



# Michigan Accomplishments for Fiscal Year 2008

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## Michigan Farm Service Agency

The Farm Service Agency ensures the well-being of American agriculture, the environment and the American public through efficient and equitable administration of farm commodity programs; farm ownership, operating and emergency loans; conservation and environmental programs; and emergency and disaster assistance.

**Michigan FSA employees worked hard to fulfill that mission during fiscal year 2008. Here are some of our accomplishments.**

### Making Credit Available to Michigan Producers

FSA makes and guarantees loans and provides credit counseling and advice to farmers and ranchers who are temporarily unable to obtain private, commercial credit. FSA loan applicants are often beginning farmers who do not qualify for conventional loans because of insufficient net worth, or established farmers who have suffered financial setbacks from natural disasters or economic downturns.

Under the Guaranteed Loan Program, FSA guarantees loans made by commercial agricultural lenders for up to 95 percent of any loss. FSA offers Direct Loans to those unable to qualify for a Guaranteed Loan.

**\$96.5 Million Available to Michigan Producers--**Farm Loan Program staff approved a total of 744 loans valued at \$96,537,000. The total number of loans made includes:

**\$44.3 Million in Farm Operating Loans--**Farm Operating Loans may be used for normal operating expenses, machinery and equipment, real estate repairs, and refinancing debt. In fiscal year 2008, we approved 508 loans totaling \$44,263,000 in Direct and Guaranteed Farm Operating Loans to help Michigan producers plant and harvest their crops or reorganize their businesses.

**\$50.8 Million in Farm Ownership Loans--**Farm Ownership Loans may be used to purchase or improve real estate. We approved 215 loans making \$50,809,000 in credit available to Michigan producers through the Farm Service Agency's Direct and Guaranteed Farm Ownership Loan programs.

**\$31 Million in Loans to Beginning Farmers and Ranchers--**Of the Farm Operating and Farm Ownership loans, we made, 303 loans totaling \$30,998,000 to beginning farmers and ranchers. **Fifty** percent of the Direct Loan portfolio was for beginning farmers. The total percent of loans to beginning farmers (direct and guaranteed) was **42** percent.

**\$3.9 Million in Loans to Socially Disadvantaged Applicants--** A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. Included in the Farm Operating and Farm Ownership loans we made were 79 loans totaling \$3,865,000 to socially disadvantaged applicants.

**\$1.5 Thousand in Emergency Farm Loans--**FSA provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. In FY-2008, 21 Michigan farmers and ranchers received \$1,465 in emergency loans.

### \$55 Thousand in Youth Loans

These loans provide operating money to eligible rural youth applicants to finance a modest income-producing agricultural project. In FY-2008, we made 40 loans totaling \$55,520. The maximum loan amount is \$5,000.

### Helping Michigan Producers through Price Support and Farm Programs--

Farm programs are designed to improve the economic stability and viability of the agriculture sector and to help ensure the production of an adequate and reasonably priced supply of food and fiber for American citizens.

**Each program dollar paid to a producer turns over in the local community an estimated seven times.**

### \$466.4 Million in Farm and Program Support Payment--

Michigan producers received \$466,398,028 in Commodity Credit Corporation program benefits. Farm and price support benefits included:

### \$202.8 Million in Milk Income Loss Contract Program --

The Milk Income Loss Contract Program compensates dairy producers when domestic milk prices fall below a specified level. Michigan producers received \$202,756,000 ranking third among all states.

## ***Farm Program Fact Sheet***

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**\$329.6 Million in Price Support Payments--**A producer who is eligible to obtain a marketing assistance loan, but who agrees to forgo the loan, may obtain a Loan Deficiency Payment instead. 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. Michigan producers in FY-2008 received \$329,566,969 ranking sixth highest among states.

**\$3.5 Million in Farm Storage Facility Loans--**Under the Commodity Credit Corporation (CCC) Charter Act, USDA may make loans to producers to build or upgrade farm storage and handling facilities. Michigan producers in FY-2008 received \$3,507,907 in Farm Storage Facility loans, ranking ninth nationally in the number of dollars loaned for the program.

**\$22.5 Million in Conservation Reserve Program Payments--**Landowners enroll environmentally sensitive lands for terms of 10 to 15 years. In return for planting a protective cover of grass or trees, they receive an annual rental payment. Cost-share and incentive payments are also available. Michigan producers received \$22,501,672. Breaking down the payments, Michigan producers received rental payments, cost-share payments, and incentive payments.

**\$82.2 Million in Crop Disaster Payments (CDP)--**FSA provides assistance for natural disaster losses, resulting from drought, flood, fire, freeze, tornadoes, pest infestation, and other calamities. Michigan producers in FY-2008 received \$82,295,615 in CDP payments, ranking seventh among all states.

**\$79.3 Million in Direct and Counter-cyclical Program Payments--**The Direct and Counter-cyclical Program helps to stabilize U.S. agriculture by providing payments to eligible producers who enroll their farms each fiscal year during the life of the current farm bill. Producers who enrolled in the Direct and Counter-cyclical Program received \$79,329,393 in direct and counter-cyclical payments.

**\$2.4 Million in NAP payments--**Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of noninsurable crops when low yields, loss of inventory or prevented planting occurs due to natural disasters. Michigan producers in FY-2008 received \$2,477,330 in NAP payments, ranking 10<sup>th</sup> among all states.

**\$3 Million in LCP payments--**The Livestock Compensation Program 2005-2007 (LCP) provides benefits to livestock and catfish producers who suffered feed losses or incurred additional feed costs directly resulting from natural disasters occurring between Jan. 1, 2005, and Dec. 31, 2007, including losses because of blizzards that started in 2006 and continued into January 2007. Michigan producers received \$3,086,075 in FY-2008 LCP payments.

**Geographic Information Systems--**GIS is composed of both hardware and software that allows users to analyze information, conduct business more efficiently and display results of these efforts on maps. Since virtually all Farm Service Agency actions are tied to specific locations they can essentially all be mapped. FSA used GIS in 2008 flood and drought disaster assessments and with farm records management. This tool has answered many spatially related questions such as: "How many farms have expiring CRP contracts and where are they located?" GIS helped both FSA and the customers it serves, by helping service centers and state office specialists to visualize choices that are faced on a daily basis as well as long term management efforts.

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