

December 2013



- FSA ANNOUNCES THE RESUMPTION OF 2013 CROP COMMODITY LOAN DISBURSEMENTS
- 2014 ACREAGE REPORTING DATES
- INCREASED GUARANTEED LOAN LIMIT
- FARM STORAGE FACILITY LOAN PROGRAM
- SELECTED INTEREST RATES FOR DECEMBER 2013

Chippewa-Luce-Mackinac County FSA Updates

Chippewa-Luce-Mackinac County FSA Office

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Next County Committee Meeting: January 23, 2014 at 10:30 am

FSA ANNOUNCES THE RESUMPTION OF 2013 CROP COMMODITY LOAN DISBURSEMENTS

The Farm Service Agency has resumed processing and disbursement of 2013 crop commodity loans. Crop year 2013 commodity loan-making was suspended Oct. 1, 2013, to make changes necessary to accommodate the automatic funding reductions known as sequester.

The commodity loan programs provide interim financing to producers for agricultural commodities stored after harvest and then sold throughout the year. Producers requesting 2013 crop commodity loans on their harvested commodities now will have a 5.1 percent reduction to the loan amount upon its disbursement, due to the sequestration. Commodity loans issued by marketing associations and loan servicing agents are also subject to the sequestration reduction.

During the period that loan-making was suspended, producers were still able to submit loan applications to their county FSA offices, marketing associations and loan servicing agents. The processing and disbursement of these applications will begin immediately.

For further information about commodity marketing loans, farmers may contact their local FSA office or go online to www.fsa.usda.gov.

2014 ACREAGE REPORTING DATES

Producers now have until January 15, 2014, to report crops that have a November 15, 2013, or December 15, 2013, reporting deadline without paying a late-file fee. Crops under this waiver include wheat and native and improved grasses intended for grazing or haying. The Risk Management Agency (RMA) did not grant a waiver so

producers need to consult their crop insurance agent for deadlines for insured crops.

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit the Chippewa-Luce-Mackinac County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable for Chippewa-Luce-Mackinac County:

- November 15, 2013: Perennial Forage, Fall-Seeded Small Grains\
- January 2, 2014: Honey (Certifying number of colonies)
- January 15, 2014: Apples, Blueberries, Cherries, Cranberries, Grapes
- February 1, 2014: Maple Sap (Number of eligible trees and taps)
- July 15, 2014: Forage Seedings, Spring-Seeded Small Grains
- September 30, 2014: Aquaculture, Christmas Trees, Nursery (ornamental & non-ornamental)

The following exceptions apply to the above acreage reporting dates:

If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.

If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

Additionally, producers can purchase both NAP and RMA coverage for 2014 annual forage crops. NAP coverage will not be available for 2015 annual forage crops.

Late file fees will be assessed for 2013 crops reported after September 15, 2013, and 2014 crops reported after January 15, 2014.

For questions regarding crop certification and crop loss reports, please contact the Chippewa-Luce-Mackinac County FSA office at 906-632-9611 ext. 2.

INCREASED GUARANTEED LOAN LIMIT

The Farm Service Agency maximum loan limit for the Guaranteed Loan Program has increased to \$1,355,000 effective Oct. 1, 2013. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit is adjusted every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness will also increase to \$1,655,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed Farm Ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA Office with questions about farm loans.

FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan Program (FSFLP) 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 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. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$50,000. 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.

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.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas, dry beans and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities
- Honey

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

SELECTED INTEREST RATES FOR DECEMBER 2013

- 90-Day Treasury Bill: .125%
- Farm Operating Loans - Direct: 1.875%
- Farm Ownership Loans - Direct: 4.125%
- Farm Ownership Loans - Direct Down Payment, Beginning Farmer or Rancher: 1.50%
- Emergency Loans: 2.875%
- Farm Storage Facility Loans (7 years): 2.000%

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