



# Antrim/Otsego County News

## Antrim-Otsego County USDA Service Center

### Antrim-Otsego County FSA

108 Depot Street  
Bellaire, MI 49615  
231-533-8542 (phone)  
231-533-6689 (fax)  
www.fsa.usda.gov/mi

### Hours

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

### County Committee

Mark White, Chairperson  
Barbara Fleming, Vice-Chairperson  
Roger Bolhuis, Member  
John Makarewicz, Member  
Deborah Milbocker, Member

County Committee meets the second Friday of each month.

### County Executive Director

Kathy Y Kozlowski

### Farm Loan Manager

James Monroe  
231-941-0951 (phone)

### Staff

Kathy Johnson  
Kari Tipton



## *DCP & ACRE Signup Extended*

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program has been extended until August 14, 2009. FSA will not accept any late-filed applications. Signup in the ACRE option is also available through August 14, 2009. Remember, you can sign up for DCP now and still be eligible to change to the ACRE program.

FSA 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 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments later this month if requested. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this on-line service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at <http://www.eauth.egov.usda.gov> followed by a visit to the local USDA Service Center for identity verification.

## *ACRE Signup is Ongoing*

The Average Crop Revenue Election (ACRE) is a new program authorized by the 2008 Farm Bill. The ACRE program signup began April 27, 2009, and runs through August 14, 2009.

The ACRE alternative provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. Producers who elect the ACRE program for a farm agree to:

- forgo counter-cyclical payments;
- accept a 20-percent reduction of the direct payments; and
- accept a 30-percent reduction in loan rates for all commodities produced on the farm

Commodities eligible for ACRE payments are wheat, corn, grain sorghum, barley, oats, upland cotton, long grain rice, medium and short grain rice, peanuts, soybeans, sunflower seed, canola, flaxseed, safflower, mustard seed, rapeseed, sesame seed, crambe, dry peas, lentils, small chickpeas and large chickpeas.

The ACRE program was created to give producers an option in lieu of traditional counter-cyclical payments. Producers may elect and enroll in ACRE for the 2009 crop year even if they have already accepted advance direct payments under the Direct and Counter-cyclical Program.

To elect ACRE for a farm, producers must complete Form CCC-509 ACRE, which irrevocably elects ACRE for the farm through crop year 2012. Form CCC-509, the contract to participate in ACRE, must then be completed each year the producer intends to participate and receive benefits. The best way to determine if your farm will benefit from the ACRE program is to search on-line using the words "ACRE calculator 2008".

ACRE payment is based on the revenue lost on the BASE crop actually planted and designated per FSA Farm number. Your five year yield history of this planted crop will have to be established per FSA farm number.

For additional information visit:  
[www.fsa.usda.gov/dcp](http://www.fsa.usda.gov/dcp)

## ***Farm Reconstitutions***

At FSA, farms are “constituted” to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. If an owner or operator can not agree about program participation, like in the case of the new ACRE program, then producers should inquire about a reconstitution of the farm at the local FSA office.

The reconstitution—or recon—is the process of combining or dividing farms or tracts of land based on the farming operation. Remember, to be effective for the current year, recons must be requested by **August 1** for farms enrolled in specific programs.

## ***CREP, SAFE & Continuous CRP Available***

At this time USDA has no general signups scheduled for the Conservation Reserve Program (CRP) in 2009. However, environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP), Conservation Reserve Program State Acres For wildlife Enhancement (SAFE) Practice, and Continuous CRP will still be eligible for enrollment. These targeted programs remain funded, and continue to provide heightened environmental and financial benefits to select areas.

## ***Crop Reporting***

The annual, timely and accurate reporting of acres for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, Acreage Crop Revenue Election (ACRE), marketing assistance loans and Load Deficiency Payments. Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

Crop reports, form FSA-578, Report of Acreage, must account for all cropland on a farm, whether idle or planted. Producers need to file their acreage reports by June 30, 2009 for fall seeded small grain crops and July 15<sup>th</sup> for all crops except fall seeded small grains.

You must also provide planting dates for all crops.

**Prevented Planting:** Prevented planting needs be reported no later than 15 calendar days after the final planting date.

**Failed Acreage:** Reports of failed acreage must be filed before disposition of the crop, and producers must be able to establish to the satisfaction of the county committee that the crop failed and was prevented from being replanted through the normal planting period because of natural disaster conditions.

## ***Sodbuster Regulations***

Sodbuster violations are unauthorized tillage practices on highly erodible lands that convert native vegetation such as grassland, rangeland or woodland, to crop production after Dec. 23, 1985.

Farmers and ranchers should be aware that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility to participate in most USDA programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they should check with their local USDA Service Center prior to bringing such acreage into production. An AD-1026 form may need to be completed for a formal determination.



If the USDA Natural Resources Conservation Service (NRCS) indicates on a CPA-026 that the area will be highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage, before bringing land into production.

In addition, producers and the producer's affiliates have to file an AD-1026 in the administrative or control county office before any farm program payments can be made. The AD-1026 is the producer's signed certification that HELC, as well as wetland conservation, provisions will not be violated.

## ***NAP Production Reporting***

Production records for individual crops need to be filed with our office to establish an approved NAP yield. If this is the first year you participated in NAP, you can provide production and acreage information from prior years to establish your yield. If you participated in NAP in previous years, you must report your production and acreage on a yearly basis to keep your yield up-to-date. Records submitted must be reliable or verifiable. Records need to show crop disposition. We recommend producers submit 2009 production records as soon as harvest is complete. All production records must be submitted by the subsequent crop year's final acreage reporting date.



## ***Timely Filing of Loss***

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. A Notice of Loss is required for **ALL CROPS COVER BY NAP INCLUDING GRASSES**. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (notice of loss) in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 days after the normal harvest date.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

## Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers and ranchers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,094,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

For detailed information on loan eligibility or the different loan programs available, contact the county office staff for an appointment with a farm loan officer.

## Down Payment Loan Program

FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations.

To qualify:

- The applicant must make a cash down payment of at least 5 percent of the purchase price.
- The maximum loan amount can not exceed 45 percent of the least of (a) the purchase price of the farm or ranch to be acquired; (b) the appraised value of the farm or ranch to be acquired; or (c) \$500,000 (Note: This results in a maximum loan amount of \$225,000).
- The term of the loan is 20 years. The interest rate is 4 percent below the direct Farm Ownership Loan rate, but not lower than 1.5 percent.
- The remaining balance may be obtained from a commercial lender or private party. FSA can provide up to a 95 percent guarantee if financing is obtained from a commercial lender. Participating lenders do not have to pay a guarantee fee.

## Emergency Farm Loans Available

USDA/FSA emergency farms loans are available in Antrim and Otsego Counties to all qualified farm operators as a result of losses caused by the following weather conditions:

<u>Disaster Description</u>	<u>Dates of Disaster</u>	<u>Final Date To Apply</u>
<u>Storms with excessive rain</u>	<u>4/12/08 thru 9/16/08</u>	<u>8/31/09</u>
<u>Drought conditions</u>	<u>5/1/08 thru 9/17/08</u>	<u>8/19/09</u>
<u>Severe frost/freeze and cold</u>	<u>3/1/08 thru 5/31/08</u>	<u>8/31/09</u>

- Emergency loan funds may be used to:
- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

All emergency loans must be fully collateralized. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.



Loans for crop, livestock, and non-real estate losses are normally repaid within 1 to 7 years; depending on the loan purpose, repayment ability and collateral available as loan security. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. In certain circumstances, repayment may be made over a maximum of 40 years. The current annual interest rate for emergency loans is 3.75 percent. For more information Antrim and Otsego County producers should contact the FSA Farm Loan Program office in the Traverse City USDA Service Center at 231-941-0951 extension 109.

## Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 21 years of age
- Live in a rural area or in a town of 50,000 people or fewer
- Must obtain a written recommendation and consent from a parent or guardian if the applicant has not reached the age of majority under state law
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program



***Appointments  
 Recommended***

We recommend you call to make an appointment before coming to the office to conduct business. This will enable us to prepare any necessary paperwork and re-search issues before your appointment. We realize how important your time is and this will reduce the amount of time that you will have to wait in the office.

***Banking Changes?***

If you have changed banks and not notified FSA, your payment could be delayed. Payments are electronically transferred into your bank account, if we are not aware of changes to your account and routing numbers, there could be problems. 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. It is important that any changes in producer's account such as type account, bank mergers, routing number or account numbers, be provided to the county office promptly to avoid possible payment delay.



<b>Dates to Remember</b>	
June 30 <sup>th</sup>	Last day to report fall seeded small grain crops
July 3 <sup>rd</sup>	Office closed for the observance of Independence Day
July 15 <sup>th</sup>	Last day to report all other crops
July 15 <sup>th</sup>	Last day to submit production for NAP.
August 1 <sup>st</sup>	Last day to report farm changes/request reconstitutions
August 3 <sup>rd</sup>	Last day to submit COC nominations for LAA 1 & 5
August 14 <sup>th</sup>	Last day to signup for DCP and ACRE Program
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program & CREP, CRP-SAFE

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[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)

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