



PROGRAM NEWSLETTER
UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
ALPENA -ALCONA-MONTMORENCY COUNTIES

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NEWSLETTER NO. 1

FEBRUARY, 2009

EVENTS & DEADLINES

- February 16, 2009 – George Washington Birthday Holiday
- March 15, 2009 – To obtain Crop Ins. or NAP policy
- March 31, 2009 – To apply for Small Grain loan or LDP
- May 31, 2009 - To apply for corn, soybean, minor oilseed loan or LDP
- June 1, 2009 – DCP contract deadline

OFFICE PERSONNEL

- Paul J. Anstead – County Executive Director
- Mack Francoeur – Farm Loan Manager
- Desiree Compeau – Program Technician – FLP
- Michelle Katona – Program Technician – FP
- Janet Marwede – Program Technician – FP
- Tom Hoppe – Field Assistant

TOPICS THIS ISSUE

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Special accommodations will be made, upon request, for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required please call Paul Anstead at 989-356-3596.

USDA ONLINE SERVICES

USDA Agencies (FSA, NRCS, RD) have available online service on the World Wide Web. The address of the web site is <http://www.sc.egov.usda.gov>. The web site features information such as forms (eForms), fact sheets, LDP rates, customer statements, and much more. Additional options are available to provide on-line service for applying for program benefits. To access these secured applications, a user id and password must be obtained. All producers with internet access are encouraged to obtain an eAuthentication Level 2 account. Contact the FSA office for further details. Also available is the FSA web site where more information about FSA programs can be obtained. The address is www.fsa.usda.gov

COUNTY COMMITTEE ELECTIONS

The County Committee elections were held this fall and the ballots were counted at the December COC meeting. Elections for the Alpena-Alcona-Montmorency COC took place in Local Administrative Area 5 (LAA 5), which represents Greenbush, Gustin, Harrisville, Haynes, and Mikado townships of Alcona County.

The results of the election are:

<u>LAA</u>	<u>COC Member</u>	<u>1st Alternate</u>
LAA 5	Donna Janice Emerick	Roger Love

Congratulations to Janice and Roger for being elected to the COC to represent the producers of LAA 5. The COC is responsible for administering the FSA office and farm programs. Thank you to all the producers that participated in the election process.

The COC met for the organizational meeting after elections to elect the Chairperson and Vice Chairperson of the County Committee. The results are: Chairperson - John Herrick; Vice Chairperson – Michael Timm
Member - Amy Lewis; Member – Edward McKinnon; Member - Janice Emerick

COUNTY COMMITTEE MEETINGS



The regularly scheduled meeting of the Alpena-Alcona-Montmorency COC is the third Wednesday of each month, beginning at 9:30 A.M. at the Alpena FSA office. The regular session of the County Committee meeting is open to the public.

DIRECT AND COUNTER-CYCLICAL PAYMENT PROGRAM

Signup is underway for the 2009 Direct and Counter-Cyclical Payment Program (DCP). The deadline to enroll a farm in the DCP program is June 1, 2009. A yearly signup to participate is required. Any changes in farm records will require additional time. A written lease, rental arrangement or other document signed by the owner is required to prove that the producer has the land cash leased for the crop year, when an advance payment is requested.



Don't wait until the deadline.

The DCP payment process includes a direct payment and a counter-cyclical payment. The payments are calculated using the farm's crop base times 83.3% times the payment yield times the payment rate. An advance direct payment of 22% can be requested at signup. The final direct payment will be issued in October of the program year. The amount of the counter-cyclical payment will depend on actual market prices during the marketing year. Crop reporting can also be completed if no annual crops are being planted.

Call the FSA office soon to make an appointment to enroll in the DCP program.

MILK INCOME LOSS CONTRACT PROGRAM

The Milk Income Loss Contract Program (MILC) signup started December 22, 2008. Milk producers must sign the MILC contract and choose a starting month to enroll in the program. The program provides dairy producers with economic assistance for milk market losses. The payment rate is calculated monthly by subtracting the Boston Class I milk price from the baseline price of \$16.94 and multiplying the difference by 45 percent. The baseline price will be adjusted when the National Average Dairy Feed Ration Cost per month exceeds \$7.35 per cwt. The maximum quantity of eligible production per dairy operation is 2.985 million pounds per fiscal year. The program is authorized through September 30, 2012. Producers are required to submit monthly milk marketing statements for the months a MILC payment is issued.



AGRICULTURAL FOREIGN INTEREST DISCLOSURE ACT

Foreign persons who acquire, transfer, or have an interest in agricultural land must report these holdings and transactions to the Secretary of Agriculture. Reports are due within 90 days of the transaction or change of status. Contact the FSA office for further information.



COMMODITY LOAN PROGRAM

Commodity loans are available using harvested crops as collateral. The proceeds from a loan could be used to help with cash flow or to pay off other loans. The term of the loan is nine months, starting the month after the loan is disbursed. The interest rate for the loan is the rate in effect for the month the loan is disbursed, subject to change in January using the January interest rate. The deadline is March 31, 2009 for small grains and May 31, 2009 for corn and soybeans.

To be eligible for a commodity loan, crops of wheat, oats, barley, corn, soybeans and minor oilseed crops must be produced by the producer and the acreage of the crop must be reported by the crop reporting deadline (July 1 for fall planted crops, July 15 for all other crops). If the crop is not reported by the deadline, a late filing fee will be charged and physical evidence must be present on the field.

The producer must maintain beneficial interest in the commodity through the life of the loan. A producer is considered to retain beneficial interest in the commodity if the producer has control of the commodity, has the risk of loss, and has title of the commodity.

The commodity must be kept in eligible storage, such as a bin, flat storage, silo or other eligible storage.

The producer is responsible for maintaining the quality of the commodity in farm storage through the term of the loan, including any extended periods.

The quantity of the commodity loan that is going to be sold, fed, or removed from the designated storage must be repaid before disposition. The repayment can be made using the following methods: (1) principle plus interest; (2) market gain repayment – production evidence must be provided; (3) request authorization to move a quantity before repayment – the buyer of the quantity must be recorded on the authorization and the buyer is responsible for repayment of the quantity. Failure to abide by the loan requirements will result in administrative action up to and including the calling of the loan and assessment of liquidated damages.

PAYMENT LIMITATION AND ELIGIBILITY REQUIREMENTS

The 2008 Farm Bill made some changes in the payment limitation and eligibility requirements for 2009 and future years. As a result, new eligibility paperwork must be filed and determinations are required to be made for most FSA programs before program benefits may be provided. The producer will remain ineligible until all required forms for the specific farming operation are provided to the FSA County office. Determinations are based on the facts as submitted by the producer. As a program participant, you are responsible for promptly notifying the FSA County office of any change in the farming operation that would affect a "person", "actively engaged in farming", cash rent tenant, foreign person, or adjusted gross income (AGI) determination.

Program payments are now limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, land, or a combination thereof; and (2) personal labor and active personal management, or a combination thereof.

The new farm bill also reduced the AGI limitation from \$2.5 million from all sources to a three-year average. A **non-farm AGI of \$500,000**, to be eligible for commodity and disaster programs. An individual or entity must have a 3-year average AGI less than or equal to \$750,000 from **farm income** in order to qualify for direct payments issued under the Direct and Counter-cyclical Program and the AGI less than or equal to \$1,000,000 from farm income to qualify for payments issued under the Conservation Reserve Program .

NONINSURED CROP DISASTER ASSISTANCE PROGRAM

The Noninsured Crop Disaster Assistance Program (NAP) provides assistance to eligible producers affected by natural disasters. This federally funded program covers noninsurable crop losses and planting prevented by disasters. Eligible crops include commercial crops and other agricultural commodities produced for food (including livestock feed) or for fiber for which the catastrophic level of crop insurance is unavailable. The loss must be caused by an eligible natural disaster. Applications must be filed by eligible producers in the county office that the crop acreage is reported. Applicable fees must be paid at the time of application. Service fees are \$250.00 per crop, not to exceed \$750.00 per producer per county, and not to exceed \$1875.00 per producer for all counties. The deadline to obtain NAP coverage for spring planted crops is March 15, 2009.

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FARM LOAN PROGRAM

The calendar year 2009 has began . All Farm Loan Program borrowers are required to submit 2008 farm records of income and expenses along with a cash flow plan for 2009. Please contact the office to schedule an appointment to complete this requirement. Producer's who receive a servicing package, because they are past due on payments, are required to respond as soon as possible but no later than 60 days from the date of mailing.

FSA lends money and provides credit counseling and supervision to eligible applicants who operate family-size farms and who are temporarily unable to obtain credit from private loan institutions. Several types of loan programs are available. Under the Guaranteed Loan Program, FSA guarantees loans made by commercial lending institutions for up to 90% of any loss. For those unable to qualify for a Guaranteed Loan, FSA offers Direct Loans which are made and serviced by FSA officials. Funding for Direct Loans is more limited, and applications must wait sometimes until funds become available. Contact any FSA office for more details.

Alcona, Cheboygan, and Montmorency counties are all among those counties which have been designated as disaster areas based on weather related losses during the 2008 growing season. If you have qualifying losses of 30%, or more, on at least one crop due to drought conditions, you may qualify for an EM loan at 3.75% interest. If you think you qualify, gather together your production histories for the past 5 years and contact the FSA office.

BANK ACCOUNT CHANGES

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing number.