

September 2012



Sanilac County FSA Updates

Sanilac County

FSA Office

50 E. Miller Rd.
Sandusky, MI 48471-9412

Phone: 810-648-2998

Fax: 810-648-4670

County Executive Director:

Rosemarie Gallagher

Farm Loan Manager:

Steve Craig

Office Staff

Amy Brown
Kim Deming
Jamie Maier
Brenda Nichol
Sherri Sadro
Felicia Schulte

Extension

111
110
109
112
100
104

County Committee:

Mike Bender, Chairperson
Sharon Rockwell, Member
Mark Stone, Vice-Chair



Production Evidence Deadlines for MILC

Final production evidence for program payments **MUST** be received in the applicable County Office by **COB, November 1, 2012**. If not previously submitted, all production evidence for milk produced during the months of October, 2008 through September, 2012 must be received in the office by this date if a producer wishes to receive any payments that were available during these months. MILC producers will be receiving a letter informing them which month's production, if any, is missing for any of these months for which a payment was available.

IRS FORM 1099-G AND 1099-MISC REPORTING

Beginning with calendar year 2012 IRS reporting, Kansas City will **NOT** generate and mail IRS Form 1099-G and/or IRS Form 1099-MISC to producers if the total of reportable payments for each tax identification number is **LESS THAN \$600.00**.

Also beginning with calendar year 2012 IRS reporting, Kansas City will be issuing only one IRS Form 1099-G and/or one IRS Form 1099-MISC to each multi-county producer whose total reportable payment for each tax identification number are equal to or greater than \$600.00. This is a change from receiving one 1099 from each county.

PRODUCERS RECEIVING LESS THAN \$600.00 IN COMBINED PAYMENTS NEED TO CONSULT A TAX ADVISOR TO DETERMINE IF THESE PAYMENTS MUST BE REPORTED ON THEIR TAX RETURN.

Important Deadlines

November 15, 2012 – Wheat, small grain and forage crops must be certified at your local FSA office. *This is a change for the 2013 crop year, please mark your calendars.

July 15, 2013 – ACRE farms must submit all 2012 production. *If you have your records readily available after harvest we will gladly accept production evidence early.

Farewell Kaylee

Farm Loan Officer Trainee, Kaylee Erickson has left FSA to take a position with GreenStone Farm Credit Services in Lapeer. We will miss her but wish Ms. Erickson the best of luck in all her endeavors. Congratulations and farewell Kaylee!

Emergency Loans

Secretarial Disaster Designation S3370 has been declared for Sanilac County, along with 82 other Michigan counties for drought. Producers must have suffered at least a 30 percent loss in production losses in order to qualify. Up to 100 percent of actual production or physical losses may be borrowed, to a maximum amount of \$500,000. These applications will be accepted through April 29, 2013.

The interest rate for emergency actual loss loans has now changed to 2.25%.

Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they will NOT:

- **Produce an agricultural commodity on highly erodible land without a conservation system;**
- **Plant an agricultural commodity on a converted wetland;**
- **Convert a wetland to make possible the production of an agricultural commodity.**

Producers planning to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS and NRCS will then provide highly erodible land or wetland technical determinations.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

Paper Check Conversion In Use

FSA/CCC is now using OTCnet, an electronic method for processing customer check payments. When you submit a check for payment, either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from your account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information. <http://fms.treas.gov/otcnet/legal.html>

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).