



# 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  
Members:  
Roger Bolhuis  
John Makarewicz  
Deborah Milbocker

County Committee meets  
the second Friday of each  
month at 9:30 am

**County Executive  
Director**  
Kathy Y Kozlowski

**Farm Loan Manager**  
James Monroe  
231-941-0951 (phone)

**Staff**  
Kathy Johnson  
Kari Tipton



## NAP Coverage Deadline

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 2010 NAP coverage for small grains, fall mint, fall speltz and forage crops is September 30, 2009.

Producers who already have coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, 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 NAP information please contact your nearest Farm Service Agency office.

## Farm Storage Facility Loan Program Changes

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.

**Structures to store hay, renewable biomass, and fruits and vegetables are now eligible. Cold storage facilities are also eligible, but controlled atmosphere facilities are still not eligible.**

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now 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 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 are currently 3.25% for a 7 year term, 3.625% for a 10 year term and 4.00% for a 12 year term.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. FSFL must be approved before any site preparation or construction can begin.

The following commodities are eligible for farm storage facility loans:

- Corn, soybeans, oats, wheat, barley or minor oilseeds harvested as whole grain
- Corn, wheat, oats or barley harvested as other-than-whole grain
- Hay
- Renewable biomass
- Fruits and vegetables

For more information about FSFL please visit your FSA County Office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Rural Youth Loans**

### **Conservation Reserve Program State Acres for Wildlife Enhancement (SAFE)**

Owners and operators of cropland in Grand Traverse, Leelanau, and Kalkaska counties may enroll eligible land in a new Continuous Conservation Reserve Program (CRP) practice called SAFE which creates a native pollinator habitat planting that consists of native shrubs, grasses and/or wildflowers providing cover, nectar, and pollen for native pollinators.

Through continuous CRP USDA accepts offers by producers, provided the land and producer meet certain eligibility requirements.

Eligible land is cropland that was planted to an agricultural commodity during four of the six years from 1996 to 2001 **or be part of a working orchard or vineyard.**

Participants receive an annual rental payment based on the soil type. The rental payment is approximately \$30/acre per year and USDA will pay up to 90 percent of the cost of establishing the native pollinator habitat.

USDA will also provide an up-front, one-time CRP Signing Incentive Payment (CRP-SIP) of \$100 per acre, which is made after the contract is approved.

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes operating loans to individual rural youths age 10 through 20 to establish and operate income producing projects. These projects must be of modest size and be initiated, developed, carried out by rural youths participating in 4-H Clubs, FFA, or a similar organization or with a vocational teacher or county extension agent. The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience. To find out more about FSA loan programs, contact the county office staff.

## **FSA Farm Loans**

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.

The current interest rates are as follows:

Farm Ownership 4.875%  
Farm Operating 3.000%

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

## **Biomass Crop Assistance Program**

FSA is currently accepting applications from biomass facilities interested in participating in the Biomass Crop Assistance Program (BCAP).

Once an agreement is signed between FSA and a facility and funding through the program is provided, the facilities can begin accepting materials. Producers who sell these materials can apply for matching payments under the collection, harvest, storage and transportation (CHST) component of BCAP.

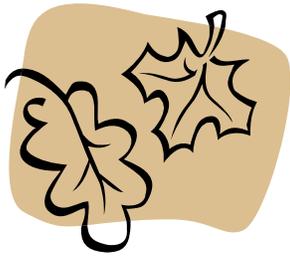
The matching CHST payments are paid at a rate of \$1 for \$1 per dry-ton equivalent received from a qualified biomass conversion facility, not to exceed \$45 per dry-ton equivalent. A biomass owner is eligible to receive payments for two years. The purpose of the matching payments is to assist biomass producers with the CHST cost of delivering biomass to a qualified biomass conversion facility. Once a facility becomes qualified, eligible material owners or producers who deliver biomass to that facility may be eligible to receive CHST payments.

Eligible material owners or producers who market eligible material to a qualified biomass conversion facility may apply for the matching CHST payment at their FSA county office. An application must be submitted before the eligible material is sold and delivered to a qualified biomass conversion facility. After the product is delivered, a producer must provide FSA with documentation of product quantity, quality and payment rate. County offices will validate payment requests with information in the county office and information provided under the terms of MOUs with the qualified biomass conversion facilities. CHST payments will not be authorized until after an appropriate environmental analysis has been conducted.

Biomass conversion facilities and material owners or producers should contact their FSA state offices or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more information.

## **COC Elections**

This year County Committee elections are being held in Local Administrative Area #1 which covers Banks, Central Lake, Echo and Torch Lake Townships and in Local Administrative Area #5 which covers Charlton, Chester, Corwith and Dover Townships. The deadline to submit nominations was August 3<sup>rd</sup>. Ballots will be mailed to eligible voters in these townships on November 6<sup>th</sup>. The deadline to return completed ballots to the FSA Office is December 7<sup>th</sup>.



## **Reporting Changes**

It is important to remember to contact the office with any record changes that may have occurred. These changes would include, but are not limited to:

- Address – any contact information.
- Direct Deposit – to ensure payments are deposited correctly, it is imperative that any changes in bank account information is updated immediately.
- Development – any new parcels of land removed for houses needs to be reported.
- Owner/Operator Changes – report any changes in land ownership, tenants or crop share arrangements.
- Reconstitutions – changes that requires farm combinations or separations due to sale of land or change in operators should be reported as soon as possible.
- Farm Operating Plan – any changes to the farming operation that may have an effect on “person” and/or “actively engaged” determinations.



## **Payment Limits & Direct Attribution**

For commodity and disaster programs under the new farm bill, the AGI limitation was reduced from \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000** is such that a person or entity shall not be eligible for such programs if the non-farm AGI exceeds \$500,000. Also, under the new regulations, an individual or entity must have a 3-year average AGI less than or equal to \$750,000 per year from farm income in order to qualify for direct payments issued under the Direct and Counter-cyclical Program.

For conservation programs, the average non-farm AGI limitation is \$1 million or less for eligibility. However, an individual or entity who has non-farm AGI in excess of \$1 million remains eligible for conservation programs only if 66.66 percent or more of the total AGI is derived from farming, ranching and forestry operations. In addition, the AGI limitation for conservation programs may be waived on a case-by-case basis if it is determined that environmentally sensitive land of special significance would be protected.

Program payments are 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. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

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 or active personal management, or a combination thereof. For more detailed information contact your local FSA office.

## **2008 FARM BILL RISK MANAGEMENT PROVISIONS**

The 2008 farm bill amended the Trade Act of 1974 and created 5 new disaster programs: SURE, TAP, ELAP, LFP, and LIP. No longer will producers have to wait for legislation to be passed to initiate programs to address disaster situations. The farm bill provides that any producer that meets the requirements of any one of these disaster programs is potentially eligible for a program payment. *A major change in the farm bill is the Risk Management Purchase Requirement (RMPR).*

**In order to be eligible for these programs producers must purchase at least the CAT level of crop insurance for all insurable crops and/or NAP coverage for all non-insurable crops on all farms in all counties.**

***DE MINIMIS EXCEPTIONS APPLY FOR SURE ONLY! Important: You must purchase coverage for all crops to remain eligible for TAP, ELAP and LFP.***

The advantages of purchasing Crop Insurance or NAP Coverage are: You have a real insurance product, receive fair market value for commodities, and receive a greater SURE Guarantee (with Buy-Up).

The following signup dates have determined:  
**07/13 - Livestock Indemnity Program** (LIP) Assists livestock owners who incurred losses.

**09/09 - Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish** (ELAP) Emergency relief to producers of livestock, honey bees, and fish because of adverse weather or related conditions.

**09/09 - Livestock Forage Assistance Program** (LFP) Assist producers with grazing losses.

**11/02 - Tree Assistance Program** (TAP) Provides assistance to growers who lost trees in excess of 15% normal mortality.

**11/02 - Supplemental Revenue Assistance Payment Program** (SURE) The SURE guarantees for the farm 90% of the total expected farm revenue. SURE payments will be 60% of the difference between the SURE guarantee for the farm and the total farm revenue for the farm.

## COMMODITY LOANS AND LDP RATES

### 2009 Loan Rates:

Barley	\$1.67
Corn	\$1.78
Oats	\$1.32
Soys	\$4.87
Sunflowers	
Antrim	\$7.98
Otsego	\$7.90
Wheat	\$1.96

\*Loans are for a nine month period.

Contact the office to check to see if an LDP is available for other crops.

Selected Interest Rates for September 2009	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	3.00%
Farm Ownership Loans — Direct	4.875%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
7 yr. Farm Storage Facility Loans	3.250%
10 yr. Farm Storage Facility Loans	3.625%
12 yr. Farm Storage Facility Loans	4.000%
Sugar Storage Facility Loans	4.375%
Commodity Loans 1996-Present	1.500%



Dates to Remember	
Sept. 30 <sup>th</sup>	NAP sales closing date for 2010 small grains and forages
Oct. 12 <sup>th</sup>	Office closed for the Observance of Columbus Day
Nov. 11 <sup>th</sup>	Office Closed for the Observance of Veterans Day
Nov. 20 <sup>th</sup>	NAP sales closing date for perennial crops
Nov. 26 <sup>th</sup>	Office Closed for the Observance of Thanksgiving
Dec. 1 <sup>st</sup>	NAP sales closing date for honey and maple sap
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program (SAFE)

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

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