



# Kent, Newaygo, Muskegon Counties' News

**Kent County FSA**  
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**Websites**  
[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)  
[www.fsa.usda.gov](http://www.fsa.usda.gov)  
[www.usda.gov](http://www.usda.gov)

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

**Kent County Committee**  
David Dunaven  
Deb Kober  
Fredrick Oesch

**Newaygo/Muskegon County Committee**  
Craig Zeerip  
George Cousineau  
John Vandenbrink  
James Dunn  
Dennis Sikkenga  
Jean Stroven, Advisor

**County Executive Director**  
David Bain

**Farm Loan Manager**  
Leslie Wills, Kent & Muskegon  
Rick Dean, Newaygo

**Staff**  
**Kent:**  
Richard Dunton  
Nina Zick  
Debbie Diehl

**Newaygo/Muskegon:**  
John Vander Meulen  
Lisa Smalligan  
Kathy Nelson

## DCP & ACRE Signup Extended

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program has been extended until August 14, 2009. FSA will not accept any late-filed applications. Signup in the ACRE option is also available through August 14, 2009.

FSA 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 2009, you may request to receive advance direct payments based on 22 percent of the direct payment for each commodity associated with the farm. FSA will issue advance direct payments as requested. Counter-cyclical payment rates vary depending on market prices.

The electronic DCP (or eDCP) service will save you time, reduce paperwork and speed up contract processing at FSA offices. It is available to anyone eligible to participate in the DCP Program. To access this on-line service, you must have an active USDA eAuthentication Level 2 account, which requires filling out an online registration form at <http://www.eauth.egov.usda.gov> followed by a visit to the local USDA Service Center for identity verification.

**Please call for an appointment.**

## ACRE Signup is Ongoing

The Average Crop Revenue Election (ACRE) is a new program authorized by the 2008 Farm Bill. The ACRE program signup began April 27, 2009, and runs through August 14, 2009. The ACRE alternative provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price.

Producers who elect the ACRE program for a farm agree to:

- forgo counter-cyclical payments;
- accept a 20-percent reduction of the direct payments; and
- accept a 30-percent reduction in loan rates for all commodities produced on the farm

Commodities eligible for ACRE payments are wheat, corn, grain sorghum, barley, oats, soybeans, sunflower seed, canola, flaxseed, safflower, mustard seed, rapeseed, sesame seed, crambe, dry peas, lentils, small chickpeas and large chickpeas.

The ACRE program was created to give producers an option in lieu of traditional counter-cyclical payments. Producers may elect and enroll in ACRE for the 2009 crop year even if they have already accepted advance direct payments under the Direct and Counter-cyclical Program.

To elect ACRE for a farm, producers must complete Form CCC-509 ACRE, which irrevocably elects ACRE for the farm through crop year 2012. Form CCC-509, the contract to participate in ACRE, must then be completed each year the producer intends to participate and receive benefits. The best way to determine if your farm will benefit from the ACRE program is to search on-line using the words "ACRE calculator 2008".

ACRE payment is based on the revenue lost on the BASE crop actually planted and designated per FSA Farm number. Your five year yield history of this planted crop will have to be established per FSA farm number. For additional information visit: [www.fsa.usda.gov/dcp](http://www.fsa.usda.gov/dcp)

## 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, Acreage Crop Revenue Election (ACRE), marketing assistance loans and Loan Deficiency Payments. Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported.

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 30, 2009 for fall seeded small grain crops and July 15<sup>th</sup> for all crops except fall seeded small grains. Crop planting dates must also be reported

### 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.



## Dairy Prices Trigger MILC Payments

Due to low milk prices FSA will be making payments for February production to producers through the FSA's Milk Income Loss Contract (MILC) program. These payments are scheduled to be made in April. The 2008 Farm Bill made changes to the MILC program, including the addition of a dairy feed ration cost adjustment, changes to the payment rate and modifications to the per-operation poundage limit.

FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted for feed costs. The monthly Boston price is posted online at:

[http://www.fmmone.com/Northeast\\_Order\\_Prices/NE\\_Prices\\_mainnew.htm#Advance](http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_mainnew.htm#Advance).

FSA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the \$16.94 MILC payment trigger price, and multiplying the difference by 45 percent. The payment factor of 45 percent will decline to 34 percent on September 1, 2012.

FSA issues payments not later than 60 calendar days after FSA receives production evidence for the applicable month or the entire month's National Average Dairy Feed Ration Cost is posted for the applicable month, whichever is later.

FSA makes payments on up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year. The annual maximum eligible pound limit per dairy operation is 2,985,000 pounds per fiscal year. The amount drops to 2.4 million pounds per fiscal year on September 1, 2012.

MILC participants must select a month for which FSA will begin issuing payments for each fiscal year. Starting with the dairy operation's selected month, FSA will issue MILC payments based on that month's milk production and the milk production for each consecutive month thereafter with the effective payment rate until the operation reaches the production cap or the fiscal year ends.

More information about the MILC program can be found on the FSA website <http://www.fsa.usda.gov>.

## 10 BASE ACRES OR LESS

For 2009 and forward, Farms with 10 base acres or less are NOT eligible to receive payment under DCP unless the owner is requesting payment and the owner is Socially Disadvantaged or a Limited Resource Farmer.

Farms with 10 base acres or less may now be combined with another farm through a reconstitution if all other reconstitution requirements are met.

Land under separate ownership may be combined if **ALL** of the following apply:

- the resulting farm meets the definition of a farm
- all owners agree in writing
- the land is under a lease agreement for at least 1 year

## PAYMENT ELIGIBILITY AND PAYMENT LIMITATION PROVISIONS

The Food, Conservation, and Energy Act of 2008 made significant changes to payment eligibility and payment limitation provisions.

In order to qualify for program payments an operator must be determined actively engaged in farming. Landowners who farm on shares may qualify under special land owner provisions.

Each of the partners, stockholders, or members of an entity must make a contribution of active personal labor and/or active personal management to the entity. These must be performed on a regular basis and be documentable, and separate and distinct from other members. Additional provisions apply. **Call to schedule an appointment to fill out the new paperwork.**

## NAP Coverage Deadlines

Non Insured Assistance Program, disaster applications are due at different times according to the crop being insured. Producers apply for coverage by filing form CCC-471, application for coverage. Related fees are due when the application is filed.

The service fee is \$250 per crop, per county or \$750 per producer, per county. The fee cannot exceed a total of \$1875 per producer for individuals with farming interests in multiple counties. NAP deadline to file Notice of Loss is no later than 15 days after normal harvest date.

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## NAP Production Reporting

Production records for individual crops insured with FSA through the Non Insured Assistance Program need to be filed with our 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 have 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 and/or verifiable. Records need to show crop disposition. It is recommended that producer's submit 2008 production records as soon as possible after harvest. *All production records must be submitted by the subsequent crop year's final acreage reporting deadline, July 15<sup>th</sup>.*

## Grassland Reserve Program (GRP)

NRCS & FSA are currently accepting applications for the Grassland Reserve Program. The program allows owners of grassland used for grazing or forage production to sell the permanent conversion rights of the land or enter into a rental agreement with the USDA.

Landowners have until May 26 to submit completed applications at their local USDA Service Center.

## Payment Limit & Direct Attribution

For commodity and disaster programs, the Adjusted Gross Income (AGI) limitation was reduced for \$2.5 million from all sources to a three-year average **non-farm AGI of \$500,000.**

Program payments are limited by direct attribution to individuals or entities. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Individuals must also be "actively engaged in farming in order to be eligible for program benefits. A significant contribution of: (1) Capital, equipment, land, or a combination, there of; and (2) personal labor and active personal management, or a combination, there of.

## FSA Farm Loan Programs: Michigan's Lender of First Opportunity

FSA offers Michigan's farm families access to affordable credit through a wide variety of lending opportunities. Our seasoned and knowledgeable staff specializes in tailoring our loan products to meet the needs of your operation. Beyond simple access to agricultural financing, FSA loan officers are considered industry leaders in providing supervised credit.

We serve a variety of Michigan's agricultural producers including individuals and entities wanting to start farming, those wanting to continue or change their operations, women and minorities who want to start or continue farming, and youth wanting to build their own income producing agricultural projects.

*Every situation is different. Contact your local FSA Service Center to speak to a local loan officer.*

## New Commodity Loan Repayment Rates

Since April 15, FSA began using an improved and more stable system for determining non-recourse marketing assistance loan repayment rates and loan deficiency payment rates for wheat, feed grains, pulse crops, oilseeds, wool, mohair and honey.

The new method reduces the effects daily market volatilities have on loan repayment rates, and provides more certainty for producers who have taken advantage of marketing assistance loans or loan deficiency payments.

The loan repayment rate may now be determined as the **lesser** of the loan rate plus interest and a rate based on: 1) average market prices during the previous 30 days, or 2) an alternative method the secretary may develop.

Beginning April 15, 2009, for wheat, corn, grain sorghum, soybeans, barley, oats, canola, flaxseed and sunflower seed, the Commodity Credit Corporation (CCC) determines and publishes daily loan repayment rates based on the average market prices during the preceding 30 days. At the same time, CCC will announce each day a repayment rate based on the preceding five days. The new method will replace the current one, which is based on the previous day's market rates. **The effective alternative repayment rate will be the lower of either the 30-day average or the 5-day average.**

The 30-day method will reflect a 30-day moving average of all terminal market prices for the crop, adjusted by the difference between the applicable national loan rate and the county loan rate. The 5-day method will reflect a 5-day moving average of applicable terminal market prices adjusted by applicable county differential and terminal adjustments.

This new loan repayment method will minimize potential forfeitures, accumulation of CCC stocks, CCC storage costs, market impediments and discrepancies in benefits across state and county boundaries. More details on specific crops are available at your county FSA office.

Kent County FSA Office  
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 – Suite 101  
 Grand Rapids, MI 49525



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**SPOUSAL SIGNATURES**

Spouses may sign documents on behalf of each other for many FSA programs unless written notification denying a spouse this authority has been provided to the county office. This does not apply to commodity loans, farm loans, or the Loan Deficiency Program (LDP). Spouses must have an FSA-211 on file to sign commodity loan documents or LDP applications on behalf of each other.

**Appointments Recommended**



We recommend you call to make an appointment before coming to the office to conduct business. This will enable us to prepare any necessary paperwork and research issues before your appointment. We realize how important your time is and this will reduce the amount of time that you will have to wait in the office

**Picking up New Ground??**

FSA requires a lease or written permission from the landowner before information for a farm can be released for any newly acquired land. This also applies to crop reporting regardless of program participation.

**Has ownership of land changed??**

FSA will require proof of ownership (i.e. deed, land contract, tax bill) to update ownership in our records.

**Dates to Remember**

May 18	Final date to purchase "Buy-In" waiver for 2008 crops
May 25 <sup>th</sup>	Office closed for the Observance for Memorial Day
June 30 <sup>th</sup>	Last day to report fall seeded small grain crops
July 3 <sup>rd</sup>	Office closed for the Observance of Independence Day
July 15 <sup>th</sup>	Last day to report all other crops.
August 14 <sup>th</sup>	Last day to signup for DCP and ACRE
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program, CREP, and CRP-SAFE

Visit our Web site at:  
[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)

**SPECIAL ACCOMMODATIONS**

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the office, by phone or in person.

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.