

JULY 2012



## Grand Traverse Area FSA Updates

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### **Grand Traverse Area FSA Office** *Grand Traverse / Kalkaska / Leelanau Counties*

**Address:**

1501 Cass Street, Ste A  
Traverse City, MI 49684

**Phone:** 231-941-0951 x2

**Fax:** 855-292-1667

**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*

### **FSA COC Nomination Deadline**

County committees (COC) play a crucial role in helping county office staff implement the Farm Bill. Due to the important services that COC members provide, producers are encouraged to participate in the FSA county committee election process by nominating an eligible candidate by the **Aug. 1, 2012**, deadline.

To become a nominee, eligible individuals must sign form FSA-669A. The form and other valuable information about FSA county committee elections are available online at:

[http://www.fsa.usda.gov/Internet/FSA\\_File/fsa0669a\\_commiteelectform.pdf](http://www.fsa.usda.gov/Internet/FSA_File/fsa0669a_commiteelectform.pdf)

FSA county committee members make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other important agricultural issues. Members serve three-year terms. Nationwide, there are more than 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to five members who are elected by eligible local producers.

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### **Disaster Assistance**

The Farm Service Agency would like to remind crop and livestock producers that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery.

We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit their local FSA county office so they get a quick start in the recovery process. Fact sheets for all of these programs can be found at [www.fsa.usda.gov](http://www.fsa.usda.gov); click on Newsroom, then Fact Sheets.

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### **Emergency Farm Loans Available**

USDA/FSA emergency farms loans are available in Antrim, Grand Traverse, Leelanau, Kalkaska, Charlevoix, Emmet, and Otsego and 65 other Counties to all qualified farm operators as a result of losses caused by adverse weather conditions.

Effective June 29, 2012, the United States Department of Agriculture designated 72 Michigan counties as natural disaster areas. The counties



## **Dates to Remember**

### **September 30th**

Deadline to purchase NAP for forage crops/rye

### **November 15th\***

Deadline to report crop certification on perennial forage, fall wheat, and all other fall-seeded small grains

### **November 20th**

Deadline to purchase NAP for perennial crops

### **December 1st**

Deadline to purchase NAP for maple sap and honey

### **January 15th, 2013\***

Deadline to report crop certification on apples, blueberries, cherries, grapes and peaches

*\*New crop reporting dates beginning 7/1/12 and subsequent years*

## **[Emergency Farm Loans Available – Continued]**

were designated as natural disaster areas for losses due to the combined effects of blizzards, excessive snow, excessive heat, excessive rain, high winds, hail, freeze, frost, tornadoes, flooding and lightning that occurred January 1, 2012 through May 11, 2012.

The disaster designation makes available low interest loans to farm operators in the designated area. Farm operators who suffered 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.

The current annual interest rate for emergency loans is 2.25 percent and the deadline for filing an EM loan application is March 1, 2013.

For more information farm operators should contact their local FSA office or the Farm Loan Program office in the Traverse City USDA Service Center 231-941-0951 Ext 2.

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## **Filing for NAP losses**

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 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.

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## **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 at:

[http://www.fmmone.com/Northeast\\_Order\\_Prices/NE\\_Prices\\_main\\_new.htm](http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_main_new.htm)

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

State and county offices shall view and print their producer spot check lists as posted on the designated website. If an entity is selected from the national database that is no longer farming or participating in the 2012 crop year, a notation shall be made on the spot check list. For more information about the new spot check selection procedure, contact the local office.

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

## Farm Reconstitutions

For FSA program purposes, tracts having the same owner and the same operator are grouped under one farm serial number.

When changes in ownership or operation take place, a farm reconstitution is necessary.

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 1st, 2012** for farms enrolled in specific programs.

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## Successor-In-Interest

Many FSA programs will allow payments to be made to heirs or successors when a program participant passes away. Additionally, contracts in programs such as CRP must be revised to reflect the successor(s) to a deceased participant's interest.

In the event of an FSA program participant's death, it is important that FSA be notified. Entities and joint operations that participate in FSA programs also need to notify FSA if a shareholder or member passes away. FSA benefits are reported to IRS and maintaining current, accurate records about participants is vital to ensuring that those payments are reported correctly.

## [Loans for the Socially Disadvantaged -Continued]

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.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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## Highly Erodible Lands and Wetland Compliance

Producers participating in most programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS) are required to abide by certain conditions on any land owned or farmed that is highly erodible or that is considered a wetland.

To be in compliance with the highly erodible land conservation and wetland conservation provisions, producers must agree, that they **will not**:

- Produce an agricultural commodity on highly erodible land without a conservation system;
- Plant an agricultural commodity on a converted wetland;
- Convert a wetland to make possible the production of an agricultural commodity.

Producers planning to remove fence rows, convert woodlots to cropland, combine crop fields, divide a crop field into two or more fields, 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 then provide highly erodible land or wetland technical determinations.

To get additional information on highly erodible land and wetland conservation compliance contact the FSA office or the NRCS office at a local USDA Service Center. Additional information about conservation programs offered by FSA can be found online at <http://www.fsa.usda.gov/conservation> , and information on NRCS programs can be found at <http://www.nrcs.usda.gov> .

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## Foreign Landowner Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices,

## Selected Interest Rates - July 2012

- 90-Day Treasury Bill: **0.125%**
- Farm Operating Loans - Direct: **1.250%**
- Farm Ownership Loans - Direct: **3.375%**
- Farm Ownership Loans - Joint Financing: **5.000%**
- Limited Resource Loans: **5.000%**
- Farm Ownership Loans - Direct FO Down Pymt: **1.500%**
- Emergency Loans: **2.250%**
- Farm Storage Facility Loans:  
7 Yr - **1.125%**  
10 Yr - **1.625%**  
12 Yr - **1.875%**
- Commodity Loans: **1.250%**

### [Foreign Landowner Notification – Continued]

real estate agents, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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## Over the Counter Channel (OTCnet)

FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information.

<http://fms.treas.gov/otcnet/legal.html>

### ***What is OTCnet?***

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

### ***How will my check be handled?***

The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

### ***How quickly will funds be transferred from my account?***

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

### ***How will this transaction appear on my account statement?***

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

### ***What are my rights if there is a problem with the transaction?***

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

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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).

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