

April 2014



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## Antrim and Otsego County FSA Updates

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### Antrim/Otsego County FSA Office

108 Depot Street  
Bellaire, MI 49615

Phone: 231-533-8542  
Fax: 855-643-5274

**County Executive Director:**  
Kathy Y Kozlowski

**Program Technicians:**  
Kathy B Johnson  
Kari E Tipton

**County Committee (COC):**  
Roger Bolhuis, Chairman  
John Makarewicz, Vice Chair  
Anthony Prusakiewicz Jr.,  
Member  
Daniel Slivinski, Member  
Kevin Bary, Member  
Deborah Milbocker, Advisor

**Farm Loan Manager:**  
James Monroe  
231-941-0951

### USDA Encourages Early Registration for FSA Programs

USDA recommends that farmers and ranchers register in advance for FSA programs in order to improve the sign-up process and expedite implementation of programs. Producers are encouraged to report farm records and business structure changes to the Antrim/Otsego FSA Service Center.

Examples of updates or changes to report include:

- New producers or producers who have not reported farm records to FSA.
- Producers who have recently bought sold or rented land. Those producers need to ensure that changes have been reported and properly recorded by local FSA county office personnel. Reports of purchased or sold property should include a copy of the land deed, and if land has been leased, then documentation should be provided that indicates the producer had/has control of the acreage.
- Producers that have changed business structures (e.g. formed a partnership or LLC) need to ensure that these relationships and shares are properly recorded with FSA. Even family farms that have records on file may want to ensure that this is recorded accurately as it may impact payment limits.

Farm records can be updated during business hours at FSA Service Centers that administer the county where the farm or ranch is located. Producers can

**Farm Loan Officer:**  
Caleb Boge

contact their local FSA Service Center in advance to find out what paperwork they may need. In addition, bank account information should be supplied or updated if necessary to ensure that producers receive payments as quickly as possible through direct deposit.

**Next County Committee Meeting:** August 22, 2014\*  
9:30 am

For further information about our disaster programs and USDA's Farm Bill implementation plan, visit FSA's [2014 Farm Bill Web page](#). FSA Service Center locations can be found on the [FSA website](#).

(\*subject to change)

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## 2009, 2010, 2011, 2012 And 2013 Average Adjusted Gross Income Compliance Review

The AGI verification and compliance reviews for 2009, 2010, 2011, 2012 and 2013 are conducted on producers who the IRS indicates may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the AGI limitation of \$500,000 of nonfarm income, \$750,000 of farm income, \$1 million of conservation program benefits or the \$1 million total AGI, then receivables will be established for payments earned directly or indirectly by the producer subject to the applicable limitation. The Michigan FSA State Office will begin notifying producers selected for review next month. If you have any questions about the review process or determination, please contact the Michigan FSA State Office at 517-324-5110. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Adverse determinations become administratively final if not timely appealed and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

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## NAP Loss Filing and Submitting Production Records

Timely filing a Notice of Loss is required for all crops 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.

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.

Producers who are signed up with NAP are reminded to submit their 2013 production records to the FSA office. Production records for all crops must be reported to FSA no later than August 15th, 2014. FSA requires that any production reported in a loss year be verified according to agency specifications.

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## USDA Announces the Extension of the Milk Income Loss Contract Program For 2014

The USDA Farm Service Agency (FSA) recently announced the extension of the Milk Income Loss Contract (MILC) program which protects dairy farmers against income loss through Sept. 1, 2014, or until a new Margin Protection Program for dairy producers (MPP) is operational.

Contracts for eligible producers enrolled in MILC on or before Sept. 30, 2013, are automatically extended until the termination date of the MILC program. Dairy operations with approved MILC contracts will continue to receive monthly payments if a payment rate is in effect.

MILC compensates enrolled dairy producers when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt), after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost, just as in the 2008 Farm Bill. The payment rate for October 2013 through January 2014 marketing's is zero. Payment rates during the months after January 2014 until the termination of the MILC program will be determined as the appropriate data becomes available.

Producers who want to select a different production start month must visit their local FSA office between April 14, 2014, and May 30, 2014.

FSA will provide producers with information on program requirements, updates and sign-ups as the information becomes available.

## **USDA Sets Date for Soybean Request for Referendum**

USDA will offer soybean producers the opportunity to request a referendum on the Soybean Promotion and Research Order (Order), as authorized under the Soybean Promotion, Research, and Consumer Information Act (Act).

Soybean producers who are interested in having a referendum to determine whether to continue the Soybean Checkoff Program are invited to participate. To be eligible to participate, producers must certify and provide documentation that shows that they produced soybeans and paid an assessment on the soybeans during the period of Jan. 1, 2012, through Dec. 31, 2013.

Producers may obtain a form by mail, fax, or in person from FSA county offices starting on May 5, 2014 through May 30, 2014. Forms are also available on the Agricultural Marketing Service ([AMA website](#)). Producers who don't participate in FSA programs can still request a referendum at the FSA county office where they own or rent land.

Completed forms and supporting documentation must be returned to the appropriate FSA county office by fax or in person no later than close of business May 30, 2014. If returned by mail, it must be postmarked by midnight May 30, 2014, and received in the office by close of business on June 5, 2014.

Notice of the Request for Referendum will be published in the March 4, 2014, Federal Register. For more information, visit the [AMS website](#) or contact James Brow, Research and Promotions Branch; Livestock, Poultry and Seed Program, AMS, USDA; STOP 0251 - Room 2610-S; 1400 Independence Avenue, SW; Washington, D.C. 20250-0251; tel. (202) 720-0633.

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## **Secretarial Disaster Designations and Emergency Loans**

USDA/FSA emergency farm loans are available in Antrim, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Otsego and 31 other Counties to all qualified farm operators as a result of losses caused by adverse weather conditions due to one or more of the recent Secretarial disaster declarations.

Effective January 23, 2014, the United States Department of Agriculture designated 38 primary Michigan counties and 29 contiguous counties as natural disaster areas.

The counties were designated as natural disaster areas for losses due to drought, excessive rains, and cooler than normal temperatures that occurred beginning April 1, 2013. Please see the individual designations for details and applicable loss events.

The disaster designation makes available low interest rate loans to farm operators in the designated area. Farm operators who suffered at least a 30% loss in crop production caused by the weather conditions and meet other

eligibility requirements may qualify for Emergency (EM) loan assistance from FSA.

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 3.000 percent.

The deadline for filing an EM loan application for the following designations S3622 and S3636 is September 23, 2014.

#### Secretarial Disaster Designation S3622

Effective January 23, 2014, 27 Michigan counties, including Charlevoix and Emmet counties, were designated as natural disaster areas due to losses caused by the combined effects of excessive rain and cooler than normal temperatures occurring April 1, 2013, and continuing. Antrim, Kalkaska, and Otsego counties are included among eligible contiguous counties.

#### Secretarial Disaster Designation S3636

Effective January 23, 2014, 10 Michigan counties, including Antrim, Grand Traverse, Kalkaska, and Otsego counties, were designated as natural disaster areas due to losses caused by the combined effects of excessive rain occurring April 1, 2013 through July 29, 2013, returning October 15, 2013 and continuing. Also included in this designation are eligible losses due to the drought that occurred from July 30, 2013 through October 15, 2013 along with cooler than normal temperatures that spanned the entire disaster period. Charlevoix and Leelanau counties are included among eligible contiguous counties.

The deadline for filing an EM loan application for the following designation S3584 is May 12, 2014.

#### Secretarial Disaster Designation S3584

Effective September 11, 2013, 12 Michigan counties, including Antrim, Grand Traverse, and Leelanau counties, were designated as natural disaster areas due to losses caused by frost and freezing temperatures that occurred April 1, 2013 through June 19, 2013. Charlevoix, Kalkaska, and Otsego counties are included among eligible contiguous counties.

Farmers who want to apply for an Emergency loan should contact their local FSA office, or the Farm Loan Program staff at the Traverse City USDA Service Center at 1501 South Cass, Traverse City, MI 49684 or call 231-941-0951 extension 109.

Information about farm loans and loan application forms are also available on-line at:  
<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=landing>

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## USDA Prepares To Accept MAL and LDP Requests; Sets 2014 MAL Loan Rates

The USDA Farm Service Agency (FSA) will begin accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. Sugar commodity loans for the 2014 crop will be available to sugar processors beginning Oct. 1, 2014.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool, mohair and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

National and county loans rates for 2014 crops are posted on the FSA website at: [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport).

For more information, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Microloan Program

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals who are interested in applying for a microloan or would like to discuss other farm loan programs available should contact their local FSA office to set up an appointment with a loan official.

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## **Farm Ownership (FO) Direct Loan Changes**

Effective immediately, the interest rate for Direct Farm Ownership real estate loans where FSA provides up to half of the total financing (Joint Financing) shall be either 2.50 percent or the regular FO rate minus 2.00 percent, whichever is greater. The resultant rate used is a fixed rate for the duration of the loan. Thus, the April 2014 Joint Financing FO rate is 2.50 percent, as this is the higher of the April FO rate of 4.00 percent minus 2.00 percent.

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## **Loans for the Socially Disadvantaged**

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).