



Alpena-Alcona-Montmorency County Farm Service Agency Newsletter

August 2012

ALPENA-ALCONA-
MONTMORENCY USDA
SERVICE CENTER

**Alpena-Alcona-
Montmorency County**

FSA:

1900 W. M-32
Alpena, MI 49707
(989) 356-3596 (phone)
(989) 356-2401 (fax)
www.fsa.usda.gov/mi

Hours:

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

County Committee:

John Herrick
Michael Timm
Janice Emerick
Ed McKinnon
Daniel Smolinski
Louella Byelich

Staff:

Michelle Katona, PT
Janet Marwede, PT
Desiree Compeau, PT
Kay Lumsden, CED
Betty Garrett, FLM



DAIRY PRODUCERS:

Don't forget to submit your milk production!! MILC payments are continuing to come through.

FARM BILL INFORMATION:
At this time, the new Farm Bill has not been approved by Congress. When it is approved, we will be getting information out as soon as we can.

EMERGENCY LOANS

The Secretary of Agriculture declared a Secretarial Disaster Designation in Michigan effective June 29, 2012. This covers damages and losses caused by blizzards, excessive snow, excessive heat, excessive rain, high winds, hail, freeze, frost, tornadoes, flooding and lightning that occurred January 1, 2012 through May 11, 2012. 72 counties in Michigan, including Alpena, Alcona, and Montmorency Counties, have been declared eligible for Federal disaster assistance including emergency loans for eligible farmers.

Emergency loan applications will be received through March 1, 2013 for physical and production losses. You must be able to prove that you have suffered at least a 30% loss in any or all crops or a physical loss to livestock, livestock products, real estate, or chattel property in order to be eligible for this program. The current interest rate is 2.25%.

Alpena, Alcona, and Montmorency Counties have also applied to be declared as a disaster county that would cover damages and losses caused by drought. At this time, we have not heard if we will be designated or not. Further information will follow on this topic.

Please contact the office for more information and/or application packages.

Other Disaster Programs:

At this time there are no other programs available, other than emergency loans, for the disaster situation we are currently facing. When, or if, a disaster program is introduced, we will get that information out as soon as possible.

Remember with harvest coming up~COMMODITY LOANS are available...

...and an excellent marketing tool for producers with eligible commodities to utilize. Commodity loans are available for harvested eligible commodities that are being stored in an eligible farm storage facility or an approved warehouse until it is sold. A commodity loan can also be utilized on eligible commodities being fed with the arrangement of monthly payments. The loan rate for corn is different if it is being stored as anything other than grain. A loan quantity can be certified by the applicant, or the applicant can pay for a measurement service to be performed by the County Office. All commodity loans mature 9 months from the issue date. The interest rate is set at the first of every month and was 1.250% for August, 2012.

The final availability dates for 2012 crop loans are March 31, 2013 for Wheat, Barley & Oats, and May 31, 2013 for Corn, Soybeans, and Sunflower Seed (for oil). The loan rates for 2012 crops are as follows:

Barley	\$1.77/bu
Corn	\$1.77/bu
Oats	\$1.38/bu
Soybeans	\$4.86/bu
Wheat	\$2.61/bu (Soft Red Wheat) \$2.67/bu (Soft White Wht)
Sunflower Seed	\$8.52/cwt (Alpena/Alcona) \$8.60/cwt (Montmorency)

2012 Dates to Remember

The following are important deadline dates for producers for the 2012 crop year:

September 3^d Labor Day Holiday- Office closed

September 30th Deadline to apply for Milk Income Loss Contract Program (MILC)

September 30th Deadline to apply for Non-Insurable Crop Disaster Assistance Program (NAP) Policies for winter wheat, rye, and all hay forages

October 8th Columbus Day Holiday – Office closed

October 20th Deadline to report prevented planted wheat for 2013 crop year

November 12th Veterans Day Holiday – Office closed

November 15th Deadline to certify fall-seeded small grains, including winter wheat AND perennial forage (alfalfa and alfalfa mix)

November 20th Deadline to apply for NAP Policies for all perennial crops

November 22nd Thanksgiving Holiday – Office closed

December 1st Deadline to apply for NAP Policies for honey and maple sap

December 25th Christmas Holiday – Office Closed

January 1st New Year's Day Holiday – Office Closed

****Don't forget to report your wheat and hay by November 15th****

Wetland Provisions

Potential violations of the wetland rules include bringing new land into production by clearing trees (including fence rows) or improving drainage by tiling or dredging. **Before you BEGIN any of these projects, you need to fill out form AD-1026.**

Natural Resources Conservation Service (NRCS) will complete a certified evaluation of the tract to determine if there are areas that are wet and highly erodible. This process takes ***at least*** 60 days to complete. NRCS will notify you by mail of the results.

With the new mapping system, updated imagery clearly shows where land has been cleared or drained. The penalty for a wetland violation can be loss of **ALL** USDA benefits back to the year of conversion. By checking with our office before you start a project, you can remain in compliance and avoid the penalties. Plan ahead, sign form AD-1026 and get your determination completed before clearing trees and/or tiling.

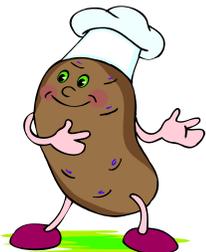


IMPORTANT FAV Reminders

Fruit and Vegetable (FAV's) reductions are yet to be determined. Payment reductions will be processed prior to the final payment process in October. You will receive a letter informing you of the payment reduction.

If you over planted dry beans &/or potatoes on contract acres and later determine **NOT TO HARVEST** all your dry bean/potato acreage **PLEASE FOLLOW THESE INSTRUCTIONS:**

1. Come into the office and request a measurement service (\$46.00 for the first hour plus \$8.00 for every half hour beyond that) to measure the acreage you will not harvest.
2. Revise your Acreage Report (578) with both the FSA office and your crop insurance agent
3. Destroy the acreage you requested the measurement service on. Left standing is not considered destroyed. Contact the office to begin the measurement service. (only one farm visit will be made to measure the acreage destroyed)
4. The office will recalculate your payment reduction based only on the acreage you will take to harvest.



Farm Storage Facility Loans



The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities. The new maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and/or permanent drying and handling equipment. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department. Interest rates are announced at the beginning of each month (**August 2012 – 1.000%**). Applications for FSFL and the \$100.00 application fee must be submitted to the FSA county office that maintains the farm records. An FSFL must be approved by the County Committee before any site preparation or construction can begin.

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.

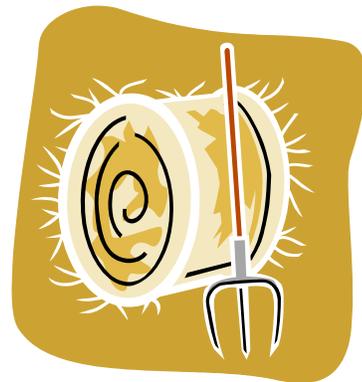
The application deadline date for 2013 NAP coverage is September 30th, 2012, for fall seeded small grains (winter wheat, rye, barley, etc), fall mint, fall speltz, and all hay/forage crops; November 20th, 2012, for perennial crops; and December 1st, 2012, for honey and maple sap.

Producers who already have coverage on 2012 NAP crops may choose to continue coverage on the same crop or crops for 2013, as long as the applicable service fee is submitted by the application deadline 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 need to change crop shares must file a new CCC-471, with signatures, and pay the applicable service fee by the deadline date.

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

- Timely file acreage reports
- Provide acceptable production evidence which is verifiable/reliable through appraisals or contemporaneous records (i.e. bale weights, number of bales, calendars, etc)
- 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 local Farm Service Agency office.

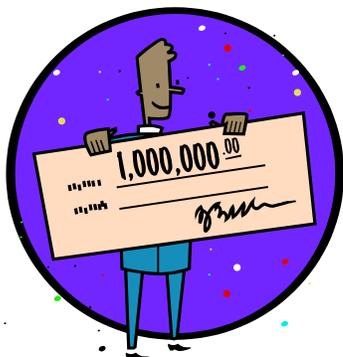
Adjusted Gross Income

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments and; \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-931 to their local FSA County Office by June 15 to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices. **If you have received a letter indicating that you must return a 2009, 2010, 2011, or 2012 CCC-931 AGI form, please do so as soon as possible.**

Over the Counter Channel (OTCnet)



FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information: <http://fms.treas.gov/otcnet/legal.html>

What is OTCnet?

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

How will my check be handled?

The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

How quickly will funds be transferred from my account?

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

How will this transaction appear on my account statement?

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

What are my rights if there is a problem with the transaction?

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

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.

Special accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, please contact Kay Lumsden, (989)356-3596, by phone or in person.