



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
Sheryl Kies - Chair
Tom Schroeder -
Vice Chair
David Godfrey - Member
Emily McKibbin - Advisor

County Committee meets quarterly. The next scheduled meeting is Monday, December 12, 2011 at 8:30 a.m.

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

Linda Kline - CED

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



FSA MOVING TO ELECTRONIC NEWSLETTER

The USDA Farm Service Agency offices are moving toward a paperless operation. Producers are asked to enroll in the new GovDelivery system which will provide notices, newsletters and electronic reminders instead of a hard copy through the mail.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email will help conserve resources and save taxpayer dollars. County Committee ballots will continue to be mailed to all eligible producers.

Interested producers may subscribe to receive e-mail updates by going to the USDA GovDelivery sign-up page found at the following web address:
<http://www.fsa.usda.gov/subscribe>

Check out Michigan's website at:
www.fsa.usda.gov/mi

CHANGES IN FARMING ORGANIZATION

If you have bought or sold land, or if you have obtained or dropped leased land, 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.

Producers are also reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate. This includes changing to a trust, LLC, or partnership and other entities.

Making the record changes now will save you time in the spring.

From the CED's Desk

It has been over a year since we have issued a newsletter. Due to budget constraints, we will no longer be able to mail out newsletters and COC meetings are now being held quarterly. With the current mandates set by Congress, there may be changes in the programs for 2012. The current Farm Bill expires on 9-30-2012. The following are some items I want to highlight.

COC Election – If you live in Allen, Fayette, Hillsdale Litchfield, Moscow, Scipio, or Somerset Township, you should have received your ballots. Ballots may be dropped off at the office or postmarked by December 5, 2011. Please vote!

DCP & ACRE – Sign up has been delayed. It will begin on January 23, 2012. See the article on page 2 for more information

ADJUSTED GROSS INCOME:
Producers, who will receive payments in 2012, will have a new form to complete in order to ensure compliance. **This does not apply to CRP contracts approved prior to 10-1-08.** 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.** The new process for determinations takes at least 60 days to complete. If you are thinking of bringing new land into production, plan ahead, and stop by the office to sign the form. See the article on page 4 for more information.

Please stop in or call if you have questions! Wishing you and your families a Happy Thanksgiving!

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 who 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.

Spousal Signatures

Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office. Spouses may sign loan documents only when an FSA Power of Attorney form is on file.

LEASE REQUIREMENTS

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)

FARM STORAGE FACILITY LOANS (FSFL)

Low cost financing for storage facilities is available for qualifying producers to build or remodel farm storage facilities for a variety of commodities, including wheat, soybeans, corn, hay, renewable biomass, and cold storage for fruits and vegetables. The interest rate used for the loan is set when the loan is approved. See November interest rates on page 4.

Loan terms of 7, 10 and 12 years are available for the purchase and installation of new, eligible storage facilities or permanently affixed drying and handling equipment or for new components used to remodel existing facilities. Eligible facilities include conventional type bins or cribs, new oxygen-limiting upright and bunker silos, new permanently affixed structures suitable for storing hay and renewable biomass, and new cold storage facilities suitable for storing the fruits and vegetables produced by the borrower.

Maximum Loan limit is \$500,000. A mortgage is required on all amounts over \$50,000.

Loan terms:

- \$100,000 or less – 7 years;
- \$100,000.01 - \$250,000 – 7 or 10 years;
- \$250,000.01 - \$500,000 – 7, 10 or 12 years.

Sign-up is continuous, as long as CCC funds are available.

POWER OF ATTORNEY

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney (POA) form available that enables you to designate another person to conduct your business at the office. This POA is only effective at the FSA office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

2012 DCP SIGNUP

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has been delayed and will not start until January 23, 2012. Call our office after that date to schedule an appointment.

If your leases have expired, you will need to get new ones or the owners will be required to sign the DCP contract.

ADJUSTED GROSS INCOME

For the past couple of years USDA has been working with the Internal Revenue Service on verifying compliance with the Adjusted Gross Income (AGI) provisions for farm programs.

For 2012, producers will be required to provide written consent on a form, FSA-931. The office is now responsible for sending the forms to the IRS.

IRS will verify that payments were 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 FSA-931 to the county office by June 15 to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online at:

<http://forms.sc.egov.usda.gov>

Thinking of Planting Fruits or Vegetables in 2012?



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 Fruits and Vegetables 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 specific vegetable

DCP payments will be reduced by an acre for each acre of base acreage planted to a fruit or vegetable.

COMMODITY LOANS

Both nonrecourse and recourse marketing assistance loans are available for certain commodities. Commodity Credit Corporation (CCC) establishes loan rates for these commodities annually at the national level, and adjusts the rates locally. Marketing loans provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), then market their crops when prices rise. FSA provides marketing assistance loans on behalf of the CCC.

Loan Rates for Hillsdale County are:

Corn – 1.90
Soybeans – 5.03
Wheat – 2.23

More information is available at:
www.fsa.usda.gov,
click on Price Support



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 at 517-849-9890.

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 \$1,214,000. 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.

There has been a large increase in loan applications, so please contact the Farm Loan Programs staff early if you are planning on borrowing money.



NAP COVERAGE DEADLINES

Noninsured Crop Disaster Program (NAP) provides insurance on crops that are unable to be covered by regular crop insurance. NAP applications are due at different times according to the crop being insured. Producers should contact the office to apply for NAP. The application and service fee MUST be filed by the crop sales closing date.

The closing date for fruit trees, berries, and asparagus is November 20. The closing date for many other crops including most vegetables is March 15.

The fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed \$1875 for multi-county producers. Limited resource producers may request a waiver for service fees.

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, 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.

BEGINNING FARMER LOANS

FSA has a program to assist 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 than 10 years
- Will materially and substantially participate in the operation of the farm
- Does not own a farm in excess of 30 percent of the county's median size. Each member of an entity must meet the eligibility requirements.

Loan approval is not guaranteed. Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov and click on Farm Loan Programs

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 the programs.

WOMEN'S AND HISPANIC'S CLAIM PROCESS

The Federal Government has set up a claims process to provide money to farmers who may have been discriminated against because they were women or Hispanic. If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

If you want to register your name to receive a claims package, you can call the Farmer and Rancher Call Center at 1-888-508-4429 or access the following website: <https://farmerclaims.gov>

More information is available at the Farm Service Agency office located at 588 Olds St., Jonesville, MI 49250. If you have additional questions you may call the office at (517) 849-9890, ext. 2.

WETLAND PROVISIONS

Wetland rules apply to 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 complete an evaluation of the tract to determine if there are areas that are wet and highly erodible. This process takes at least 60 days to complete. They will notify you by mail of the results.

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



Dates to Remember

November 20	Last date to purchase NAP for Fruit trees and various other crops
November 24	Office closed for Thanksgiving
December 26	Office closed for observance of Christmas
January 2	Office closed for observance of New Years
January 23	DCP Signup starts
Continues	Continuous Conservation Reserve Program, SAFE, CREP
Continues	Commodity Loans
Continues	Facility Loans

Selected Interest Rates for November 2011

7 yr. Farm Storage Facility Loans	1.5%
10 yr. Farm Storage Facility Loans	2.0%
12 yr. Farm Storage Facility Loans	2.25%
Commodity Loans	1.125%

Farm Service Agency (FSA) and Risk Management Agency (RMA)

To prevent fraud, waste, and abuse FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office, or the Office of the Inspector General

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.