



ALLEGAN COUNTY NEWSLETTER

September 2010

Issue#2010-03

**Allegan County
USDA Service Center**
Allegan County FSA
1668 Lincoln Road
Allegan, MI 49010
Phone: 269-673-6940
Fax: 269-673-9671
www.fsa.usda.gov/mi

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

County Committee
Jeffry Lenhart
Frank Doezema
Paul Collier
Lori Drozd, Advisor

COC Meetings
First Wednesday of each
month beginning at
9:30 a.m.

**County Executive
Director**
David J Mroczek

Office Staff
Penny Andrews
Brenda Carroll
Janis Chestnut
Pat Powers



Supplemental Revenue Assistance Program (SURE) Signup Continues

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that incurred in the crop years 2008 through September 30, 2011.

To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

The following are the conditions that trigger SURE payments:

- At least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition. A crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm;
- Producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop production or quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

**Signup is currently ongoing. Applications
for 2008 must be received by September 30,
2010.**

Continuous CRP

The Continuous Conservation Reserve Program is a private lands environmental improvement program that allows participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources.

The Continuous CRP program is a voluntary enrollment program. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental and maintenance payments, incentive payments for certain activities, and cost share for establishment.

To be eligible for enrollment in the Continuous CRP, participants and acreage must meet certain requirements. Provided the eligibility requirements are met, FSA will automatically accept enrollments of acreage into Continuous CRP. Landowners may enroll in the program at any time during the year.

For more information on Continuous CRP enrollments, please contact your local FSA office.

DCP Maintenance Default Rate

Producers are responsible for controlling wind and water erosion as well as weeds, including noxious weeds, on land they have enrolled in DCP or ACRE. Failure to do so could result in a producer being levied a maintenance default penalty.

COC recently concurred on establishing a rate of **\$5.00 per acre** for calculating maintenance default payment reductions for non-compliance. This amount shall be assessed to producers who fail to control wind and water erosion as well as weeds, including noxious weeds, on base acres enrolled in the DCP program.

Please call the office for further details or for any questions you might have.

NAP Coverage

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

The application deadline date for the 2011 NAP coverage for small grains, fall mint, fall speltz and forage crops is September 30, 2010.

Producers who already have coverage on 2010 NAP crops may choose to continue coverage on the same crop or crops for 2011, 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 a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

Producers with NAP coverage must remember to complete the following to qualify for benefits:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
 - File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.
- For more information on NAP coverage please contact your nearest Farm Service Agency office.

Conservation Compliance Reminder

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land that they operate. Several areas where problems can arise with complying with a conservation system are: renting new cropland, purchasing new cropland, breaking out additional cropland, shortening an established cropping rotation, planting new crops, and changing or removing existing conservation practices. **It is very important that you contact the FSA office BEFORE doing any of the above. Also, it is very important that you contact your local County office BEFORE modifying (tiling, draining, dredging, filling or leveling) any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and program eligibility.**

Marketing Assistance Loans-A valuable tool for quick cash with a low interest rate!

Producers do not have to participate in the direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans. Loans are for a maximum of 9 months but the entire loan or a portion of it can be paid back anytime. Producers that feed must pay for bushels to be fed prior to feeding. Producers who will be marketing the crop must get a release to sell the grain with the proceeds payable to CCC. The interest rate for the month of July was 1.375%. When you obtain a loan the interest rate in effect in January is locked in for the remainder of the loan. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Loans for Socially Disadvantaged Persons

The Farm Service Agency (FSA) can make and guarantee loans to socially disadvantaged applicants to buy and operate family size farms and ranches. Funds specifically for these loans are reserved each year. A socially disadvantaged farmer or rancher is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians and Alaskan Natives, Hispanics, and Asians and Pacific Islanders. Contact your local FSA Farm Loan Manager or Officer for more details and assistance in applying.

Farm Storage Facility Loans

If you noticed you didn't have enough room to store your silage then maybe it is time for a new bunker. Did you know FSA's Facility Loan Program provides funding to finance bunkers and other facilities to store silage and high moisture corn? Special low cost government loans for storage facilities are now available for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, rice, soybeans and corn, including wheat, rice, soybeans and corn. The 7-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 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 is also required. It is important to remember that you cannot start any work on the site nor have any material delivered until after your loan has been approved by FSA.

Crop Insurance Fraud Leads to Disqualification

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 FSA programs for a period of up to 5 years. Other sanctions may also apply.

Have You Changed Bank Accounts?

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 you report changes to the county office promptly to avoid possible payment delay.

Foreign Farm Owners Reporting Rule

Foreign owners of agriculture land in the U.S.A. must report their holdings, acquisitions, dispositions, leases of 10 years or more within 90 days to the Farm Service Agency. Failure to do so could result in civil penalties up to 25% of the property's fair market value.

SPECIAL ACCOMMODATIONS

Persons with disabilities who require accommodations to attend or participate in any meeting or event should contact David Mroczek by phone at (269)673-6940 or by e-mail at: david.mroczek@mi.usda.gov.

Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

**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	
September 6 th	Office Closed – Labor Day
September 30	Final date to apply for SURE
October 11 th	Office Closed – Columbus Day
After Harvest	Applications for Commodity Loans can be made
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program

Visit our Web site at:
www.fsa.usda.gov/mi



The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs 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, political beliefs, genetic information, 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.