



# Tuscola County News

**Tuscola County  
USDA Service Center**

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

**Hours**

Monday – Friday  
8:00 am – 4:30 pm

**County Committee**

Matthew Zimba Chairman  
Bruce Findlay Vice Chair  
Duane Weber Member  
Karen Goodchild Advisor

County Committee meets  
3<sup>rd</sup> Wednesday of month  
beginning at 8:30 a.m.

**Staff**

Jonathan Link  
County Executive  
Director

Robert Catherwood  
Farm Loan Manager

Angela Herford  
Farm Loan Officer

**Technicians**

Dana Bennett  
Catherine Hall  
Michelle Larkin  
Patrice Baker  
Connie Sy



DIRECT/COUNTER  
CYCLICAL AND ACRE  
PROGRAM FOR 2010

Enrollment for the 2010 DCP program has begun and will continue through the deadline of **June 1, 2010**, USDA will not accept any late filed applications. Farmers may contact the local office for an appointment or make use of the eDCP automated website to sign up. Don't delay signing up, **June 1<sup>st</sup>** comes at a very busy time of the year. A 22% advance payment is available.

Base acres must be planted to an annual crop, be in hay, or idle grasses. Fruits & Vegetables (FAV) cannot be planted on base acres unless the farm or producer has FAV history. In cases where FAVs are overplanted, the producer will receive an acre-for-acre reduction in their program payment.

Farms with less than 10.0 acres of base will be ineligible for payments. Exceptions apply to socially disadvantaged and limited resource farmers.

Payments can only be earned by the person who has the risk in producing and marketing the crop.

Annual crop certification of all cropland on the farm is required. HEL and wetland provisions apply. Lease agreements will be needed if an advance payment is requested.

Leases must include at a minimum:

- Landowner & Operator names printed and signatures
- Signature dates
- The type of lease (cash, barter, with terms)
- Length of lease if multiple years (3 year lease from 2009-2011)

Also helpful is the number of acres rented and the landowners address included.

Direct Payment is a guaranteed payment calculated using the farm base & yield. Payment rates are per bushel:

Barley	0.24	Corn	0.28
Oats	0.024	Soy	0.44
Wheat	0.52		

Counter Cyclical payments are a payment based on a 12 month marketing cycle in comparison to the target price. This is **not** a guaranteed payment.

**Average Crop Revenue (ACRE)**

The ACRE alternative provides eligible producers a state level revenue guarantee, based on the 5 year Olympic average yield and the 2 year national average price.

Producers who elect the ACRE program for a farm agree to:

- Forgo counter cyclical payments
- Accept a 20% reduction in the guaranteed direct payment
- Accept a 30% reduction in loan rates for all commodities produced on the farm

ACRE payments are revenue based and are tied to crop production and the National Average Market price for planted covered commodity crops on the farm.

ACREAGE REPORTING

Acreage reporting time will soon be here. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

**June 30** is the final date for fall seeded crops and **July 15** is the deadline for spring seeded crops. CRP/CREP participants are encouraged to come in now, to avoid long waits that could occur closer to the deadline.



### 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.

## ADJUSTED GROSS INCOME (AGI) AND THE IRS:

Every producer who participates in FSA's programs must annually certify to being in compliance with the AGI rules and regulations. This certification takes place on the CCC-926, Average Adjusted Gross Income (AGI) Statement, and refers to the producer exceeding/not exceeding \$500,000.00 of nonfarm average AGI (for commodity and disaster programs), \$750,000.00 of farm average AGI (for direct payments), and \$1,000,000.00 of nonfarm average AGI (for conservation programs).

The review and verification of AGI compliance certifications submitted by program participants is required to ensure the accuracy of payments and the integrity of these programs. FSA and IRS have finalized a data-sharing process for average AGI compliance and verification. IRS will report the results of this process to FSA on a regular basis. FSA will use this information to determine whether a program participant complies with the average AGI limitations, or if further review is required. The good news is that no actual tax data will be included in the report that IRS sends to USDA.

The average AGI verification and data comparison processes begin with the participant providing consent to IRS for the use and disclosure of tax information to FSA for AGI compliance purposes. The consent form is either a CCC-927, 2009 &/or 2010 Consent to Disclosure of Tax Information – Individual, or a CCC-928, 2009 &/or 2010 Consent to Disclosure of Tax Information – Legal Entity. These forms may be obtained from the local Farm Service Agency or online at: <http://forms.sc.egov.usda.gov/eforms/mainse rvlet>.

**VERY IMPORTANT:** Due to Personal Identifiable Information issues, it is completely the responsibility of the participant, not the local FSA office, to fill out the form and send it to the IRS. The consent form should be mailed directly to the IRS at the address given on the form no later than June 15, 2010. DO NOT return the completed and signed forms to the FSA office. Failure to provide the written consent to the IRS may require refunding monies earned in 2009 and/or delay in payments for 2010.

## FARM RECONSTITUTIONS

In program terminology, farms are *constituted* to group all tracts having the same owner and the same operator 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.

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

**Estate Method** — the division of bases, allotments and quotas 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.

If payments have already been issued on a particular farm, the reconstitution will be effective for the next year, unless the payments are refunded. Request for recons should be filed by August 1.

## 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?

## SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)

SURE provides benefits for farm revenue losses due to natural disaster. It is the 2008 Farm Bill's successor to the prior Ad Hoc Crop Disaster Programs. Unlike the prior USDA Disaster Programs, SURE is legislated through 2011. For SURE program purposes, a "farm" refers to all acreage in all counties that is planted or intended to be planted to crops that are for sale by the producer including all hay crops.

### **ELIGIBLE FARMS:**

SURE payments are available to producers on farms that are located in a county covered in a qualifying natural disaster declaration (USDA Secretarial Declarations only) or in a contiguous county OR the actual production is less than 50% of the normal production. In order to receive payments, the farm must suffer at least a 10% eligible production loss on at least one crop of economic significance.

### **ELIGIBLE PRODUCERS:**

To be eligible for the SURE Program, all of the farming operation's crops (planted or intended) that are of economic significance must be covered by either Federal Crop Insurance (CI) or FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage. Coverage must also be obtained for other crops for which CI or NAP is available, such as nursery, honey, and floriculture. However, coverage for grazed crops is not required for SURE.

Eligible farmers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farm do not have to meet the CI requirement.

### **PAYMENT CALCULATION:**

Producers with qualifying losses are eligible to receive 60% of the difference between the SURE Disaster Program Guarantee and the actual Farm Revenue.

### **DISASTER PROGRAM GUARANTEE:**

The guarantee is determined by totaling the calculated guarantee for each crop. For insured crops, the guarantee is based on the level of coverage the producer has elected. Higher levels of coverage will result in higher crop guarantees. For NAP crops, the guarantee is based on a formula that includes the yield, acreage, and price factors. The farms Disaster Program guarantee cannot exceed 90% of the expected revenue for the farm.

### **TOTAL FARM REVENUE:**

Included in the Total Farm Revenue calculation are estimated crop value, CI indemnities, NAP payments, Market Assistance Loan proceeds, and other disaster payments, DCP payments (15% of direct payments, plus all CC payments and ACRE payments).

### **SURE CALCULATOR:**

To assist farmers and ranchers in evaluating their options with SURE, USDA has created a SURE Calculator. Note: to qualify for SURE, producers need to obtain CI or NAP on all crops in all counties in all states. To utilize the Calculator, visit the FSA website [www.fsa.usda.gov](http://www.fsa.usda.gov) Under "I want to . . ." in the upper right corner, click on "View Farm Bill Information".

## FARM STORAGE FACILITY LOANS

Loans for storage facilities are available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, corn, barley, oats and soybeans.

Farm Storage Facility Loans are available for the purchase and installation of new permanently affixed eligible storage facilities. All farm storage facility loans are secured by a promissory note and security agreement. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$500,000 for each borrower. These loans require a 15 percent down payment and are for a term of 7 12 or 15 years. The interest rate is approximately 3.0%.

CONSERVATION SIGNUP CONTIUNES

Enrollment for the Conservation Reserve Enhancement Program and the Continuous Program is ongoing. If you would like to install windbreaks, filter strips, or wetland restorations, please do not delay applying. This program could close at any time since there is a statewide acreage limit. So don't delay if you want to enroll some of your farm. Please contact this office for additional information.

COUNTY COMMITTEE ELECTION RESULTS

Matthew Zimba was re-elected to the Tuscola County committee from LAA#3. (Novesta, Indianfields, Wells, Kingston, Fremont, Dayton, Koylton and Watertown townships.) Matt will serve another 3 year term. Thanks to everyone who participated in the election process.

FARM RECORD CHANGES

We strongly encourage you to report all farm record changes to this office as soon as possible. This will save wasted additional trips and time in this office on your end and also on our end. Current records make signup more accurate and efficient.

SPECIAL ACCOMODATIONS

Special accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, individuals should contact the County Office in person or by phone.

Dates to Remember	
Feb 15	President's Day Office closed
March 15	Sales closing date for crop insurance and NAP
March 31	Final date to request wheat loans
May 31	Final date to request corn and soybean loans
June 1	DCP/ACRE Signup closes
June 15	Final date to submit written consent to IRS for AGI review
June 30	Fall planted crop acreage reports due.
July 15	Spring planted crop acreage reports due, including CRP/CREP.
Continues	Farm Storage Facility Loans
Continues	Conservation Reserve Enhancement Program
Continues	Continuous Conservation Reserve Program

Visit our Web site at:  
[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)

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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.