



# Ottawa County News

**Ottawa County  
USDA Service Center**

Ottawa County FSA  
16731 Ferris St  
Grand Haven MI 49417  
[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)

**Hours**

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

**County Committee**

Kirk Haverdink  
Wayne Hecksel  
David Pyle

**Advisor**

Helen Dietrich

County Committee ordinarily meets the first Wednesday of each month

**Farm Program Staff**

Blain Becktold, CED  
Dawn Essenburg, PT  
Jackie French, PT  
Andy Stille, PT

**Farm Loan Staff**

Leslie Wills, FLM  
Susan McIntosh, PT

**Field Agent**

Les Kloosterman

**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 hundred-weight (cwt) as adjusted for feed costs. The monthly Boston price is posted at <http://www.fmmone.com> then go to Price Information, then to Uniform Price and Producer Price Differential. FSA determines the per cwt 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% will decline to 34% 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.

**Dairy Prices continued:**

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>

**It is the producer's responsibility to turn in final production for each month to the county office – the cooperatives are under no obligation to submit production on behalf of the producer.**

The county office can accept new applications on a continuing basis.

**DCP Signup Continues**

Signup for the 2009 Direct and Counter-cyclical payment (DCP) Program has been extended from June 1 to August 14, 2009.



## 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.



## Timely Filing of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. A Notice of Loss is required for ALL CROPS COVER BY NAP INCLUDING GRASSES. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576 (notice of loss) in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 days after the normal harvest date.

## DCP Signup

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% of the direct payment for each commodity associated with the farm. Countercyclical 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.

Producers eligible for the DCP Program are also able to enroll in the Average Crop Revenue Election Program (ACRE) or the Counter-Cyclical Program. 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 before August 14, 2009. Farmers will be given multiple opportunities to sign up for ACRE.

## ACRE

The ACRE program, authorized by the 2008 Farm Bill, provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The decision to elect ACRE binds the farm to the program through the 2012 crop year, the last crop year covered by the 2008 Act.

Sign-up for ACRE will begin April 27, 2009. Producers can elect ACRE at their FSA county office after the sign-up period commences.

The original June 1 deadline may have forced producers to rush their decision, which is why this extension gives producers more time to make an informed

decision about staying with DCP for 2009 or participating in ACRE for crop year 2009 and beyond through 2012.

The most important factor that will determine whether farmers sign up for ACRE will be their expectations about whether their payments will increase or decrease under ACRE. To help farmers make relevant calculations, the Center for Agricultural and Rural Development (CARD) researchers have put together a spreadsheet calculator that shows the likely payments under ACRE under a wide variety of possible outcomes. The CARD ACRE calculator is available at [www.card.iastate.edu/ag\\_risk\\_tools/](http://www.card.iastate.edu/ag_risk_tools/)

The ACRE price is the average of the two previous years' season average prices as reported by the National Agricultural Statistics Service. So, for 2009, the ACRE price used to set the 2009 guarantee will equal the season average prices for the 2007/2008 marketing year. If prices fall below their 2007 and 2008 average level, then ACRE payments will be significantly greater than those under traditional programs. The only way that ACRE payments would not be large in this circumstance is if the state average yield was significantly higher than the ACRE yield. Given uncertainty about price levels and yields, many corn, soybean, and wheat farmers will find that the high ACRE revenue guarantees will be more valuable to them than the 20% loss in direct payments. Even if market prices fall below target prices and loan rates, the size of ACRE payments to most farmers will exceed those of loan deficiency and countercyclical payments.

The most important trade-off to consider when choosing between ACRE and traditional commodity programs is the distinction between the reduction in payments that occurs under ACRE given high prices versus the large potential ACRE payments should prices drop. For corn farmers for example

## NAP Production Reporting

Production records for individual crops need to be filed with our office to establish an approved NAP 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.

**All production records must be submitted by the subsequent crop year's final acreage reporting date.**



## CROP REPORTING TIME IS NEAR

*It will soon be time to report your crops to us. When you have finished planting, give us a call for an appointment to file an FSA-578. The wheat and fall seeded crop reporting deadline is June 30<sup>th</sup> and spring seeded crops must be filed by July 15<sup>th</sup>.*

## ACRE continued

Who believe that ACRE payments will be zero because prices are going to remain above \$6.00 for the life of the farm legislation and state yields will always be at or above trend levels, it would be better to choose the current programs to avoid a 20% cut in direct payments. But for farmers who believe that there is a chance that price or yield will drop unexpectedly, the large payments under ACRE (up to a maximum of \$216.90/acre, which includes direct payments) will make the new program the preferred option.

Farm operators and land owners will have to make a choice between the ACRE and traditional program suite. Thus, they will have to think carefully about how the traditional programs operate in the market environment we have now, not how they operated in the past.

*Note: This information about ACRE is as accurate as possible at this time. Changes to the program could come about as ACRE is implemented.*

## 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 check with their local Natural Resources Conservation Service before taking any such action.

## CREP, SAFE & Continuous CRP Available

At this time USDA has no general signups scheduled for the Conservation Reserve Program (CRP) in 2009. However, environmentally sensitive acreage qualifying for the Conservation Reserve Enhancement Program (CREP), Conservation Reserve Program State Acres For wildlife Enhancement (SAFE) Practice, and Continuous CRP will still be eligible for enrollment. These targeted programs remain funded, and continue to provide heightened environmental and financial benefits to select areas. More information available at: <http://www.fsa.usda.gov/mi>.

## Supplemental Revenue Assistance Payments (SURE)

SURE provides benefits for farm revenue losses due to natural disaster. It is the 2008 Farm Bill's successor to the prior Ad Hoc Crop Disaster Programs also known as the CDP or Crop Disaster Programs. SURE is legislated through 2011.

For a producer to be eligible for the SURE Program, all of the farming operation's crops (planted or intended) that are of economic significance must be covered by either federal Crop Insurance (CI) or FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage. Coverage must also be obtained for crops for which CI or NAP is available, such as nursery, honey, aquaculture and floriculture. However, statute does not require coverage for grazed crops for the SURE program.

At this time, the sign-up dates for the 2008 crop year SURE program have not been announced. Watch for further information. A producer will not be eligible for the SURE program if they did not have coverage (CI or NAP) or if they do not "buy-in" to the SURE program. The extended "buy-in" period for 2008 will end **May 18, 2009**. Producers that sign up in the late "buy-in" option will be required to purchase CI or NAP during the next available sales period.



### Beginning and Limited Resource Farmers & Ranchers

FSA has a program to assist 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% 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).

### 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 Blain Beckett (616) 842-5852, by phone or in person.

Dates to Remember	
May 18, 2009	2008 SURE Buy-in Date deadline
May 25	Office Closed – Memorial Day
May 31	Final date to request 2008 crop loan
June 30	Deadline to report 2009 Wheat
July 3	Office Closed – 4 <sup>th</sup> of July Holiday
July 15	Deadline to report 2009 crops other than wheat
August 14	DCP/ACRE sign-up deadline
August 1	Deadline to request 2009 farm reconstitutions
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve Program, CRP-SAFE, and CREP

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