



January 2010

Huron FSA County Office News

FARM SERVICE AGENCY

Huron County FSA Service Center

1460 S. Van Dyke Rd.
Bad Axe, MI 48413
989-269-9549 (phone)
989-269-8421 (fax)

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

Website
www.fsa.usda.gov/mi

County Committee

Debra Kubacki
Ken Koroleski
Mark Roggenbuck

County Executive Director
Kay Lumsden

Farm Loan Manager
Robert Catherwood

Farm Loan Officer
Wendy Honoway

Office Staff
Becky Aubuchon
Douglas Gay
Connie Mattice
Maggie Roggenbuck
Susan Sauer



FROM CED, KAY LUMSDEN

I would like to bid the Huron County FSA participants and staff “farewell” as I move onto another journey in my life. I have accepted a position in the Alpena County FSA Office as County Executive Director. Alpena County is where I was born and raised and that is where my family is located, therefore I will be going “home”.

I have truly enjoyed my time in Huron County. The staff has been wonderful to work with and has been very patient in their training of me! ☺ I never imagined, when I started here, there could be this much workload in one county! But the staff here works together wonderfully and handles it as professionally as they can considering the circumstances some of the time.

I thought I knew a lot about agriculture when I came here, but through the graciousness of the producers in this area, I have truly learned more than I could have imagined. It has been a “priceless” experience for me that I will never forget and I would like to thank you all for that.

Douglas Gay will be taking on the Acting CED duties as well as continuing on with his normal duties. Until a new CED is hired, Huron County will be a “man down”, which could affect service to the producers. Please work with the staff and be patient with them during this time-frame.

If you are ever in the Alpena area, please stop in and see me.

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 including all hay crops.

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.

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. 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.

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.



Spousal Signature

A husband and wife can sign documents on behalf of each other for FSA and CCC programs unless written notification denying a spouse this authority has been provided to the county office. This procedure does not apply to the Commodity Loan, Farm Loan, or LDP programs. Spouses must have an FSA-211 on file to sign commodity loan documents or LDP applications on behalf of each other. Spouses are not authorized to sign FSA-211 on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities.

SURE, Continued

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: 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 Under "I want to . . ." in the upper right corner, click on "View Farm Bill Information".



Milk Income Loss Contract (MILC)

With the possibility of milk prices increasing and having no MILC contract payments, raises the question; should a dairy producer continue to provide the monthly production evidence to the county office?

The dairy producer is certainly not required to provide production evidence in a month in which no payment is available. However, as with the recent issuance of the Dairy Economic Loss Assistance Payment (DELAP), having the production evidence on file at the office accelerated the availability of these program benefits. We encourage you to continue bringing in your production evidence.

ADJUSTED GROSS INCOME (AGI) AND THE IRS:

Every producer who participates in FSA's programs must annually certify to being in compliance with the AGI rules and regulations. This certification takes place on the CCC-926, Average Adjusted Gross Income (AGI) Statement, and refers to the producer exceeding/not exceeding \$500,000.00 of nonfarm average AGI (for commodity and disaster programs), \$750,000.00 of farm average AGI (for direct payments), and \$1,000,000.00 of nonfarm average AGI (for conservation programs).

The review and verification of AGI compliance certifications submitted by program participants is required to ensure the accuracy of payments and the integrity of these programs. FSA and IRS have finalized a data-sharing process for average AGI compliance and verification. IRS will report the results of this process to FSA on a regular basis. FSA will use this information to determine whether a program participant complies with the average AGI limitations, or if further review is required. The good news is that no actual tax data will be included in the report that IRS sends to USDA.

The average AGI verification and data comparison processes begin with participants providing consent to IRS for the use and

RECORD CORRECTIONS AND RECONSTITUTIONS

Farmers are encouraged to get all of their records updated with our office as soon as they can in preparation for DCP/ACRE signup and crop reporting. If you are purchasing new land, adding new land to your operation or dropping land, we ask that you come in and let us know of the changes.



BANK ACCOUNT CHANGES

All FSA payments are to be made by direct deposit unless there is a financial hardship to prevent it. Producers need to notify us when accounts change to prevent a delay in payments.

AGI, continued

disclosure of tax information to FSA for AGI compliance purposes. The consent form is either a CCC-927, 2009 &/or 2010 Consent to Disclosure of Tax Information – Individual, or a CCC-928, 2009 &/or 2010 Consent to Disclosure of Tax Information – Legal Entity. These forms may be obtained from the local Farm Service Agency or online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>.

VERY IMPORTANT: Due to Personal Identifiable Information issues, it is completely the responsibility of the participant, not the local FSA office, to fill out the form and send it to the IRS. The consent form should be mailed directly to the IRS at the address given on the form no later than June 15, 2010. DO NOT return the completed and signed forms to the FSA office. Failure to provide the written consent to the IRS may require refunding monies earned in 2009 and/or delay in payments 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 disadvantage 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)

Also helpful, if the number of acres rented and the landowners address is included.

Direct Payment is a guaranteed payment calculated using the farm base & yield. Payment rates are per bushel:

Barley	0.24	Corn	0.28
Oats	0.024	Soy	0.44
Wheat	0.52		

Counter Cyclical payments are a payment based on a 12 month marketing cycle in comparison to the target price. This is **not** a guaranteed payment.

Average Crop Revenue (ACRE)

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 DCP/ACRE must annually report acreage and **production** to FSA by the acreage reporting deadline of July 15th (June 30th for Wheat).



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 this County Office in person or by phone.

Committee Election Results

This years County Committee election was held in Local Administrative Area (LAA) #2, which consists of the following townships: Pte. Aux Barques, Port Austin, Hume, Dwight, Meade, Lincoln, Colfax, Verona, Bingham, and Sheridan.

At the December County Committee meeting the ballots were counted and congratulations to Ken Koroleski! Ken will serve another 3 year term on the county committee.

Thank you to everyone who participated in the election process and returned their ballots.

The County Committee meets on the second Thursday of each month at 9:30 am.

Jan 31	Final date to request 2009 crop wool and mohair loans or LDP's
Feb 15	Office Closed – George Washington's Birthday Observed
Mar 15	NAP sales closing date for many crops, check with the office for a listing
Mar 31	Final date to request 2009 wheat loans or LDP's
May 31	Final date to request 2009 corn and soybean loans
June 1	Final date to enroll in the 2010 DCP/ACRE programs
June 15	Final date to submit written consent to IRS for AGI review
June 30	Final date to report 2010 Fall seeded crop acreage (wheat)
July 15	Final date to report 2010 Spring seeded crop acreage
Continues	Continuous Conservation Reserve Program & CREP sign-up
Continues	Farm Storage Facility Loan

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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.