



Mason, Oceana, Manistee, Lake County
USDA Service Center

**Scottville FSA
Service Center**

655 N. Scottville Rd.
Scottville, MI 49454
231-757-3707 (phone)
231-757-4133 (fax)
www.fsa.usda.gov/mi

Hours

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

County Committee

Eric Herrygers
John LaPointe
Curtis Berndt
James Bush
Chuck Schade

Advisor

Shirley Mackenzie

County Committee meets
3rd Thursday of the Month

Staff

Kathi Lerg, CED
Debbie Schulz, PT
Beth Areklet, PT

Farm Loan Manager

Rick Dean, FLM

Manistee

Larry Cleary, FLM

Mason, Oceana, Manistee, Lake County News

DCP Signup Continues/ Deadline Extended to August 14

Signup for the 2009 Direct and Counter-cyclical Payment (DCP) Program continues until August 14, 2009. The August 14, 2009 deadline is mandatory for all participants. FSA will not accept any late-filed applications.

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 if requested. Counter-cyclical payment rates vary depending on market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

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: www.eauth.egov.usda.gov followed by a visit to the local USDA Service Center for identity verification.

Producers eligible for the DCP Program are also able to enroll in the Average Crop Revenue Election

(ACRE) Program or the Counter-cyclical Program. The enrollment period for the ACRE Program will begin April 27, 2009. You may first enroll in the DCP Program, receive advance direct payments and then later modify your enrollment to the ACRE program or you may wait and elect to enroll in DCP and ACRE at the same time in spring 2009.

Flexible or Cash Lease

Producers should be careful to differentiate between flexible leases and cash leases when reporting to the Farm Service Agency (FSA).

Flexible leases, in which the producer pays a base rent, and offers a bonus on yield and/or price increase to a landowner, are considered by the Farm Service Agency as share leases. Cash leases specifying a fixed amount, not subject to changes from yield or price are common and the norm across the country. Flexible or hybrid leases are now coming to the attention of FSA.

This year FSA participants are required to complete form CCC-902I or CCC-902E Farm Operating Plan that are subject to spot check. Paying more than what the original lease specifies may violate a producer's CCC-902, if not completed correctly. A violation could make an operator ineligible for Direct Counter-cyclical Payments (DCP).

Example: A lease that is for \$100 acre plus an additional \$40 per acre if the crop exceeds \$4/bushel or 170 bushels corn/acre or \$7/bushel or 40 bushels of soybeans per acre is by FSA procedure a share lease. FSA procedure states that, a lease is a share lease if the lease bases the amount of rent on the quantity of crop produced or the proceeds from the crop, or the interest a producer would have if the crop had been produced.



Acreage Reporting

Acreage reporting time will soon be here. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported within 15 days of the disaster event and before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For crops other than NAP (Noninsured Crop Disaster Assistance Program) crops, acreage reports are to be certified by the **June 30, 2009** deadline on small grains and a **July 15, 2009** deadline on all other crops.

Acreage reports on crops for which NAP assistance may be paid are due in the county office by the earlier of **June 30, 2009** for small grains and **July 15, 2009** for all other crops, or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

These dates have not been extended.

Dairy Prices Trigger MILC Payments

Due to low milk prices FSA will be making payments in April to producers through the FSA's Milk Income Loss Contract, or MILC, program. The 2008 Farm Bill made changes to the MILC program, most notably the addition of a dairy feed ration cost adjustment in addition to changes to the payment rate and modifications to the per-operation poundage limit, depending on when the milk is produced.

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.

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.

The 2008 Farm Bill also excludes producers whose non-farm average adjusted gross income (AGI) exceeds \$500,000 from receiving MILC payments. Producers will have to sign an AGI statement when signing up for the program. More information about the MILC program can be found on the FSA website <http://www.fsa.usda.gov>.



Sodbuster, Swampbuster

Most USDA programs require compliance with sodbuster and swampbuster provisions. These provisions require producers to follow an approved conservation system on all highly erodible land planted to an annual crop (sodbuster), as determined by the Natural Resources Conservation Service (NRCS). Further, USDA participants are prohibited from converting wetlands for agricultural production purposes (swampbuster) and planting an agricultural commodity on converted wetlands.

Be sure to have determinations made on any new land you plan to plant to annual crops. If you plan to plant a different crop on your current cropland that does not have a previous NRCS determination, check with NRCS to assure the new crop will qualify under your conservation system and complete a new AD-1026 form with FSA prior to such activities.

Swampbuster provisions state that converting a wetland to make possible the planting of a crop will result in the loss of all USDA benefits. To avoid this possibility it is strongly recommended that producers contact their local USDA Service Center prior to such activities.

NAP Production Reporting

Production records for individual crops 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 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 or verifiable. Records need to show crop disposition. We recommend producers submit 2009 production records as soon as harvest is complete. **All production records must be submitted by the subsequent crop year's final acreage reporting date.**



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 county FSA office staff directly or by phone.

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 are industry leaders in providing supervised credit. This means we help farmers with farm planning, credit counseling, financial planning, and farm and financial education throughout the term of the loan.

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.

FSA offers a wide spectrum of lending options that can be tailored to an individual's situation. We can make direct fixed rate farm ownership loans (FO) and fixed rate farm operating loans (OL) in amounts up to \$300,000. We can also work with the borrower's local agricultural lender to guarantee commercial credit for both operating and ownership loans of up to \$1,094,000. In general, farm ownership funds may be used to purchase or enlarge a farm, purchase easements or rights of way needed in the farm's operation, erect or improve buildings, implement soil and water conservation measures, and pay closing costs. Guaranteed FO funds may also be used to refinance debt. Operating loan funds may be used to purchase livestock, poultry, farm equipment, feed, seed, fuel, fertilizer, chemicals, insurance, and other operating expenses. The funds also may be used for closing costs, and to reorganize and refinance certain debt.

Every situation is different. Contact your local FSA Service Center to speak to a local loan officer. Local FSA offices are listed in the telephone directory under U.S. Government, Department of Agriculture or Farm Service Agency.

Buy-in Waiver Extension Approved for Disaster Assistance Programs

Producers who did not obtain statutorily required crop insurance from the Federal Crop Insurance Corporation (FCIC) or Non-insured Crop Disaster Assistance Program (NAP) coverage for 2008 can pay a buy-in fee through May 18, 2009, to become eligible for 2008 disaster assistance programs authorized by the Food, Conservation, and Energy Act of 2008.

Paying such a buy-in fee does not provide the producer with crop insurance or NAP for the 2008 crop year; it merely permits the producer to become eligible for the 2008-crop disaster assistance programs.

Producers who have not already taken the necessary steps to become eligible for the Supplemental Revenue Assistance Program (SURE), Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish (ELAP), and the Tree Assistance Program (TAP) may now become eligible for such programs by completing the following steps by May 18, 2009:

* Paying a \$100.00 buy-in fee per crop. The maximum fee for insurable or non-insurable crops is \$300 per county, per producer, not to exceed \$900.00 for multi-county producers.

* In the case of each insurable crop (those for which insurance is available from FCIC), excluding grazing land, agreeing to obtain a policy or plan of insurance for the next insurance year for which crop insurance is available; coverage level should equal 70 percent or more of the yield at 100 percent of the price.

* In the case of each non-insurable crop, agreeing to file the required paperwork and pay the applicable administrative NAP coverage fee by the application closing date for the next available year.

Producers who choose to buy in under this provision will be considered, for insured crops for the 2008 Farm Bill disaster assistance programs only, to have obtained a policy or plan

A Thought;

You can't always beat what is difficult in your life.

Sometimes you have to let it win and shout Hallelujah anyhow.

Bebe More Cambell

of insurance for the 2008 crop year at a level of coverage not to exceed 70 percent of the yield at 100 percent of the price. For non-insurable crops for the 2008 Farm Bill disaster programs only, producers will be considered to have a level of coverage equal to 70 percent of the yield. These levels of coverage will be used to calculate the 2008 SURE guarantee. Producers who buy in will not be eligible for actual crop insurance or NAP benefits for the 2008 crop.

Producers who meet the definition of "Socially Disadvantaged, Limited Resource," or "Beginning Farmer or Rancher," are not required to pay the buy-in fee.



Dates to Remember

May 18	Deadline- Buy-in for Disaster Assistance Programs
May 25	Closed for Memorial Day
June 30	Deadline- Certification of fall seeded small grains
July 15	Deadline- Certification of crops/CRP
Aug. 14	Deadline-DCP & ACRE Sign up
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program

Selected Interest Rates for April 2009

Farm Operating Loans — Direct	2.25%
Farm Ownership Loans — Direct	4.125%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency Loans	3.75%
Farm Storage Facility Loans	2.5%
Commodity Loans 1996-Present	1.625%

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.