

MAY 2012



Grand Traverse Area FSA Updates

Grand Traverse Area FSA Office

Address:

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Hours: 8:00 AM - 4:30 PM

County Executive

Director:

Greg Shy

Farm Loan Manager:

James Monroe

Program Technicians:

Jan Malik

Janet Howes

County Committee (COC):

Brent Wagner, Chair

David Noonan, Vice Chair

James Bardenhagen,
Member

Bruce Cotton, Member

Joanne Gallagher, Member

Jaunita Send, Advisor

2012 FSA County Committee Elections



The election of agricultural producers to the Farm Service Agency (FSA) county committees is important to all farmers and ranchers, whether beginning or long-established, large or small operations. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture.

County Committee (COC) members are a critical component of FSA operations. The intent is to have the COC reflect the makeup of the producers and to represent all constituents. This means wherever possible, minorities, women or lower income producers need to be on the committee to speak for these underrepresented groups. County committees provide local input on:

- Commodity price support loans and payments
- Conservation programs
- Incentive, indemnity and disaster payments for some commodities
- Emergency programs
- Payment eligibility

This year a COC election for our area will be held for LAA#2 (Leelanau County's Centerville, Cleveland, Empire, Elmwood, Glen Arbor, Kasson, and Solon Twp.). Dave Noonan is the current COC member representing LAA#2.

For more information about election details, eligibility, and more, please visit the [Farm Service Agency website](#) about County Committee Elections.

The COC nomination period runs from June 15, 2012 through August 1, 2012. For more information just contact your local FSA office.



Selected Interest Rates for May 2012

- 90-Day Treasury Bill 0.125%
 - Farm Operating Loans — Direct 1.500%
 - Farm Ownership Loans — Direct 3.500%
 - Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher 1.500%
 - Emergency Loans 3.750%
 - Farm Storage Facility Loans 1.500%
 - Commodity Loans 1996-Present 1.125%
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Antrim, Benzie, Grand Traverse, Leelanau, Manistee, and Wexford Counties Receives Disaster Assistance Funding for the Emergency Conservation Program

Grand Traverse Area counties will receive disaster assistance funding through the FSA's Emergency Conservation Program (ECP) to help farmers and landowners recover from excessive snow along with high winds that caused severe damage to orchards on March 2, 2012.

Local FSA offices are holding a sign-up that began April 2, 2012 and will end May 18, 2012. Producers can apply for cost-share assistance to help remove debris from orchards damaged by natural disaster.

Eligible producers can receive cost-share assistance of up to 75 percent of the cost of the approved practice, as determined by FSA county committees, based on funding allocations. Because ECP is not an entitlement program, there is no guarantee of funding for all eligible applicants.

For a producer's land to be eligible, the disaster must create new conservation problems that, if untreated, would:

- Impair or endanger the land
- Materially affect the land's productive capacity
- Represent unusual damage which is not the type of damage to recur frequently in the same area
- Be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use

Conservation problems existing prior to the applicable disaster are ineligible for ECP assistance. For more information on the ECP program, contact your local FSA office or the Grand Traverse County FSA office at (231) 941-0951 or visit the FSA's web site at: www.fsa.usda.gov/conservation .

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, marketing assistance loans and Loan Deficiency Payments.

Conservation Reserve Program acreage must be reported to receive annual rental payments.

Crop acreage for Non-Insured Crop Disaster Assistance Program (NAP) also must be reported.



Dates to Remember *Crop Reporting (continued)*

- **May 18** - ECP Signup deadline
- **May 28** - Memorial Day, Federal Offices Closed
- **June 1** - DCP Enrollment Ends
- **June 1** - Farm Record Changes Due
- **June 1** - 2010 SURE Sign-Up Ends
- **June 15** - COC Nominations Open
- **June 30** - Final day to report fall seeded small grains.
- **July 15** - Final crop certification date for all crops (except for small seeded grains)
- **Ongoing** - Continuous Conservation Reserve program signup

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 30th for fall seeded small grains and by July 15th for all other crops.

Prevented Planting:

Prevented planting needs to 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.

DCP & ACRE Sign-Up Deadline



Enrollment for the 2012 Direct and Counter-Cyclical Program (DCP) and Average Crop Revenue Election (ACRE) will continue through June 1, 2012. USDA urges producers visit the local FSA office to complete the 2012 DCP or ACRE contract and the required payment

eligibility documentation.

DCP Program payments are calculated using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. ACRE payments are made when both state and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments and producers also receive a 20% reduction in direct payments and a 30% reduction on loan rates.

For more information on this or other programs, contact the FSA office.

2010 SURE Sign-Up Deadline

Sign-up for the Supplemental Revenue Assistance Payment (SURE) program for the 2010 crop year began Nov. 14, 2011, and will end on June 1, 2012. SURE provides benefits for farm revenue losses due to natural disasters. A farm is eligible when either:

- A portion of the farm is located in a county, or a contiguous county, covered by a qualifying Secretarial disaster declaration. *Grand Traverse, Kalkaska, and Leelanau Counties received a 2010 Secretarial disaster declaration.*
- An overall loss greater than 50 percent of the actual production on the farm compared to expected production for the farm for that year.

Adjusted Gross Income (AGI)

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 non-farm 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.

2010 SURE Sign-Up Deadline (continued)

For producers to be eligible for SURE, they must have obtained a policy or plan of insurance for all crops through either the Federal Crop Insurance Act or FSA's Noninsured Crop Disaster Assistance Program (NAP). Producers must suffer a 10 percent production loss due to a natural disaster to at least one crop of economic significance on their farm in order to be eligible for SURE.

NAP Loss Filing



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

Sodbuster Regulations

The term "sodbusting" is used to identify the plowing up of erosion-prone grasslands or forest lands for use as cropland. Sodbuster violations are unauthorized tillage practices on highly erodible lands that converted native vegetation such as 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 Farm Service Agency programs.

Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file an AD-1026, indicating the area to be brought into production.

If Natural Resources Conservation Service 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.

Conservation Compliance (HEL & Wetland)

Producers intending to remove fence rows, convert woodlots to cropland, install new drainage, or improve or modify existing drainage, must notify the FSA and update Form AD-1026. FSA will notify NRCS and NRCS will make HEL and wetland technical determinations. Farmers with HEL determined soils are reminded of tillage, crop residue and rotation requirements per their conservation plan. **Failure to obtain ADVANCE approval for any of these situations can result in the loss of program eligibility and all federal payments.**

NAP Records

Production records for individual crops need to be filed at the FSA 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 production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year's final acreage reporting date.**

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. Those producers who are having trouble getting credit for their farm or who regularly borrow from FSA, direct and guaranteed loans are currently available.



Ask a lender about an FSA loan guarantee to help with a setback or if a lender has been reluctant to extend or renew a loan.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

The one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans has increased from 1 percent to 1.5 percent of the guaranteed portion of the loan, for loans obligated after Oct. 1, 2011.

To find out more about FSA loan programs, contact the FSA county office staff.

MILC Program



FSA's Milk Income Loss Contract Program (MILC) compensates dairy producers when domestic milk prices fall below a specified level. MILC payments are made when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted by the dairy feed ration adjustment. The monthly

Boston price is posted [online](#).

Eligible producers should submit the current MILC (Milk Income Loss Contract) statements for payment. Eligibility for 2012 before payments can be disbursed. Please contact the office to check the status of your eligibility. New producers are encouraged to apply for the program any time before Sept. 30, 2012.

Banking Changes?



If you changed banks and did not notify 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 or change your account or if another financial institution purchases your bank. It is important that any changes in a 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.

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 cannot 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 Aug. 1, 2012, for farms enrolled in specific programs.

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).
