



February 2009

TUSCOLA FSA County Office News

FARM SERVICE AGENCY

USDA Service Center

Tuscola County FSA
1075 Cleaver Rd
Caro, MI 48723
989 673-8173 (phone)
989 673-1848 (fax)
www.fsa.usda.gov/mi

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

Website
www.fsa.usda.gov

County Committee
Matthew Zimba, Chair
Bruce Findlay, Vice Chair
Duane Weber, Member
Karen Goodchild Advisor

COC meetings are held
the 3rd Wednesday of
each month at 8:30 am.

County Executive Director
Jonathan Link

Farm Loan Manager
Robert Catherwood

Farm Loan Officer
Angela Herford

Office Staff
Dana Bennett
Catherine Hall
Michelle Larkin
Patrice Steele
Connie Sy
Eve Elliott

Field Reporter
Larry Wood



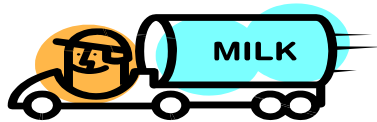
COMMITTEE ELECTION RESULTS

Congratulations to Bruce Findlay. Bruce was re-elected to represent farmers from Wisner, Akron, Fairgrove, Columbia, Almer, Elmwood, Ellington and Elkland townships on the county committee. He was elected to his 2nd consecutive term. FSA appreciates all of the voters for taking the time to complete the election ballot. The county committee system works only because of your participation.

MILC Sign Up Underway

Signup for the Milk Income Loss Contract Program (MILC) is underway and will continue through the programs expiration date, Sept. 30, 2012.

There are three key changes in program operation. Under the Farm Bill, the MILC payment rate and the per-operation poundage limit are modified. In addition, a “feed cost adjuster,” is introduced over the life of the 2008 Act, which adjusts the \$16.94 per cwt. benchmark price upward depending on the cost of feed rations. When available, MILC payments are based on a payment rate percentage that is multiplied by the difference between a now-flexible target (\$16.94 per cwt. or higher) and the specific month’s Boston Class I price of milk.



The 2008 Farm Bill made changes to the provisions for payment eligibility and adjusted gross income (AGI). If the individual or entity has non-farm AGI greater than \$500,000, the individual or entity is not eligible for MILC benefits.

For more information on the MILC program, contact your local USDA Service Center.

DCP Signup Underway

Signup has started for the 2009 Direct and Counter-cyclical Payment (DCP) Program for farms with base acres. You can signup online or at local USDA service centers. Signup will continue until June 1, 2009. The **June 1, 2009** deadline is mandatory for all participants. **FSA will not accept any late-filed applications.** Don’t wait for acreage reporting to complete your contracts, it will be too late. Please call today for an appointment, as they are filling quickly.

Producers who are eligible for the DCP Program will also be eligible to enroll in the Average Crop Revenue Election (ACRE) Program. The enrollment period for the **ACRE Program will begin in the spring.** You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to include the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009. Once ACRE is elected for the farm it will remain enrolled in ACRE through the 2012 crop year, regardless of owner/operator changes. Sign up for the ACRE program is NOT AVAILABLE at this time.



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.



Appeal Process

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

Payment Limits & Direct Attribution

For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000**. A person shall not be eligible for commodity, price support, and disaster assistance programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program.

For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: **(1) capital, equipment, land, or a combination thereof; and (2) personal labor or active personal management, or a combination thereof.**

New Forms to Complete

Anyone wishing to receive a payment from the FSA Office will be required to complete new Farm Operating Plans (CCC-902I or E) and the Adjusted Gross Income Form (CCC-926). This means that Corporations will need to provide their Organizational minutes, and possibly a Resolution giving authority to sign to the individual member, plus documentation of each member's shares. Limited Liability Companies/Partnerships will need to provide their paperwork showing who the members are and what is their share of the company. Partnerships are at the very least going to have to provide their certificate of Co-partnership on file at the county courthouse. These forms will take time to complete and you may want to take them home to really complete them correctly. Payments will be held up until all documentation and forms have been submitted.

Financial Statement

January signals the beginning of a new year, and a time to starting thinking about filing taxes. Producers who have signed up for a USDA eAuthentication Level 2 account will be able to access their financial data via Online Services on the FSA webpage at <http://www.fsa.usda.gov/>

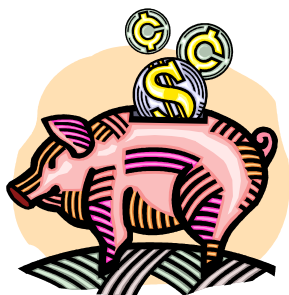
A level 2 account puts a range of USDA services and programs into a single report that's at your fingertips and available online, 24 hours a day, seven days a week.

It allows USDA customers to view their participation, application and payment status in various commodity and conservation programs; information on farm loans; and conservation plan and land unit information.

Paper statements of earnings (1099's) are mailed out at the end of January. If you need yours sooner . . . think about signing up for a Level 2 eGov account today.

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.



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. Have you made a change in your bank account?



Transfer of Farm's Administrative County

A change in a farm's administrative county may be permitted to a contiguous county that currently has an FSA office without completing a farm combination in the receiving county if at least 1 of the following applies:

- the principal dwelling of the farm operator has changed
- a change has occurred in the operation of the land
- there has been a change that would cause the changed administrative County Office to be more accessible, such as a new highway, relocation of the County Office, building site, etc.
- the producer documents that the changed administrative County Office is **significantly** more convenient.
- signed by the farm operator and **all** owners
- a 1-time option for the producer if done because of convenience (If this option is elected the transferring producer has used **their** 1 time option for the farm)
- made only to a county that currently has an FSA office and is contiguous to the county where the farm is physically located.

Note: Owners and operators shall be aware that transferring a farm can affect their eligibility to vote in specific County Committee elections.

2005 Through 2007 Crop Disaster Program

The deadline to apply for the Crop Disaster Program for losses sustained in 2005, 2006 or 2007 is **February 27, 2009**. Contact the Tuscola FSA Office for further information.

YOUTH LOANS

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 21 years of age
- Live in a rural area or in a town of 50,000 people or fewer
- Must obtain a written recommendation and consent from a parent or guardian if the applicant has not reached the age of majority under state law
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.



February 16, 2009

**SPECIAL
 ACCOMMODATIONS**

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.

**EMERGENCY LOANS
 AVAILABLE**

As a result of excessive rains, flooding and high winds that occurred between April 12, 2008 and ending September 16, 2008 and the severe frost/freeze and cold weather events that occurred between March 1, 2008 and ending May 31, 2008, Sanilac County has been designated as a natural disaster area where eligible family farmers may qualify for Farm Service Agency emergency loans. One requirement to qualify is the applicant must have a disaster year yield that is at least 30 percent below the normal production yield of the crop, as determined by FSA. The applicant must also be unable to obtain sufficient credit elsewhere for their needs. The loans are at 3.75% with a maximum term of 20 years. The maximum loan for this program is \$500,000. Please contact the local FSA office for further information.

Feb 16	Office Closed – President’s Day
Feb 27	2005-2007 CDP Signup ends
Continues	2009 DCP Contract Signup Ends on June 1st
Continues	Farm Storage/Facility Loan
Continues	Continuous Conservation Reserve Program
Continues	Milk Income Loss Contract Signup (MILC)



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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) 720-2600 (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 opportunity provider and employer.