

January 2013



## Grand Traverse, Leelanau, Kalkaska FSA Updates

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### Grand Traverse Area FSA Office

Grand Traverse

Kalkaska

Leelanau

**Address:**

1501 Cass Street, Ste A  
Traverse City, MI 49684

**Phone:** 231-941-0951

**Fax:** 855-292-1667

**County Executive Director:**

Gregory Shy

**Farm Loan Manager:**

James Monroe

**Program Technicians:**

Caleb Boge

Janet Howes

Jan Malik

### Important Dates to Remember

- **January 15th** - Deadline to certify **apples, blueberries, cherries, grapes, & peaches** - Contact the office for late certification to maintain eligibility if you missed the deadline
- **January 21st** - Office closed - Martin Luther King Jr. Holiday
- **February 1st** - Deadline to certify **Maple Sap** (number of eligible trees and Taps)
- **February 18th** - Office Closed - President's Day
- **March 1st** - Final date to apply for an Emergency Loan based on disaster S3259 - Spring 2012 early warm-up / subsequent frost event
- **March 1st** - Final date to apply for an Emergency Loan based on disaster S3259 - Spring 2012 early warm-up / subsequent frost event
- **March 15th** - Final date to purchase NAP coverage on most spring seeded NAP crops including sweet corn, pumpkins and most vegetables
- **March 25th** - Final date for Women and Hispanic farmers and ranchers claim period
- **March 31st** - Final date to request a 2012-crop small grains and honey loans or LDP.
- **May 31st** - Final date to request 2012-crop feed grains, oilseeds loans or LDP.
- **April 29th** - Final date to apply for an Emergency Loan based on disaster S3370 - Summer 2012 Drought and Excessive heat
- **June 7th** - 2011 SURE Sign up Deadline
- **July 15th** - 2012 production reporting deadline for 2012 ACRE program

## 2011 Supplemental Revenue Assistance Program Applications

The Farm Service Agency (FSA) will continue to accept SURE applications for 2011 crop losses through June 7, 2013. The SURE Program provides payments to producers when crop revenues are less than the crop guarantee. The SURE Program payment is equal to 60 percent of the difference between the crop guarantee and revenue.

To determine the guarantee and revenue for the SURE Program, all crops on all farms for a producer are included in the calculation. Payments under the SURE Program are limited to \$100,000.

To be eligible for the 2011 SURE Program, producers must have crop insurance on all insurable crops. For crops that are not covered by crop insurance such as pumpkins and cucumbers, producers must have purchased Non Insured Crop Disaster Assistance Program (NAP) coverage through FSA. The Crop Insurance and NAP purchase requirement is waived for crops that are not economically significant to the farming operation. In addition, the producer must have at least one crop with a 10 percent production loss in order to be eligible.

For more information concerning the 2011 SURE program or other Farm Service Agency programs, contact your local FSA office or visit the Farm Service Agency website at [www.fsa.usda.gov/pas/](http://www.fsa.usda.gov/pas/).

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## Leelanau County Committee Election Results LAA #2

This election for a county committee seat was for eligible voters in the following townships: Cleveland, Centerville, Solon, Kasson, Elmwood, Glen Arbor, and Empire.

Ballots were tallied on December 7th and **David Noonan** was re-elected for another 3-year term. The first alternate elect by write-in is **Clint Lautner**.

FSA county committees are a link between the agricultural community and the USDA. County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level and work to ensure FSA programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

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## Over the Counter Channel (OTCnet)

FSA/CCC is moving toward OTC.net, 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>

## Highly Erodible Land and Wetland Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions is required. Farmers with HEL determined soils must apply tillage, crop residue, and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to insure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a FSA County Office or visit the FSA Fact Sheet for more information at:

[http://www.fsa.usda.gov/Internet/FSA\\_File/hel\\_wc\\_2012.pdf](http://www.fsa.usda.gov/Internet/FSA_File/hel_wc_2012.pdf)

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## USDA's Accomplishments in 2012

From the Office of the Secretary of Agriculture, Tom Vilsack:

Over the course of 2012, farm families and rural communities faced a number of challenges. A record drought impacted much of the country and many were impacted by a major hurricane, flooding and severe storms. However, thanks to the resilience of rural Americans, our communities are still going strong.

Over the course of this year, USDA continued our record efforts to help folks across our nation, and I am proud of the work we carried out.

We supported agriculture. This summer, USDA convened the White House Rural Council to help America's farmers and ranchers overcome drought. We provided unique flexibility for crop insurance that saved producers more than \$20 million, expanded emergency lending for producers, opened more than 2.8 million acres of conservation land for emergency forage and more.

We promoted exports, with agricultural exports hitting a near-record level this year, and staying on track to set a new record in 2013. New, fully implemented trade agreements promise more than \$2 billion in additional agricultural trade every year, and over the course of 2012 we broke down even more unfair trade barriers to U.S. products.

We supported conservation efforts. In America's National Forests, we adopted a modern planning rule that will conserve the forest while creating more jobs. We protected more communities, clearing more than 4 million additional acres of flammable brush from forests. We continued our work with more than half a million private landowners to conserve America's soil and water.

We built up communities. USDA provided an additional 10,000 loans and grants for rural businesses. We helped 150,000 more families achieve the dream of homeownership and carried out more than 1,500 new community facility projects. Meanwhile we expanded our efforts to improve rural infrastructure, with 10,000 new miles of electric line and more than 1,500 water improvement projects.

We ensured a safe food supply, and nutritious food for Americans. USDA took historic action this year to further inspect ground and raw beef products, and tighten standards for poultry. We continued our efforts to help one in four Americans put food on the table, while maintaining the integrity of food assistance programs. And we helped provide emergency food assistance for Hurricane Sandy victims – just one of more than 100 disasters for which

we have provided this assistance since 2009.

I'm proud of these efforts. From supporting farmers to furthering business, our wide range of accomplishments stand as proof that USDA touches the lives of every American, every day. Since 2009, we've achieved record results in almost every part of what we do – and I look forward to accomplishing even more in the year to come.

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## 2012 Census of Agriculture

WASHINGTON, Jan. 17, 2013—Agriculture Secretary Tom Vilsack this week continued to remind producers to complete forms for the Census of Agriculture—the only source of uniform, comprehensive and impartial agricultural data for every county in the nation. The 2012 Census of Agriculture will provide the U.S. Department of Agriculture (USDA) with current information to help ensure an abundant, safe, and accessible food supply for all of America. On Monday, Vilsack spoke to thousands of American farmers and ranchers in Nashville, Tenn. The Census of Agriculture, said Vilsack, is one of the most important tools for providing certainty to producers and sustaining the unlimited economic potential of rural America.

"It's important for farmers and ranchers in America today to stand up and be counted by participating in the Census of Agriculture," said Vilsack. "By participating in this survey, producers help provide a snapshot of the current state of agriculture in our country, which helps policymakers make better decisions about farm safety net programs and policies."

Currently underway by USDA's [National Agricultural Statistics Service](#) (NASS), the Census collects detailed data covering nearly every facet of U.S. agriculture. It looks at land use and ownership, production practices, expenditures and other factors that affect the way farmers do business and succeed in the 21st Century.

Census information helps USDA monitor trends and understands the needs in agriculture to better align its products and services. Ways the department used Census data in the past include:

- Helping to ensure the future of the agriculture industry in America, by developing programs and priorities to help new and beginning farmers get started and stay in business. This was supported after the Census reported the average age of a farmer continued to increase from 50.3 in 1978 to 57.1 in 2007. And, while the majority of farm operators are between the age of 45 and 64, the fastest growing group of farm operators is those 65 years and older.
- Looking at where and how to provide expanded and improved Internet access and services to rural America. The Census provided comprehensive county-level data on Internet access and revealed that 57 percent of all farmers had Internet access in 2007, up from 50 percent in 2002. Of those producers accessing the Internet, 58 percent reported having a high-speed connection.
- Illustrating the changing nature and needs of agriculture, the number of farms that produced 75% of production declined from 144,000 in 2002 to 125,000. At the same time, the number of small farms counted in the 2007 Census of Agriculture represented 91 percent of all farms. Overall small farms increased 1 percent from 2002 to 2007. These statistics show just how important to our food supply these very large farms are and how vital it is that programs such as crop insurance and others in the Food, Farm and Jobs bill are available. Different sized farms have different needs that USDA supports just as fervently.

All farmers and ranchers should have received a Census form in the mail by early January. Completed forms are due by February 4, 2013. Farmers can return their forms by mail or online by visiting a secure website, [www.agcensus.usda.gov](http://www.agcensus.usda.gov). Federal law requires all agricultural producers to participate in the Census and requires NASS to keep all individual information confidential.

For more information about the Census, visit [www.agcensus.usda.gov](http://www.agcensus.usda.gov) or call 1-888-4AG-STAT (1-888-424-7828). The Census of Agriculture is your voice, your future, your responsibility.

## March 15, 2013 NAP Crops Closing Deadline

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specifications. NAP Losses must be reported within 15 days of the date the loss became apparent.

The following crops have a NAP application closing date of March 15, 2013: beans, corn, cucumbers, eggplant, guar, melons (cantaloupe, honeydew, watermelon, etc.), millet, okra, peanuts, peas, pecans, peppers, potatoes, pumpkins, sesame, sorghum, sorghum forage, soybeans, squash, sunflowers and tomatoes.

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## USDA Finalizes New Microloan Program

Microloans up to \$35,000 aim to assist small farmers, veterans, and disadvantaged producers.

WASHINGTON, Jan. 15, 2013 — Agriculture Secretary Tom Vilsack today announced a new microloan program from the U.S. Department of Agriculture (USDA) designed to help small and family operations, beginning and socially disadvantaged farmers secure loans under \$35,000. The new microloan program is aimed at bolstering the progress of producers through their start-up years by providing needed resources and helping to increase equity so that farmers may eventually graduate to commercial credit and expand their operations. The microloan program will also provide a less burdensome, more simplified application process in comparison to traditional farm loans.

"I have met several small and beginning farmers, returning veterans and disadvantaged producers interested in careers in farming who too often must rely on credit cards or personal loans with high interest rates to finance their start-up operations," said Vilsack. "By further expanding access to credit to those just starting to put down roots in farming, USDA continues to help grow a new generation of farmers, while ensuring the strength of an American agriculture sector that drives our economy, creates jobs, and provides the most secure and affordable food supply in the world."

The new microloans, said Vilsack, represent how USDA continues to make year-over-year gains in expanding credit opportunities for minority, socially-disadvantaged and young and beginning farmers and ranchers across the United States. The final rule establishing the microloan program will be published in the Jan. 17 issue of the Federal Register.

Administered through USDA's Farm Service Agency (FSA) Operating Loan Program, the new microloan program offers credit options and solutions to a variety of producers. FSA has a long history of providing agricultural credit to the nation's farmers and ranchers through its Operating Loan Program. In assessing its programs, FSA evaluated the needs of smaller farm operations and any unintended barriers to obtaining financing. For beginning farmers and ranchers, for instance, the new microloan program offers a simplified loan application process. In addition, for those who want to grow niche crops to sell directly to ethnic markets and farmers markets, the microloan program offers a path to obtain financing. For past FSA Rural Youth Loan recipients, the microloan program provides a bridge to successfully transition to larger-scale operations.

Since 2009, USDA has made a record amount of farm loans through FSA—more than 128,000 loans totaling nearly \$18 billion. USDA has increased the number of loans to beginning farmers and ranchers from 11,000 loans in 2008 to 15,000 loans in 2011. More than 40 percent of USDA's farm loans now go to beginning farmers. In addition, USDA has increased its lending to socially-disadvantaged producers by nearly 50 percent since 2008.

Producers can apply for a maximum of \$35,000 to pay for initial start-up expenses such as hoop houses to

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

USDA farm loans can be used to purchase land, livestock, equipment, feed, seed, and supplies, or be to construct buildings or make farm improvements. Small farmers often rely on credit cards or personal loans, which carry high interest rates and have less flexible payment schedules, to finance their operations. Expanding access to credit, USDA's microloan will provide a simple and flexible loan process for small operations.

Producers interested in applying for a microloan may contact their local Farm Service Agency office. A Fact Sheet with more details is available: [http://www.fsa.usda.gov/Internet/FSA\\_File/microloans\\_eng\\_jan2013.pdf](http://www.fsa.usda.gov/Internet/FSA_File/microloans_eng_jan2013.pdf)

The Obama Administration, with Agriculture Secretary Vilsack's leadership, has worked tirelessly to strengthen rural America, maintain a strong farm safety net, and create opportunities for America's farmers and ranchers. U.S. agriculture is currently experiencing one of its most productive periods in American history thanks to the productivity, resiliency, and resourcefulness of our producers.

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## **USDA FSA Conservation Loans Available**

FSA Guaranteed Conservation Loan funds are now available. Conservation loans allow farmers and ranchers to implement conservation practices on their land that will help protect natural resources.

Guaranteed Conservation Loans are a useful alternative to help operators implement any Natural Resources Conservation Service (NRCS) approved conservation practice including, but not limited to, waste management systems, conservation structures or water conservation measures.

Unlike other FSA guaranteed loan programs, Conservation Loans are not limited to family size farms.

The Guaranteed Conservation Loan limit is \$1,302,000 and interest rates and terms will vary. The maximum guarantee FSA can issue is 75 percent. A streamlined application process is available for applicants with a strong financial position.

Interested applicants who do not already have a conservation plan approved by NRCS should work with their local NRCS staff to develop a conservation plan. As with other guarantees, lenders can reduce risk, increase liquidity and offer lower rates by selling the guaranteed portion in the secondary market.

For questions regarding Guaranteed Conservation Loans, please contact your lender or your local FSA Office.

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## **2009 & 2010 Average Adjusted Gross Income Compliance**

The AGI verification and compliance reviews for 2009 and 2010 are coming to a close. Compliance reviews were conducted on producers that the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers received determinations of eligibility or ineligibility.

If the producer was determined to have exceeded the AGI limitation of \$500,000 of nonfarm income, \$750,000 of farm income or \$1 million of conservation program benefits, then receivables were established for payments earned directly or indirectly by the producer subject to the applicable limitation. These reviews and determinations were made by the State FSA State Office. If you have any concerns about the review or determination, please contact the State FSA State Office at Phone. Producers who received initial debt notification letters may only appeal the amount of the debt to their local FSA office.

## Farming Operation Changes

Producers who have bought or sold land, or added or dropped rented land from their operation must report those changes to the FSA office as soon as possible. A copy of the deed or recorded land contract for purchase property is needed to maintain accurate records with FSA. Failure to do so can lead to possible program ineligibility and penalties. While making record updates, be sure to update signature authorizations. Making record changes now will save time in the spring.

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## FSA Signature Policy

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

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## FSA Farm Loan Program Transfers Farmland to the Next Generation of Farmers

(East Lansing MI) – January 10, 2013 – Michigan USDA Farm Service Agency (FSA) Farm Loan Chief David Russ reminds landowners that the Land Contract Guarantee Program is available to landowners who wish to transfer farm real estate to the next generation of farmers and ranchers.

The Land Contract Guarantee Program provides a new approach for landowners willing to sell their land to beginning or socially disadvantaged farmers or ranchers because it reduces the seller's financial risk if the buyer defaults on the contract payments. The buyer must provide a minimum down payment of five percent of the purchase price, plan to operate the farm, and demonstrate the ability to make the land contract payments.

The national program offers two options, one that guarantees up to three annual installment payments on the contract and one that guarantees 90% of the unpaid principal of the contract. Guarantees can be used for financing the purchase of a farm with a purchase price up to \$500,000 on a new land contract.

"Landowners can use any escrow agent that meets the program qualifications to service the land contract," said Russ. "Landowners interested in the Land Contract Guarantee Program can contact their local farm loan office to obtain a list of available nationwide escrow agents that can be used with this program," he said.

FSA credit programs are designed to provide credit to eligible producers when conventional or commercial credit is not available or does not meet their credit needs.

"FSA programs create opportunities for farmers and ranchers - the backbone of our rural economy," said Russ.

For more information about the Land Contract Guarantee Program contact the Your Local County FSA Office.

## IRS 1099 Changes

In past years, IRS Form 1099-G was issued to show all program payments received from the Farm Service Agency, regardless of the amount. For calendar year 2012, the 1099-G reporting will change.

IRS Form 1099-G (Report of Payments to Producers) will only be issued to producers whose reportable payments total \$600 or more for the calendar year. Additionally, if the producer has at least \$600 in reportable payments received from multiple FSA offices, only one Form 1099-G will be issued. Producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

Any producer who receives less than \$600 in combined payments should consult a tax advisor to determine if these payments must be reported on their tax return.

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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 20250-9450, 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).