



NEWSLETTER



September 2012

Lenawee County FSA Updates

Lenawee County

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Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

Compliance Spot Checks

Compliance spot checks are conducted on 2012 crops. Instead of locally selecting farms, contracts, and loans for review, a nationwide selection of producers is made. Spot check selections are to be conducted based on a producer's participation in Conservation Reserve Program, Direct and Counter-Cyclical Program, Loans etc.

For more information about the spot check selection procedure, feel free to contact us for additional clarification.

Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary.

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. The following are the different methods used when doing a farm recon:

Estate Method — the division of bases for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

Supplemental Revenue Assistance Payments Sign-Up for 2011 Crop Losses

The sign-up period for the 2011 crop year SURE program will open October 22, 2012. The SURE program is part of the Food, Conservation, and Energy Act of 2008 (Farm Bill). SURE provides assistance to farmers who suffered crop losses caused by natural disasters occurring through September 30, 2011. Lenawee County producers are eligible for SURE due to a disaster designation. In addition to that designation, a farm must meet the following requirements to be eligible for SURE:

At least a 10-percent production loss on a crop of economic significance; A policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops. A "farm" for SURE purposes means the entirety of all crop acreage in all counties that a producer planted or intended to be planted for harvest for normal commercial sale or on-farm livestock feeding, including native and improved grassland intended for haying. Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage. June 7, 2013 is the signup deadline.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).