

August 2013



Lenawee County FSA Updates

Lenawee County FSA Office

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Program Technicians:

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Committee Members:

Mike Feight
Genie Hillard
Dale Terry
Stephanie Thompson, COC
Advisor

Next County Committee

Meeting: Sept. 23, 2013, at
8:30 AM

Direct and Counter-Cyclical Payment Program (DCP)

Producers may enroll in DCP until close of business on September 16, 2013. Call for more information or an appointment to enroll in this commodity program.

Important Reminder of Sodbuster and Swampbuster Provisions

Don't risk your benefits. Most USDA programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on highly erodible land planted to an annual crop, as determined by the Natural Resources Conservation Service (NRCS). Be sure to have determinations made on any new land you plan to plant to annual crops. Farm owners and operators are reminded that if they use highly erodible land for crop production without proper conservation measures, they risk losing eligibility for USDA programs. Before producers clear, plow or otherwise prepare areas not presently under crop production for planting, they are required to file form AD-1026 in this office, indicating the area to be brought into production. If Natural Resources Conservation Service indicates that the area is highly erodible land, the producer will be required to develop and implement a conservation plan on the affected acreage before bringing land into production. Be sure to have an HEL determination made on any new land you plan to plant to annual crops.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits back to the year of conversion. To avoid this possibility it is strongly recommended that producers come into the FSA office ahead of time to file form AD-1026 for referral to NRCS. It is necessary for NRCS to review any actions which could result in the modification of an area determined to be a wetland. This includes any clearing of trees or brush (including fence rows), draining, dredging, filling, or plans to install, maintain or improve tile. Keep eligible for USDA benefits. Do not assume an action such as clearing stumps or tiling a small area does not matter – it does matter. File the form first and make an informed decision. Producers are to notify the Farm Service Agency prior to

conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and repayment of benefits back to the year of the wetland conversion.

Let us know right away if you want to or have done some clearing, so NRCS can make a determination.

Outreach to Women and New Producers

Perhaps you have recently become involved in farming, or have been involved in farming for years with your spouse, but you want to learn more about FSA programs?

Do you want to better understand the benefits or requirements of a program? Do you want to know what we offer specifically for “Beginning Farmers”? Do you want to be more informed on the County Committee election process and be more involved? Please join us for informal meetings, especially for you, on any first Wednesday of the month from 9:00 -10:00 a.m. The topics will vary depending on your interests. There will be an informal presentation and discussion. Please call 263-7400 and press 2. Ask what the topic for the next meeting will be and let us know if you want to reserve a spot.

Microloans

The Farm Service Agency developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and the smallest of family farm operations by modifying its Operating Loan (OL) application, eligibility and security requirements. The program will offer more flexible access to credit and will serve as an attractive loan alternative for smaller farming operations like specialty crop producers and operators of community supported agriculture (CSA). These smaller farms, including non-traditional farm operations, often face limited financing options.

Microloans can be used for all approved operating expenses as authorized by the FSA Operating Loan Program, including but not limited to:

- Initial start-up expenses;
- Annual expenses such as seed, fertilizer, utilities, land rents;
- Marketing and distribution expenses;
- Family living expenses;
- Purchase of livestock, equipment, and other materials essential to farm operations;
- Minor farm improvements such as wells and coolers.
- Hoop houses to extend the growing season;
- Essential tools;

- Irrigation;
- Delivery vehicles.

The application process for microloans will be simpler, requiring less paperwork to fill out, to coincide with the smaller loan amount that will be associated with microloans. Requirements for managerial experience and loan security have been modified to accommodate smaller farm operations, beginning farmers and those with no farm management experience.

For annual operating purposes, microloans must be secured by a first lien on a farm property or agricultural products having a security value of at least 100 percent of the microloan amount, and up to 150 percent, when available.

Microloans made for purposes other than annual operating expenses must be secured by a first lien on a farm property or agricultural products purchased with loan funds and having a security value of at least 100 percent of the microloan amount. Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. Interest rates are based on the regular OL rates that are in effect at the time of the microloan approval or microloan closing, whichever is less.

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).