

June 2014



NEWSLETTER



- [FARM RECONSTITUTIONS](#)
- [GUARANTEED LOAN ELIGIBILITY](#)
- [HIGHLY ERODIBLE LAND AND WETLAND COMPLIANCE](#)
- [BEGINNING FARMER LOANS](#)
- [JUNE 2014 INTEREST RATES](#)
- [FSA SIGNATURE POLICY](#)

Grand Traverse/Kalkaska/Leelanau FSA Updates

Grand Traverse Area FSA Office

1501 Cass Street, Ste A
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Phone: (231) 941-0951 x2
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County Executive Director:
Gregory B. Shy

Farm Loan Manager:
James L. Monroe

Farm Loan Officer:
Caleb S. Boge

Program Technicians:
Jan Malik
Janet Howes

County Committee:
Brent Wagner - Chair
David Noonan - Vice-Chair
Bruce Cotton - Member
Joanne Gallagher - Member
Stanley Silverman - Member
Jaunita Send - Advisor

**Next County Committee
Meeting:** TBD

FARM RECONSTITUTIONS

When changes in farm 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.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

If you have any land changes such as new ownership or land sale, or have a change to make to your farm and tracts, contact the FSA office 231-941-0951 x106 to find out more information or to initiate a reconstitution.

GUARANTEED LOAN ELIGIBILITY

Changes to FSA regulations have removed Guaranteed Operating Loan term limits. Previous and current guaranteed loan borrowers who were not eligible for further guaranteed loans due to the previous 15 year eligibility term limit may now be eligible for further guaranteed loans through their commercial lender.

HIGHLY ERODIBLE LAND AND WETLAND COMPLIANCE

Landowners and operators are reminded that in order to receive payments from USDA, they must be compliant with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions. 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 ensure 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 (HELC) 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 website at www.fsa.usda.gov.

BEGINNING FARMER LOANS

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30% of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center (231) 941-0951 x2. You may also visit www.fsa.usda.gov.

JUNE 2014 INTEREST RATES

90-Day Treasury Bill - 0.125%
Farm Operating Loans - Direct: - 2.250%
Farm Ownership Loans - Direct: - 4.000%
Farm Ownership Loans - Joint Financing: - 2.500%
Limited Resource Loans - 5.000%
Farm Ownership Loans - Direct FO Down Payment - 1.500%
Emergency Loans - 3.250%
Farm Storage Facility Loans - 7 Yr. - 2.250%
Farm Storage Facility Loans - 10 Yr. - 2.625%
Farm Storage Facility Loans - 12 Yr. - 2.750
Commodity Loans - 1.125%

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
- A FSA-211 FSA Power of Attorney form, allows an entity or individual to designate someone to conduct FSA business for them.

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

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).