March 2012

Ogemaw Area County USDA Service Center

Ogemaw Area County FSA
240 W Wright St
West Branch, Mi. 48661
989-345-5470 (phone)
989-345-4010 (fax)
www.fsa.usda.gov/mi

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

County Committee
James Bischoff
Klint Marshall
Brad Kartes
Julie Nelkie - Advisor

Meets 2nd Wednesday of Each month.

Staff
Jane Illig

County Executive Director

John C Porath

Farm Loan Manager

Larry Cleary

County Committee Advisors

Ogemaw FSA County Office Committee (COC) has just named Julie Nelkie of West Branch as Ogemaw COC Advisor. As the COC Advisor she will be a voice for under-represented groups and socially disadvantaged farmers and ranchers in the community. County committee members and their county executive directors, reach out to producer groups who are under-represented on county committees to find the right person to serve as Advisor. Nelkie will join the Ogemaw COC at their April meeting.

Advisors serve for a 12 month period not to exceed nine consecutive years. They attend each COC meeting, including executive sessions and they participate. One of their primary responsibilities is to increase awareness of and participation in FSA activities, including elections. They help develop interest and incentives for socially disadvantaged group members to consider FSA work as a career. Advisors also solicit candidates from socially disadvantaged groups for nomination during the election process.

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 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.

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 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 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 1in 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. Ogemaw County producers can contact the FSA Office for specific crop application sales closing dates at: 989-345-5470.

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**

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

Continued on Page 3 CCC 1099-G

Continued from Page 2: FSA 1099-G
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.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call the county office before you haul any grain under loan.

Honey Loans

Honey loans are a type of marketing assistance loan and they are available until April 2, 2012. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

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.

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

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USDA United States Department of Agriculture

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GovDelivery

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.

County Committee ballots will continue to be mailed to all eligible producers. Producers can subscribe to receive free e-mail updates by going to http://www.fsa.usda.gov/subscribe.

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.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Selected Interest Rates for March 2012	
90-Day Treasury Bill	%
Farm Operating - Direct	%
Farm Ownership - Direct	%
Limited Resource	%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	%
Emergency	%
Farm Storage Facility	%
Sugar Storage Facility	%
Commodity Loans 1996-Present	%

Dates to Remember	
March 12	General CRP Signup Opens
June 1	2012 DCP Enrollment closes
June 1	SURE Sign up open
	Deadline for spring-planted crop insurance purchase or change
	Deadline for non-insured (NAP) spring crop coverage purchase at FSA

USDA is an equal opportunity provider, employer and lender.