

# Presque Isle-Cheboygan County News

May 2010 Issue #2

Presque Isle-Cheboygan County USDA Service Center

# Presque Isle-Cheboygan County FSA

2235 E. Mitchell Rd. Petoskey, Ml. 49770 Phone: 231-347-2133 Fax: 231-347-8170 www.fsa.usda.gov/mi

#### Hours

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

#### **County Committee**

Ed Reimann –
Chairperson
Wayne Schalk – Vice
Chairperson
Fred Karsten – Member
Sonya Kuffel – Member
Beth Ann Buhr - Member

The County Committee meets on the third Wednesday of each month starting at 10:30 a.m. Open to the public.

#### Staff

Robin Grainger – Program Technician Laura Panko – Program Technician Bernie Soik – Field Technician

Carmen A. Church – County Executive Director

#### **OFFICE FIRE**

On, March 26<sup>th</sup>, the Presque Isle-Cheboygan FSA office had a fire. The office is closed and has relocated to the Emmet-Charlevoix FSA office at 2235 E. Mitchell Rd., Petoskey, MI. 49770. It is unknown, at this time, when services will resume in Onaway. Participants in FSA programs, with questions, can call 231-347-2133 or email Carmen.church@mi.usda.gov.

#### **DCP Signup Continues**

Signup for the 2010 Direct and Counter-cyclical Payment (DCP) Program continues until June 1, 2010. FSA will not accept late-filed applications.

**FSA computes DCP Program** payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. Countercyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this on-line service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at

http://www.eauth.egov.usda.gov followed by a visit to the local USDA Service Center for identity verification.

If you would like your paperwork for DCP sent to you, please call the office and we will get it out to you.





# 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.

#### Foreign Buyers Notification

The Agricultural
Foreign Investment
Disclosure Act
(AFIDA) requires all
foreign owners of
U.S. agricultural
land to report their
holding to the Secretary of
Agriculture.

Foreign persons who have purchased or sold land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property.

#### **ACRE**

The ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of countercyclical payments under DCP. The June 1, 2010, signup deadline is mandatory for all participants. FSA will not accept any late-filed applications.

A payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3% (85% in 2012) of the farm's planted acres times the difference between the state ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. Participants in ACRE will forego countercyclical payments. Also a farm's direct payment is reduced by 20% and marketing assistance loan rates are reduced by 30%.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

#### SURE

Currently applications for the Supplemental Revenue Assistance Program (SURE) are being taken for the 2008 Crop Year. SURE provides benefits for farm revenue losses due to natural disaster that were incurred starting in the crop year 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops of economic significance in all counties or, if crop insurance is not available, to participate in the **Non-Insured Assistance Program** (NAP) except for grazed acreage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition,
- the crop of economic significance must be 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.
- the farm experiencing the loss must be in a county declared a disaster county by the Secretary of Agriculture, or in contiguous counties. Those who show proof of an individual loss of at least 50% are also eligible to receive SURE payments for

# ONLINE SERVICES

If you have internet access you can electronically log on, fill out and print a variety of FSA paper forms in the comfort of your home as your schedule allows.

You can also register for secure electronic access that will allow you to electronically sign and transmit some forms directly to the county office. If you are new to the website, first you will want to obtain a Level 2 Access at: http://www.eauth.e gob.usda.gov/ and then click on "Create an Account Page" link.

#### **FARM CHANGES**

Please notify our office well in advance of your DCP appointment any changes in farms that need to be added as well as any that you are no longer working. Changes do not update until the following day. For your farm listing to be correct when you sign up or certify please tell us those changes now. This includes changes to LLC's, Partnerships and Corporations.

production losses or crop quality losses.

Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at: <a href="http://www.fsa.usda.gov/Internet/F">http://www.fsa.usda.gov/Internet/F</a>
SA File/sure calculator 2008.xls.
The calculator is not official, but is intended for educational use. A fact sheet and Q & A are also available online at <a href="http://www.fsa.usda.gov">www.fsa.usda.gov</a>.

#### **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 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; and
- the total direct payments received, both directly and indirectly, by the legal entity

and each of the members can not exceed \$40,000.

## **Adjusted Gross Income**

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange 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 FSA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service by June 15 to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <a href="http://forms.sc.egov.usda.gov/eforms">http://forms.sc.egov.usda.gov/eforms</a>



## **Nominations for County Committee Open June 15**

County Committee (COC) members are a critical component of the operations of Farm Service Agency (FSA). They help in the delivery of FSA farm programs at a local level, as well as, work to make FSA farm programs serve the needs of local producers.

Since County Committee elections happen once a year, here is a refresher. For election purposes, counties are divided into local administrative areas, or LAAs. Each LAA contributes one producer to serve a three-year term on the Farm Service Agency county committee.

Each year, an election is held in an LAA to replace the committee member whose three-year term is expiring. Presque Isle-Cheboygan County will be holding an election for a person to represent LAA2 which includes Burt, Tuscarora, Mentor, Wilmont, Mullett, Koehler, Ellis, Nunda, Waverly, Walker, and Forest, and LAA5, which includes Pulawski, Metz, Psen, Krakow, and Presque Isle. The position in LAA2 is currently held by Edward Reimann, and the position in LAA5 is currently held by Sonja Kuffel.

Nominations for candidates to run for the FSA county committee election representing producers in Local Administrative Area 2 and 5 will be accepted from June 15 through August 2, 2010.

Producers who are eligible to vote in LAA 2 and 5, and who participate or cooperate in an FSA program and are of legal voting age, may be nominated to serve on the county committee.

Individuals may nominate themselves or others as candidates. Additionally, organizations representing minority and women farmers may nominate candidates. All farmers, ranchers and other agricultural producers are encouraged to participate.

To be valid, the nomination form must be signed by the person being nominated, indicating agreement to serve if elected, and returned to the FSA county office by the close of business on August 2, or postmarked by midnight August 2, 2010.

A nomination form, FSA-669A, is included in this newsletter. More information on the elections, including nomination forms, is available at the county office or online at: http://www.fsa.usda.gov/elections.

## **Crop Reporting Time Fast Approaching**

The annual reporting of acres for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of FSA programs. All cropland acres on the farm must be reported to receive benefits from the following programs:

- Direct and Counter-Cyclical Program(DCP);
- Acreage Crop Revenue Election (ACRE);
- Marketing assistance loans and loan deficiency payments;
- Conservation Reserve Program (CRP);
- Non-insured Crop Disaster Assistance Program (NAP)

Form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers need to file their acreage reports by:



 June 30, 2010 for fall seeded small grain crops; July 15, 2010 for all crops, except fall seeded small grains. Preque Isle - Cheboygan County FSA Office 2235 E. Mitchell Rd Petoskey, MI 49770



PRESORTED STANDARD U.S. POSTAGE PAID LANSING, MI PERMIT #19



#### **Dates To Remember**

**Continues – Continuous Conservation Reserve Program.** 

Continues – Farm Storage Facility Loan.

May 31 – Office closed, Memorial Day

June 1– DCP/ACRE enrollment deadline.

June 30 – Final reporting date for fall seeded crops.

July 5 – Office closed, Independence Day

July 15 – Final reporting date for spring seeded crops.

## Sodbuster, Swampbuster

Farm Service Agency programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop as determined by the Natural Resources Conservation Service (NRCS).

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland, check with NRCS to assure the new crop will qualify under your conservation system.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers check with NRCS before starting to work in the fields.

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) 720-600 (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 opportu2nity provider and employer.