans	3.625%
12 yr. Farm Storage Facility Loans	4.0%
Commodity Loans	1.375%

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.