



Allegan County News

Allegan County USDA Service Center

AlleganCounty FSA
1668 Lincoln Road
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www.fsa.usda.gov/mi

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

County Committee
Jeffry Lenhart
Frank Doezema
Paul Collier

County Committee
Advisor - Lori Drozd

County Committee meets:

The first Wednesday of
each month

Staff
County Executive Director
David J Mroczek

Penny Andrews
Brenda Carroll
Janis Chestnut
Joel Walen
Pat Powers



2010 DCP SIGN-UP

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign -up, or please call the Allegan FSA Office **for an appointment to enroll into the 2010 DCP Program.**

USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the commodity.

INFORMATION THAT MUST BE INCLUDED ON A CASH LEASE

Producers may request a 22% advance DCP Payment provided that a cash lease is provided and all of the following are included on the lease: Length of lease (list actual years such as 2010 etc.. Not just 1, 2 or 3yrs), landowners and operators must have names printed, signed and dated and the lease must clearly indicate the type of lease such as: cash lease, crop share lease or barter lease and barter terms. If all information needed is not present the lease cannot be used for an advance payment.

FARM CHANGES

Please notify our office well in advance of your DCP appointment any changes in farms that need to be added as well as any that you are no longer working. Changes do not update until the following day. For your farm listing to be correct when you sign up or certify please tell us those changes now. This includes changes to LLC's, Partnerships and Corporations.

HAVE YOU CHANGED BANKS OR ACCOUNTS RECENTLY?

As of January 1, 1999, all FSA payments are required to be electronically transferred into your bank account. 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. Payments can be delayed if we are not aware of changes to your account and routing numbers. It is important that any changes in a producer's account such as type of account, bank mergers, routing number or account numbers be provided to the county office promptly to avoid possible payment delay.



PAYMENT PROCESS CHANGES

You may have noticed that your transaction statements for payments you have received have looked different. Local FSA Offices are not longer making the payments to producers. All payments and transaction statements are now issued out of Kansas City. This also includes corn loan repayments where a refund is due back to the producer. Those checks can now take up to 10 days to get to the producer. Please be patient as this new Payment Centralization process is implemented.

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. However, loans can be rapid at any time during the 9 months. The current interest rate is 1.375% and the loan rates are as follows: Corn \$1.86, Soy's \$4.95 White Wheat \$2.04 Red Wheat \$1.89

BIOMASS CROP ASSISTANCE PROGRAM

The Biomass Crop Assistance Program (BCAP) was established to offer financial assistance for producers or entities with the collection, storage, harvest and transportation (CHST) of eligible material for use in biomass conversion facilities. To receive payment, producers and entities must deliver the material to a qualified Biomass Conversion Facility (BCF) and the biomass material must be listed as an eligible material. Please call with any questions.

MAJOR CHANGES TO THE FARM STORAGE FACILITY LOAN (FSFL) PROGRAM!

The Food, Conservation, and Energy Act of 2008 made the following major changes to the FSFL Program, effective August 17, 2009:

- adds eligible FSFL commodities including fruit and vegetable cold storage facilities, hay and renewable biomass
- adds FSFL terms of 10 and 12 years
- authorizes one partial disbursement
- increases the maximum FSFL amount to \$500,000 per FSFL
- allows borrowers to increase the required down payment from 15 percent to 20 percent to negate the requirement for a severance agreement
- increases the non-refundable FSFL application fee to \$100 per eligible borrower.

Fruits and vegetables (FAVs) have been added as eligible FSFL commodities and cold storage facilities as eligible structures. FAVs eligible for cold storage facilities include, but are not limited to: apples, blueberries, asparagus, cabbage, grapes, potatoes, watermelons, pumpkins and squash. Controlled atmosphere storage structures are **not** eligible for FSFL.

Hay is defined as a grass or legume that has been cut and stored, and includes commonly used grass mixtures and forage legumes. Grain legumes for hay are also included, and are defined as hay where the entire plant, including the seeds, is harvested at maturity and used for animal feed.

Renewable biomass is defined as any organic matter that is available on a renewable or recurring basis used for the production of energy in the form of heat, electricity, and liquid, solid or gaseous fuels. Renewable biomass includes crop residue (corn stover, orchard prunings, etc.), plants and trees excluding old growth timber, renewable plant materials (feed grains or other agricultural commodities), and vegetative waste material (wood waste and residues, food waste, yard waste). **Manure from any source is not included.**

Total principal amount term options for FSFLs are as follows:

- \$100,000 or less the term is 7 years only
- \$100,000.01 to \$250,000, the borrower can specify 7 or 10 years
- \$250,000.01 to \$500,000, the borrower can specify 7, 10, or 12 years.

To be eligible for FSFL, the borrower must:

- be a producer of a facility loan commodity
- demonstrate a need for increased storage capacity
- show the ability to repay FSFL through the financial analysis process
- meet all other eligibility requirements.

FSFLs are approved and disbursed to a farming operation that is an eligible entity or an eligible producer at the time of approval. FSFL regulations allow that if any changes are made to a farming operation with an outstanding FSFL, the borrower must either find an eligible borrower or entity to assume FSFL, repay FSFL, or undergo new financial analysis to ensure that CCC's interests are protected and that the current borrower is in a position to continue making the scheduled FSFL payments.

FSFL collateral must be used for the purpose for which the storage facility was erected, constructed, assembled, or installed for the entire FSFL term. The intent of the FSFL Program is to provide on-farm storage to producers for storing eligible facility loan commodities they produce and not for any other purpose. The FSFL Program does not have the resources to provide financing for commercial storage facilities. Contact your local FSA County Office for more information or to schedule an appointment to start a Farm Storage Facility Loan application.

WOOL & MOHAIR LOAN & LDP DEADLINE: JAN. 31, 2010

The final date to request a loan or LDP on wool or mohair harvested in 2009 is January 31, 2010. The market price has been below the loan rate (42 cents/lb for ungraded wool), so there has been a loan deficiency payment in effect.

FRAUD LEADS TO INELIGIBILITY

Producers found to have committed crop insurance fraud are ineligible for a number of programs administered by FSA and CCC. Any person found to have committed fraud will receive a notice and will have an opportunity for a hearing on the record. The person may be disqualified from receiving any benefits under a number of programs for a period of up to 5 years. Other sanctions may also apply.

FARM LOAN PROGRAMS

FSA makes direct and guaranteed farm ownership (FO) and operating loans (OL) to family-size farmers and ranchers who cannot obtain commercial credit from a bank, Farm Credit System institution, or other lender. FSA loans can be used to purchase land, livestock, equipment, feed, seed, and supplies. Our loans can also be used to construct buildings or make farm improvements. Allegan County producers are handled out of the Ottawa County FSA Office. Please call Leslie Gutsell Wills at (616)842-5852 with any questions you may have.

THE ACRE PROGRAM OPTION

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. For 2010, the 2-year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base on the farm. In exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

The June 1, 2010, deadline is mandatory for all participants. USDA will not accept any late-filed applications.

IMPORTANT REMINDER TO PRODUCERS CURRENTLY ENROLLED IN THE ACRE PROGRAM:

Crop production reports are required for all ACRE farms. Acceptable evidence includes: FSA measurements of bins, bunkers, silo's etc. Please let us know as soon as possible if you need anything measured. Crop insurance appraisals are acceptable. For sold or weighed production document must show producer and buyers name, commodity, delivery date and quantity. If ACRE production is comingled with the production from all farms production will be prorated. 2009 Production for ACRE must be turned in by

FSA ONLINE SERVICES AVAILABLE

Producers, if you have Internet access you can electronically log on, fill out and print a variety of FSA paper forms in the comfort of your home as your schedule allows. You can also register for secure electronic access that will allow you to electronically sign and transmit some forms directly to the county office staff. If you are new to the website, first you will want to obtain a Level 2 USDA Service Center Customer ID and password at: <http://www.eauth.egov.usda.gov/> and then click on "Create an Account Page" link.

USDA eAuthentication is the system used by USDA agencies to enable customers to obtain accounts that will allow them to access USDA Web applications and services via the Internet. This includes things such as submitting forms electronically, completing surveys online, and checking the status of your USDA accounts.

If you already have a Customer ID and password, then click on the following eForms website at:

<http://forms.sc.egov.usda.gov/eforms/mainserver/vlet> and then click on the "Sign In" button. A disclaimer window will open and after you read the "Warning message" click on the "Continue" button.

Then the USDA Web services page will open to the eAuthentication login page. Enter your login User ID and password and then click on the "Login" button. To sign and transmit forms electronically, you must sign-up and get a User ID and password.

Submitting an e-Form is convenient. You can access information anytime day or night seven days a week. It's faster and forms and applications can be submitted and received in the county office in a matter of minutes, not days or weeks.

PLEASE FEEL FREE TO VISIT OUR WEBSITE AT: www.fsa.usda.gov/mi



SELLING OR FEEDING GRAIN UNDER LOAN

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call the office before any grain under loan is fed or sold.

AVOID WETLAND AND HIGHLY ERODIBLE LAND VIOLATIONS

All producers are required to notify the Allegan FSA Office and complete form AD-1026 if they intend to do any of the following:

- Convert wetlands by draining. Dredging, filling, leveling, tiling, land clearing or any other means that would allow the planting of an agricultural commodity
- Planting an ag commodity on a wetland converted after December 23, 1985
- Plant or produce an ag commodity on highly erodible fields unless actively applying an approved conservation plan.

NRCS must make the determination if any areas in question are highly erodible or wetlands. Failure to follow established wetland and highly erodible land regulations will result in the loss of program benefits for current and possibly future years.

Dates to Remember	
Current	DCP and ACRE Enrollment
Jan 18 th	Office closed – Martin Luther King Jr. Holiday
March 15 th	NAP sales closing date for many annual crops
June 1st	Final date to enroll in DCP and ACRE
June 30 th	Final date to report acreage of small grains
July 15 th	Final date to report all other crops and CRP
Continues	Farm Storage Facility Loans, CREP and Continuous CRP

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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.