



# Farm Service Agency

February 2007

Kent, Muskegon, Newaygo County Farm Service Agency  
Newsletter

## Kent County FSA

3260 Eagle Park Drive NE  
Grand Rapids, MI 49525  
616/942-4111 ext 2 (phone)  
616/940-4691 (fax)

## Newaygo/Muskegon County FSA

940 Rex Street  
Fremont, MI 49412  
231/924-2230 ext 2 (phone)  
231/924-9263 (fax)

## Hours

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

## Kent County Committee

David Dunaven  
Deb Kober  
Steve Koning

## Newaygo/Muskegon County Committee

David Bayne  
George Cousineau  
James Dunn  
John Vandenbrink  
Craig Zeerip  
Faye Folkema, Advisor

## COUNTY EXECUTIVE DIRECTOR

David Bain

## Farm Loan Managers

Leslie Wills, Muskegon  
Rick Dean, Newaygo  
John Anton, Kent

## Kent County Office Staff

Richard Dunton  
Nina Zick  
Debbie Diehl

## Newaygo/Muskegon Office Staff

John Vander Meulen  
Lisa Smalligan  
Kathy Nelson

## Committee Election Results

Congratulations to **David Dunaven** in Kent County and to **George Cousineau & James Dunn** in Newaygo/Muskegon County as the newly elected COC Members!

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.

## Farm Record Changes

Report any farming operation changes so that we can keep your records current. Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits. You should also be aware of Highly Erodible Land Conservation, Wetland Conservation, Payment Eligibility, and Payment Limitation provisions, which impact your eligibility for Direct and Counter-Cyclical Program (DCP) payments as well as other USDA program benefits.

Changes to your farming operation may include, but are not limited to, a change in the structure of your farming operation, the addition or removal of farms that you operate, changes in your rental agreements, ownership changes, or changes from agricultural to non-agricultural land uses. **\*\*If you have any farms requiring reconstitutions, be sure to request this prior to DCP sign-up.\*\*** This one step will save a substantial amount of time.

## 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 the FSA Office in person or by phone.

## Payment Eligibility Updates

On a national basis, FSA is undertaking the task of reviewing all producers' eligibility files for FSA program payments. This corresponds to 2006 and 2007 payments. With this, FSA's intention is to correct any issues related to payment eligibility. If errors are discovered, it may mean corrections may have to be made for years prior to 2006

**What does this mean for our County producers?** Hopefully, all paperwork is correct with current year and previous years' information. However, for the 2007 crop year, it is likely most producers will be asked to file a new **CCC-502** (Farm Operating Plan for Payment Eligibility Review), a new **AD-1026** (HEL and Wetland Conservation Certification), and possibly, a **CCC-526** (Payment Eligibility Average Adjusted Gross Income Certification). Please note this will take extra time to complete and to plan accordingly for your visit to the FSA office.

These forms must be completed and approved prior to receiving your next program payment. To assist in this, please verify your cash rent statements and your FSA-211's (Power of Attorney) are current before your appointment for DCP sign-up. Also, please ensure that we have the appropriate documentation showing who controls the entity if you participate under a name other than your personal name.

Now Open For  
Fun and Games



[www.fsa.usda.gov/fsakids](http://www.fsa.usda.gov/fsakids)



**Signup- 2007 signup began October 1, 2006 and ends June 1, 2007.** You must sign up annually to participate. There will be a \$100 charge to late file a DCP contract between June 2 and September 30, 2007. Under DCP, you must designate shares and sign a new DCP contract each year. Any revisions to the contracts must be completed by September 30, 2007.

Producers are encouraged to have all cash rent statements for their landowners at the time of the appointment. For 2007, advance program payments have changed significantly. A **22% advance** of the guaranteed payment can be requested for any month December through September of the program year. The final 78% of the guaranteed payment will be issued in October, 2007, if all eligibility requirements are met. Since advance payments are considerably less than in past years, please be aware of this change and make necessary arrangements.

Just a reminder: **ALL cropland** on a farm **must** be reported each year in order to earn payments. June 30<sup>th</sup> is the deadline to report small grains and July 15<sup>th</sup> is the final day for all other crops, forage, and CRP. Program payments can only be earned by persons who have risk in the crop. Participants are required to protect all planted and idle DCP base acres from erosion and weeds throughout the crop year. Weeds are not an acceptable cover and must be mowed. Fruits and Vegetables (FAV's) cannot be planted on base acres unless the farm or producer has FAV history. In cases where the farm and/or producer are eligible, the producer will receive an acre-for-acre reduction in his/her program payment. FAV's include dry edible beans, potatoes, cucumbers, peppers, zucchini, and squash, among others. If no FAV history exists, it's considered a program violation and could cost the producer the DCP payment for the entire farm.



**Please call to schedule your DCP appointment.**

## ***Farm Storage Facility Loans***

FSA offers storage facility loans for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, soybeans, and corn. The interest rate for February, 2007 is 4.625%.



The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include bunkers, new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All farm storage facility loans are secured by a promissory note and security agreement. For loans exceeding \$50,000 or where a borrower's aggregate outstanding loan balance exceeds \$50,000, a lien on real estate will be required. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment of 15 percent is also required. For details, contact the county office staff.

## ***Adjusted Gross Income (AGI)***

Producers will not be ineligible for any commodity, conservation, or price support program benefit if their AGI exceeds \$2.5 million, unless 75% or more of the AGI is from farming, ranching, or forestry. AGI is based on the average of the three tax years prior to the year benefits are requested. AGI is required from individuals, entities, and members of an entity. This information is NOT subject to disclosure under the Freedom of Information Act. AGI will help FSA ensure we are paying actual agricultural producers.



## ***DCP and Marketing Assistance Loans Survey***

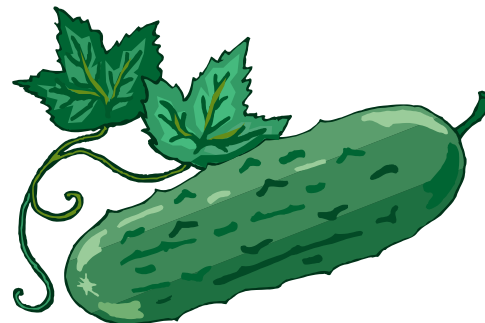
FSA customer satisfaction surveys will be administered to randomly-selected DCP and Marketing Loan Assistance (MAL) participants beginning in January. This survey will include questions about application processes, program effectiveness, modes of service delivery, and customer service provided at field FSA offices. The intent of this survey is to determine the general level of customer satisfaction with DCP and MAL's.

If contacted, please take the time to complete this survey accurately. It will benefit producers and FSA alike.

## **NAP Coverage Deadline**

Non-Insured Crop Disaster Assistance Program (NAP) is available for 2007 crops for which Catastrophic level crop insurance is not available. The application fee is \$100 per crop per county; or \$300 per producer per county, not to exceed \$900 per producer for all counties.

March 15 is the NAP application closing date for most 2007 vegetable and dry bean crops. This date is unchanged from recent years. Producers who had coverage on 2006 NAP crops may choose to continue coverage on the same crop or crops for 2007, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage, is not required to be signed when applying for continuous coverage of the same crop or crops. Producers who choose to add or delete crops from the previous year's coverage, or are changing shares for 2006, must file a new CCC-471 with signatures.



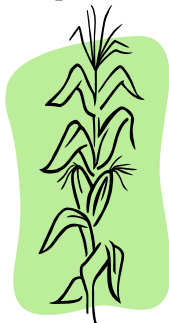
If you carried NAP coverage on crops for crop year 2006, please remember to provide your production to the FSA office. This is required for all crops which are covered under a NAP policy & must be reported by July 15.

To remain compliant in NAP, producers must: 1) file acreage reports by July 15, 2007, 2) follow HEL and Wetland conservation compliance requirements, 3) file Notice of Loss within 15 days of weather damage or within 15 days of the loss becoming apparent to the producer, 4) request loss adjustment appraisals if any crop will not be harvested or to document production left in the field, and 5) provide true and complete production records for the unit by July 15<sup>th</sup>.

## **Marketing Assistance Loans and Loan Deficiency Payments (LDP's)**

Commodity loans and LDP's are available with or without participation in the DCP program; however, ***crops must be reported***. A producer cannot obtain a loan and LDP on the same bushels and he/she must maintain beneficial interest in the crop for the length of the loan. Also, it is the producer's responsibility to maintain the quality of the commodity in farm storage through the term of the loan.

Nine-month loans are available when crops are harvested. There are two types of loans, farm-stored and warehouse-stored. Different rules apply to each type. The loan rate is the rate for the county where the grain is stored. The producer must maintain beneficial interest in the grain under loan. The February interest rate is 6.000%.



- For crop year 2006, marketing assistance loans and LDP's are available for wool and mohair through January 31, wheat through March 31, and corn and soybeans through May 31.
- Provisions of the loan program state that a loan cannot be disbursed until a lien search is completed, necessary lien waivers are obtained, and the UCC-1 is on file.

**IMPORTANT NOTICE:** If sales proceeds are needed to repay the loan, you **MUST** request a CCC-681-1 (Marketing Authorization) ***prior*** to moving your grain. *Market Loan Repayments* are an option that allows you to use cash to repay a commodity loan at the lesser of the posted county price (PCP) or principal plus interest.

If terms and conditions of the loan are violated, liquidated damages could be assessed, the loan could be called, and/or it could be required to repay the loan quantity involved in the violation. Also, a producer could face criminal prosecution under federal law.

## **Measurement Service Fee Change**

The state has adopted a new version of measurement fees from national FSA procedure. This policy will more accurately reflect the costs incurred by the agency for services such as measuring fields and grain bins. A basic farm visit fee will now be \$30 plus \$16 for the first hour and \$8 for every 30 minutes after the first hour. Fees will include actual time spent traveling, measuring, and calculating. There will be a charge for a minimum of one hour. The minimum measurement service fee will now be \$46.00.

**eGov Customer Registration Process**

Did you know you can verify what payments you've received from FSA (referred to as the "Customer Statement"), sign up for DCP and request LDP payments from your home computer?

1. The first step is to obtain your "Level 2 Authorization" by accessing your website of interest:

- USDA Customer Statement                      <http://customerstatement.usda.gov>
- Electronic LDP Signup                              [http://www.fsa.usda.gov/egov/eldp\\_default.htm](http://www.fsa.usda.gov/egov/eldp_default.htm)
- Electronic DCP Signup                              [http://www.fsa.usda.gov/egov/edcp\\_default.htm](http://www.fsa.usda.gov/egov/edcp_default.htm)

2. Create an online user profile and apply for Level 2 access
3. Respond to the verification e-mail within 7 days of receipt.
4. Visit the County Office in person and provide photo identification to the Local Registration Authority in order to receive Level 2 Activation.
5. You will have access to Level 2 applications within one hour after your profile has been activated.



**Dates to Remember:**

<u>2/19/07:</u>	<u>Presidents Day – Office Closed.</u>
<u>3/15/07:</u>	<u>Deadline for NAP application for vegetable crops.</u>
<u>3/31/07:</u>	<u>Last day to request loan or LDP wheat</u>
<u>5/31/07:</u>	<u>Last day to request loan or LDP for corn or soybeans.</u>
<u>6/02/07 through 09/30/07:</u>	<u>DCP sign-up will now cost \$100.00 per farm, for late sign-up.</u>
<u>6/30/07:</u>	<u>Last day for certification for small grain crops. A late fee will be implemented for certification after this date.</u>
<u>7/15/07:</u>	<u>Last day for certification of all other crops. A late fee will be implemented for certification after this date.</u>
<u>9/30/07:</u>	<u>Last day for NAP on forage.</u>
<u>Ongoing:</u>	<u>Continuous CRP, Farm Storage Facility Loans.</u>

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.