



Lenawee County USDA Service Center

Lenawee County FSA 1100 Sutton RD Adrian MI 49221 517-263-7400(phone) 517-265-9121(fax) www.fsa.usda.gov/mi

Hours Monday - Friday 7:00 a.m. - 4:30 p.m.

County Committee Alan Gould Michael Feight Jeffrey Ehlert

COC Advisor Bonnie Hunt

County Committee meets First Wednesday 8 am

Staff Constance Reid Guffey County Executive Director 114

Farm Program Section: Jim Bills 104 Connie Rathbun 108 Debra Shiels 105 Ann Squires 100 Barbara Wagner 107 Beth Wagner 106

Farm Loan Section: Michael Jordan Farm Loan Manager 110 Rebecca Deline 111 Katie Gust 103 Susan Lerch 112



Lenawee County News

2010 NAP Coverage Deadline Approaching

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each crop or commodity, except livestock, for which CAT is not available.

The application deadline date for the 2010 NAP coverage for wheat, small grains, fall speltz and forage crops is September 30, 2009. The deadline for fruits, berries, and asparagus is November 20, 2009.

Producers who already have coverage on 2009 NAP crops may choose to continue coverage on the same crop or crops for 2010, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

Producers with NAP coverage must remember to complete the following to qualify for benefits: Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.

File a "Notice of Loss" within 15 days of when a loss is apparent, due to drought, hail, etc.

REMEMBER THAT ALL 2010 CROPS MUST BE COVERED BY NAP OR CROP INSURANCE FOR A PRODUCER TO BE ELIGIBLE FOR THE SURE PROGRAM.

See page two for details.

NAP Production Reporting

Production records for individual crops need to be filed with our office to establish an approved NAP yield each year. Records submitted must be reliable or verifiable. The records need to show crop disposition. It is recommended producers submit 2009 production records soon after harvest. *All production records for 2009 must be submitted by the 2010 acreage report date for the crop. The final acreage reporting date for NAP crops is July 15, 2010.*

Farm Storage Facility Loan Program Changes

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 for a loan through FSFL is \$500,000. Participants are now 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 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.



CROP REPORTING TIME IS OVER

However, you may still report your crops to us. A fee of at least \$46 per farm number is required, as well as a farm visit to confirm the existence and disposition of the crops. Producers participating in DCP, ACRE, CRP and NAP that have not certified must very soon, as they are out of compliance with their contracts. Call for an appointment to file form FSA-578.

County Committee Election Time!

Area III producers should be watching for a ballot in early November. Please vote!

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, soybeans, oats, wheat, barley or minor oil-seeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Hay
- Renewable biomass (any organic matter available on a renewable or recurring basis that is used for the production of energy, excluding manure.)
- Fruits (including nuts) and vegetables - cold storage facilities

September interest rates are 3.25 to 4% depending of the term of the loan.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.



SUPPLEMENTAL REVENUE ASSISTANCE PAYMENTS (SURE) PROGRAM

This program replaces past disaster programs for crops. Payments are earned when there is a revenue loss on all of a producer's farms combined. To be eligible, producers are required to have crop insurance or non-insured crop assistance (NAP) coverage on all crops, on all farms in the nation. An exception is a crop that is not economically significant (one which is not expected to contribute at least 5% of the farm's income.) For **SURE** to be available in a crop year, a "Secretarial" disaster declaration or a producer with a 50% revenue loss due to weather is required. Revenue losses cannot be determined until after the market year average prices have been determined (July 1 for wheat; Oct. 1 for corn and soybeans). SURE payments equate to 60% of the difference between the guarantee and total farm revenue.

Lenawee County did have a Secretarial Disaster declaration for 2008, therefore, producers who did obtain insurance or NAP coverage on all crops of economic significance will be eligible to apply for SURE when signup is announced.

To assist farmers in evaluating their options with SURE, USDA has created a SURE Calculator. To utilize the Calculator, visit the website www.fsa.usda.gov/mi, and look under "Hot Links".

Please note that the calculator and instructions linked on the FSA website are for informational purposes only. This calculator in no way binds FSA to potential payments under SURE and should not be relied on as the sole source of information to make final management decisions.

Maintaining CRP Cover

Cover maintenance for CRP is the participant's responsibility and must be done according to the conservation plan. All activity such as mowing, burning, and spraying must be conducted outside the primary nesting season for wildlife. In Michigan this is after August 1 and before August 24. Call the office if you have questions.

SIGN-UP FOR DCP AND ACRE PROGRAMS

USDA extended the sign-up deadline from June 1, to August 14, 2009, for both the Direct and Counter-cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) Program.

With that behind us, producers should be looking ahead to obtain leases for 2010 land and request farm reconstitutions if land has been dropped, added, or has changed ownership

Included in the Total Farm Revenue calculation are estimated crop value, CI indemnities, NAP payments, Market Assistance Loan proceeds, other disaster payments, DCP payments (15% of direct payments, plus cc payments and ACRE payments.)

Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these *successions-in-interest* to the county committee by Sept. 30, so that a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm.
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor."

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved

Please call the office if you are interested in joining a small group meeting to go over the basics of ACRE.

For 2010, producers may enroll in DCP this fall, receive advance payments, and switch to ACRE by the deadline of June 1, 2010.

2009 ACRE participants: You will be receiving a letter regarding certification of past yields and the requirement to report 2009 production.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

**INTERESTED IN
 NEWS BY
 EMAIL?**

If you would like to be on the distribution list and receive emails about deadlines and new program information, please contact: constance.guffey@mi.usda.gov

Farm Reconstitutions

At FSA, farms are “constituted” to group all tracts having the same owner and the same operator under one farm serial number. When changes in ownership or operation take place, a farm reconstitution is necessary. If an owner or operator cannot agree about program participation, like in the case of the ACRE program, then producers should inquire about a reconstitution of the farm at the local FSA office.

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 1** for farms enrolled in specific programs. If an advance payment has already been issued, it must be refunded before the reconstitution can be done.

Dates to Remember	
Sept. 30	NAP sales closing date for 2010 small grains, fall mint, fall speltz and forage crops
Oct. 12	Office closed for the Observance of Columbus Day
Nov. 11	Office closed for the Observance of Veterans Day
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
Selected Interest Rates for September 2009	
7 yr. Farm Storage Facility Loans	3.250%
10 yr. Farm Storage Facility Loans	3.625%
12 yr. Farm Storage Facility Loans	4.000%
Commodity Loans 1996-Present	1.500%

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, audiotope, 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.