



Calhoun County News

June 2009

Issue No. 2

**Calhoun County FSA
USDA Service Center**
13464 Preston Dr. Suite 100
Marshall, MI 49068
269-781-4263 ext. 2
269-781-3199 (fax)

Web Sites

www.fsa.usda.gov
www.sc.egov.usda.gov
www.fsa.usda.gov/mi

Hours

Monday – Friday
8:00 a.m. – 4:30 p.m.

County Committee

David Bosserd, Chairperson
Keith Lawrence, Vice-Chair
Rita Reincke, Member
Denice Raymond, Advisor

Staff

Kim Bates, Program Tech.
Bonnie Baxter, PT
Georgann Detty PT
Ellen Kiessling, PT
Sandy Williams, PT
Jerry Motz, Field Asst.
Phillip DeYoung, FLM
Elizabeth Lake, CED

Dates to Remember

June 30 – Deadline to report fall-seeded small grains
July 3 – Office closed in observance of Independence Day
July 15 – Deadline to report all crops except fall-seeded small grain
Aug 1 – Last day to request a farm combination or division
Aug 14 – Deadline to sign-up for DCP/ACRE program
Sep 7 – Office closed in observance of Labor Day
Continues – Farm Storage Facility Loans
Continues – Continuous Conservation Reserve Program & CRP-SAFE

DCP/ACRE Sign-Up

Signup for the 2009 DCP and ACRE programs has been extended until **August 14th**. You can sign up for DCP now and still be eligible to change to the ACRE program.

The Average Crop Revenue Election (ACRE) is a new program authorized by the 2008 Farm Bill. The program signup began April 27, 2009, and runs through August 14, 2009. The ACRE alternative provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price.

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

- irrevocable election of ACRE though 2012
- forgo counter-cyclical payments;
- accept a 20% reduction of direct payments
- accept a 30% reduction in loan rates for all commodities produced on the farm.

Commodities eligible for ACRE payments are wheat, corn, grain sorghum, barley, oats, soybeans, sunflower seed, canola, flaxseed, safflower, mustard seed, rapeseed, sesame seed, crambe, dry peas, lentils, small chickpeas and large chickpeas.

The ACRE program was created to give producers an option in lieu of traditional counter-cyclical payments. Producers may elect and enroll in ACRE for the 2009 crop year even if they have already accepted advance direct payments under the Direct and Counter-Cyclical Program.

To elect ACRE for a farm, producers must complete Form CCC-509 ACRE, which irrevocably elects ACRE for the farm through crop year 2012. Form CCC-509, the contract to participate in ACRE, must then be completed each year the producer intends to participate and receive benefits.

The best way to determine if your farm will benefit from the ACRE program is to visit www.fsa.usda.gov/dcp and use the words “ACRE calculator”.

ACRE payments are based on the revenue lost on the BASE crop actually planted and designated per FSA Farm number. Your five-year yield history of this planted crop will have to be established per farm number. For additional information visit www.fsa.usda.gov/dcp

Crop Reporting

The annual, timely and accurate reporting of acres for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-Cyclical Program, Acreage Crop Revenue Election (ACRE), marketing assistance loans and loan deficiency payments. Conservation Reserve Program acreage must be reported to receive annual rental payments, and crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported. Crop reports, 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, 2009 for fall seeded small grain crops and July 15th for all crops except fall seeded small grains**.

Prevented Planting: Prevented planting acreage must be reported no later than 15 calendar days after the final planting date.

Failed Acreage: Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

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.



NAP Production Reporting

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable and show crop disposition. We recommend producers submit 2009 production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year's final acreage reporting date.**

Farm Reconstitutions

At FSA, 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. If an owner or operator can not agree about program participation, like in the case of the new ACRE program, then producers should inquire about a reconstitution of the farm at the local FSA office.

The reconstitution is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **August 1** for farms enrolled in specific programs.

FSA Farm Loans

FSA makes both direct and guaranteed farm ownership and operating loans to family-size farmers who can not obtain commercial credit from a bank or other lender. FSA loans can be used to purchase land, livestock equipment, feed, seed, and supplies. The loans can also be used to construct buildings or make farm improvements. If you're having trouble getting commercial credit, check with the county office staff about eligibility, as well as maximum loan amounts, rates, term and use of proceeds.

Farm Loan Limits

The new farm bill expands and enhances farm loan programs and preferences for beginning and socially disadvantaged farmers and ranchers, increases loan limits for all borrowers, and makes equine farmers eligible for emergency loans, including:

- Increases direct ownership loan limit to \$300,000
- Increases operating loan limit to \$300,000.

Loans Available for Beginning Farmers, Socially Disadvantaged

FSA is authorized to assist beginning farmers and members of socially disadvantaged groups to finance agricultural enterprises. Under these programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person whom has operated a farm for not more than 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 and does not own a farm in excess of 30% of the county's median size.



Rural Youth Loans

FSA can make loans to youths to establish and operate income producing projects in connection with their participation in 4-H clubs, Future Farmers of America, and similar organizations.

The maximum loan size is \$5,000. To qualify:

- Be between 10 and 20 years old
- Live in a town of less than 10,000
- Be unable to obtain a loan from other sources
- Conduct a modest income producing project in a supervised program of work.

Applicants must also be capable of planning, managing and operating the project under guidance and assistance from a project advisor. Contact Phill DeYoung at 269-781-4263 ext. 2.

Emergency Farm Loans Available

USDA/FSA emergency farms loans are available in Calhoun County to all qualified farm operators as a result of losses caused by the following weather conditions:

- Storms with excess rain that occurred April 12, 2008, through September 16, 2008
- Drought conditions that occurred May 1, 2008, through September 17, 2008
- Sever frost/freeze and cold weather events that occurred March 1, 2008, through May 31, 2008

The final date to apply for Emergency Farm Loans is **August 31, 2009**. The current annual interest rate for emergency loans is 3.75 percent. Calhoun County producers should contact Phill DeYoung at 269-781-4263 ext. 2. Emergency loan funds may be used to:

- Restore or replace essential property
- Pay all or part of production costs associated with the disaster year
- Pay essential family living expenses
- Reorganize the farming operation
- Refinance certain debts



Continuous CRP & SAFE

At this time USDA has no general signups scheduled for the Conservation Reserve Program (CRP). However, environmentally sensitive acreage qualifying for the Conservation Reserve Program State Acres For wildlife Enhancement (SAFE) Practice and Continuous CRP will still be eligible for enrollment. These targeted programs remain funded, and continue to provide heightened environmental and financial benefits to select areas.



CRP-SAFE Diverse Grassland Planting

The program was the result of an agreement between USDA, wildlife management agencies, conservation and commodity groups -such as the U.S. Fish and Wildlife Service, The Nature Conservancy, Pheasants Forever, the Michigan Department of Agriculture, and the Michigan Department of Natural Resources. A diverse grassland planting consists of a mixture of planted short or tall native grasses and wildflowers reminiscent of the short and tall grass prairies that once were common in southern Michigan. A subset of the short grass planting is a savanna, which includes scattered clumps of planted oak trees. The goal of SAFE is to create 7,500 acres of diverse grasslands in 18 southern Michigan counties including Calhoun County. These counties were chosen because they once contained most of the state's native grasslands.

Producers Eligibility:

- Owners or operators of eligible land who meet the adjusted gross income rules
- Producers must be in compliance with Highly Erodible Land and Wetland provisions
- Operators must have a 10-15 year lease with the landowners to enroll
- All landowners must sign the CRP-1 contracts
- Landowners may not take land under lease from an operator to enroll it in CRP

Land Eligibility:

The land must have a cropping history (4 out of 6 years from 1996-2001), and be either a block of 30 acres or more in size or, if a linear habitat, must at least be a minimum of 200 feet wide and 10 acres or greater in size. Landowners with previously existing CRP enrolled lands may enroll additional contiguous acres under SAFE agreements that meet the above criteria.

Financial Benefits:

- Up to 100% cost share for preparation and establishment of diverse grasslands
- A one-time signing bonus of \$100 per acre
- Annual rental payments for enrolled acres including an annual maintenance payment

Required Management:

All Diverse Grassland SAFE contracts must have mid-term contract management activities scheduled that are site specific and will ensure plant diversity, wildlife habitat and protection of soil and water resources. Cost-sharing is provided for completion of this required management.

New Commodity Loan Repayment Rates

Since April 15, 2009 FSA began using an improved and more stable system for determining non-recourse marketing assistance loan repayment rates and loan deficiency payment rates for wheat, feed grains, pulse crops, oilseeds, wool, mohair and honey. The new method reduces the effects daily market volatilities have on loan repayment rates, and provides more certainty for producers who have taken advantage of marketing assistance loans or loan deficiency payments.

The loan repayment rate may now be determined as the **lesser** of the loan rate plus interest and a rate based on: 1) average market prices during the previous 30 days, or 2) an alternative method the secretary may develop.

Beginning April 15, 2009, for wheat, corn, grain sorghum, soybeans, barley, oats, canola, flaxseed and sunflower seed, the Commodity Credit Corporation (CCC) determines and publishes daily loan repayment rates based on the average market prices during the preceding 30 days. At the same time, CCC will announce each day a repayment rate based on the preceding five days. The new method will replace the current one, which is based on the previous day's market rates. **The effective alternative repayment rate will be the lower of either the 30-day average or the 5-day average.**

The 30-day method will reflect a 30-day moving average of all terminal market prices for the crop, adjusted by the difference between the applicable national loan rate and the county loan rate. The 5-day method will reflect a 5-day moving average of applicable terminal market prices adjusted by applicable county differential and terminal adjustments.

This new loan repayment method will minimize potential forfeitures, accumulation of CCC stocks, CCC storage costs, market impediments and discrepancies in benefits across state and county boundaries. More details on specific crops are available at your county FSA office.

Banking Changes?

Payments are electronically transferred into your bank account. If we are not aware of changes to your account and routing numbers, your payment could be delayed. In order to make timely payments you need to notify the office if you close your account or if another financial institution purchases your bank. It is important that any changes in producer's account be provided to the county office promptly to avoid possible payment delay.

2009 CROP COMMODITY LOANS AVAILABLE

Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. Loans mature on the last day of the ninth calendar month following the month in which the loan is approved. The current loan rates are as follows:

Corn	\$1.87/Bushel	Barley	\$1.67/Bushel
Oats	\$1.32/Bushel	Soybeans	\$4.94/Bushel
Soft Red Wheat	\$1.87/Bushel	Soft White Wheat	\$2.06/Bushel

Timely Filing of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. A Notice of Loss is required for ALL CROPS COVERED BY NAP INCLUDING GRASSES. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (notice of loss) in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 days after the normal harvest date. If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.



Save Time- Get On Line

E-File is part of the USDA effort to better serve you through the Internet. E-File gives you access to forms and account information relating to programs and allows you to fill out and submit documents electronically. To get registered go to: <http://www.sc.egov.usda.gov> and create a level 2 account. After you are registered you will have to come into the FSA office to get “authenticated” using your driver license. We then go in and approve you and link you up to our programs so that you will be able to do many functions without coming into the office. An email will be sent to you confirming your approval and giving you instructions to complete the registration process. It’s easy and can save time and gas!

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.

Special accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, please contact Elizabeth Lake at 269-781-4263, ext 2.