



# Huron County News

November 2009

Issue No. 2

## Huron County FSA

**Service Center**  
1460 S. Van Dyke Rd.  
Bad Axe, MI 48413  
989-269-9549 (phone)  
989-269-8421 (fax)  
www.fsa.usda.gov/mi

**Hours**  
Monday – Friday  
8:00 a.m. – 4:30 p.m.

**County Committee**  
Debra Kubacki  
Ken Koroleski  
Mark Roggenbuck

**Staff**  
Kay Lumsden  
County Executive Director

**Farm Program Techs**  
Susan Sauer  
Douglas Gay  
Connie Mattice  
Maggie Roggenbuck  
Becky Aubuchon

**Farm Loan Manager**  
Robert Catherwood  
(Tuscola County)  
989-673-8173

**Farm Loan Officer**  
Wendy Honoway  
989-269-9549

## Dates to Remember

**Nov 20** - NAP sales closing date for perennial crops  
**Nov 26** - Office Closed for the Observance of Thanksgiving  
**Dec 1** - NAP sales closing date for honey and maple sap.  
**Dec 7** – Final date to return election ballots  
**Dec 9** - Election ballots counted  
**Dec 25** - Office Closed for Observance of Christmas.  
**Jan 1** – Office Closed for the Observance of New Years Day

## Payment Processing

With the passage of the 2008 Farm Bill, several changes were made in how eligibility for payment is determined. Software changes were also made. These changes affect anyone who receives program payments from the Farm Service Agency. Changes include:

- Statements are now sent directly from Kansas City.
- Final direct payments for DCP will show reductions for any advance payment you requested and received earlier this year.
- The sum of ALL advance payments you received will be totaled and subtracted from the first farm(s) that are processed.
- Once the advance payments are all accounted for, you will receive 100% of the annual payment on all subsequent farms. (No deduction for advances).
- All payments may also have a short delay in processing in order to search for any outstanding Federal debt.
- If an outstanding Federal debt is discovered, the payment will be applied to offset the debt.
- Direct Deposit payments made by FSA will show up as **FSA TREAS 310** on your bank statement.

As with any “new & improved” system, it takes time getting used to some changes. This is no exception. Therefore, we ask for your patience as we all get used to the new system for processing payments. Rest assured that payments will all be made.



## Retirement in Huron County

Jerry Fischer, NRCS District Conservationist, has announced that he will be retiring after 35 years of government service. There will be an open house on December 22<sup>nd</sup>, from 11:00 a.m. to 3:00 p.m., in which anyone and everyone can stop by and bid him farewell.

## Reporting Changes in Your Farm Operations

It is important that you contact the office with any record changes that may have occurred in your operation. These changes include, but are not limited to:

- Address - any contact information.
- Direct Deposit - to ensure payments are deposited correctly, it is imperative that any changes in bank account information are updated immediately.
- Development - land removed for houses, etc., needs to be reported.
- Owner/Operator Changes - changes in land ownership, tenants or crop share arrangements. (**Note: We will require NEW LEASES!**)
- Reconstitutions - farm and/or tract combinations or separations due to sale of land or change in operators.
- Farm Operating Plan - changes to the farming operation that may have an effect on “person” and/or “actively engaged” determinations (eligibility).



## Thinking of Tiling or Clearing land?

Don't forget the Highly Erodible Land and Wetland Provisions. Bringing new land into production by **clearing trees, excavation, improving drainage by tiling or dredging** are potential violations of the HEL/WC rules. Before you begin any land conversion project, please come into the county office to file form AD-1026. Natural Resources Conservation Service will make an evaluation of your land to determine how to manage the wet areas of your land most efficiently. Checking ahead of time will help keep you eligible for USDA benefits.



## **2010 DCP Signup**

Enrollment for the 2010 Direct and Counter-Cyclical Program (DCP) has begun and will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract.

USDA computes DCP Program payments using base acres and payment yields established for each farm. Eligible producers receive direct payments at rates established by statute regardless of market prices. For 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. USDA will issue advance direct payments beginning Dec. 1, 2009. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.



## **Average Crop Revenue Election (ACRE)**

Producers eligible for DCP will also be eligible to enroll in the Average Crop Revenue Election Program (ACRE). The enrollment period for ACRE has begun and will continue through June 1, 2010. The optional ACRE program provides a safety net based on State revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2-year national price for each eligible commodity. An ACRE payment is issued when both the State and the farm have incurred a revenue loss. The payment is based on 83.3 percent of the farm's planted acres times the difference between the State ACRE guarantee and the State revenue times the ratio of the farm's yield divided by the State expected yield. For participating in ACRE, a farm's direct payment is reduced by 20 percent and the marketing assistance loan rates are reduced by 30 percent. Just remember, once enrolled in ACRE...always enrolled in ACRE (at least through 2012).

## **Conservation Reserve Program (CRP)**

At this time USDA has no general signups scheduled for the Conservation Reserve Program (CRP). However, environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP) and Continuous CRP (CCRP) are still eligible for enrollment. Both CREP and CCRP are private lands environmental improvement programs that allow participants the opportunity to enroll environmentally sensitive acreages in conservation practices that will reduce soil erosion, improve water / soil quality and provide wildlife habitat and food sources. Both programs are voluntary enrollment programs. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners receive annual rental / maintenance payments, incentive payments for certain activities, & cost share for establishment. To be eligible for enrollment in CREP or CCRP, participants and acreage must meet certain requirements. Provided all eligibility requirements are met, FSA will accept enrollments of acreage into either program. Landowners may enroll in the program at any time during the year. These targeted programs continue to provide heightened environmental and financial benefits to select areas.



## **Milk Income Loss Contract Program (MILC)**

Please continue to bring in milk production on a monthly basis. As long as you have provided the County Office with the current month's milk production, we will be able to make the MILC payment as soon as we receive the payment rate. Because of the new "feed cost" adjustment, we have been receiving the MILC payment rate at the end of the following month.



Example: October's Milk production will be paid the first part of December (if production evidence has been provided). Likewise, November's production will be paid the first part of January.

Also, please remember to inform the County Office of any changes that may occur in your dairy operation. Such changes could be switching from operating as an individual to a corporation, LLC, or partnership; a name change; members changing within an entity; selling out; etc.

## **Dairy Economic Loss Assistance Payment (DELAP) Program**

County Offices have been notified that the FY 2010 Agricultural Appropriations Act is providing dairy producers a supplemental direct payment to cover economic losses through the Dairy Economic Loss Assistance Payment (DELAP) Program.



At this time, the regulations implementing the program are still in departmental clearance. However, the County Offices are currently taking steps to prepare for the time when the program can be implemented. In an effort to expedite delivery of this program to dairy producers, production data records for dairy operations that participated in the MILC program during FY 2009 will be used to determine eligible payment quantities and benefit amounts under DELAP. This will eliminate the need for dairy producers that have participated in the MILC program during the last year to submit an application for benefits or establish a lengthy application process. NOTE: Since the regulations have not yet been published for this program, everything is subject to change!!

The County Offices are in the process of contacting those producers who need to provide further production evidence. Also, if you are a dairy producer and have not participated in the MILC program, please contact your local County Office if you wish to participate in either the DELAP or MILC programs.

## **2010 COMMODITY LOANS**

Commodity loans are an excellent marketing tool for producers with eligible commodities to utilize. Commodities loans are available for harvested eligible commodities that are being stored in an eligible farm storage facility or an approved warehouse until it is sold. A commodity loan can also be utilized on eligible commodities being fed with the arrangement of monthly payments. The loan rate for corn is different if it is being stored as anything other than grain. A loan quantity can be certified by the applicant, or the applicant can pay for a measurement service to be performed by the County Office. Any warehouse stored loans will be required to provide a warehouse receipt at the time the loan is requested. All commodity loans mature in 9 months from the issue date. The interest rate is set at the first of every month and was 2.375% for November.

Please visit your local FSA County Office if you are interested in requesting one of these loans. Signatures are required from the applicant to start the loan process, lien searches are performed on all applicants and spouses, and then signatures are required from all applicants and spouses at the time of closing the loan.

The final availability dates for 2009 crop loans are March 31, 2010 for Wheat, Barley & Oats, and May 31, 2010 for Corn and Soybeans. The loan rates for 2009 crops are as follows:

Corn	\$1.88
Soybeans	\$4.92
Barley	\$1.67
Oats	\$1.32
Wheat	\$1.82 (Soft Red Wheat), \$2.06 (Soft White Wheat)

## **Beginning and Limited Resource Farmers**

FSA assists beginning farmers and or members of socially disadvantaged groups 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 percent of the county's median size.



Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed. Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

Huron FSA Office  
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Bad Axe, MI 48413



PRESORTED STANDARD  
U.S. POSTAGE PAID  
LANSING, MI  
PERMIT #19

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

### **Farm Storage Facility Loans**

The Farm Storage Facility Loan (FSFL) program 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 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/or permanent drying and handling equipment. 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. Applications for FSFL must be submitted to the FSA county office that maintains the farm records. An FSFL must be approved by the County Committee before any site preparation or construction can begin.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

**Special accommodations will be made upon request for individuals with disabilities, vision impairment, or hearing impairment. If accommodations are required, please contact Paul Manol (734) 241-8540, by phone or in person.**