



Farm Service Agency

PROGRAM NEWSLETTER

UNITED STATES DEPARTMENT OF AGRICULTURE ALPENA -ALCONA-MONTMORENCY COUNTIES

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NEWSLETTER NO. 1

APRIL, 2007

EVENTS & DEADLINES

- May 28, 2007 - Memorial Day Holiday
- May 31, 2007 - To apply for corn, soybean, minor oilseed loan or LDP
- July 1, 2007 – Report fall planted crops
- July 15, 2007 – Report all crops
- August 3, 2007 - To enroll in DCP for 2007

OFFICE PERSONNEL

Paul J. Anstead – County Executive Director
Lloyd Parks – Farm Loan Manager
Desiree Compeau – Program Technician – FLP
Michelle Katona – Program Technician – FP
Janet Marwede – Program Technician – FP
Tom Hoppe – Field Assistant

TOPICS THIS ISSUE

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USDA ONLINE SERVICES

USDA Agencies (FSA, NRCS, and RD) have available online service on the World Wide Web. The address of the web site is <http://www.sc.egov.usda.gov>. The web site features information such as forms (eForms), fact sheets, LDP rates, customer statements, and much more. Additional options are available to provide on-line service for applying for program benefits. To access these secured applications, a user id and password must be obtained. All producers with internet access are encouraged to obtain an eAuthentication Level 2 account. Contact the FSA office for further details. Also available is the FSA web site where more information about FSA programs can be obtained. The address is www.fsa.usda.gov.

COUNTY COMMITTEE ELECTIONS

The County Committee elections were held this winter and ballots were counted at the December COC meeting. Elections for the Alpena-Alcona-Montmorency COC took place in Local Administrative Area 2 (LAA 2), which represents Alpena, Green, Long Rapids, Maple Ridge, and Wellington townships of Alpena County, and in Local Administrative Area 4 (LAA 4), which represent Alcona, Caldonia, Curtis, Hawes, and Mitchell townships of Alcona County.

The results of the election are:

<u>LAA</u>	<u>COC Member</u>
LAA 2	Amy Lewis
LAA 4	Edward McKinnon

Congratulations to Amy and Edward for being elected to the COC to represent the producers of LAA 2 and LAA 4. The COC is responsible for administering the FSA office and farm programs. Thank you to all the producers that participated in the election process and voted.

The COC met for the organizational meeting after elections to elect the Chairperson and Vice Chairperson of the County Committee. The results are: Chairperson - John Herrick; Vice Chairperson – Michael Timm
Member - Amy Lewis; Member – Edward McKinnon; Member - Janice Emerick

COUNTY COMMITTEE MEETINGS

The regularly scheduled meeting of the Alpena-Alcona-Montmorency COC is the third Wednesday of each month, beginning at 9:30 A.M. at the Alpena FSA office. The regular session of the County Committee meeting is open to the public.

DIRECT AND COUNTER-CYCLICAL PAYMENT PROGRAM

Signup is underway for the 2007 Direct and Counter-Cyclical Payment Program (DCP). The deadline to enroll a farm in the program has been extended to August 3, 2007. A yearly signup to participate is required. Updating eligibility records and any changes in farm records will require additional time. A written lease, rental arrangement, or other document signed by the owner is required to prove that the producer has the land cash leased for the crop year, when an advance payment is requested.

Don't wait until the deadline.

The DCP payment process includes a direct payment and a counter-cyclical payment. The payments are calculated using the farm's crop base times 85% times the payment yield times the payment rate. An advance direct payment of 22% can be requested at signup. The final direct payment will be issued in October of the program year. Advance counter-cyclical payments can also be requested but are paid when rates are announced. The amount of the counter-cyclical payment will depend on actual market prices.

Call the FSA office soon to make an appointment to enroll in the DCP program.

GEOGRAPHIC INFORMATION SYSTEM

The Alpena FSA office staff is in the process of converting to a Geographic Information System (GIS) based mapping system. This is a computer based program that contains a picture of your property, property boundaries, crop field boundaries, acres, farm and tract numbers, and other relevant information about the land you own or operate. This mapping system will provide higher quality maps and more accurate acreage determinations. This system will replace the paper maps used for FSA program purposes. A set of computer-generated maps for all farms containing cropland acres have been generated and sent to owners and operators in Alcona and Montmorency counties. Maps for Alpena county owners and operators will be generated and mailed in the near future. Producers should review these maps and notify the FSA office of changes in ownership, property boundaries, and field boundaries. This effort will help provide you with more accurate farm information in the office and expand on-line services available to you in the future.

COMMODITY LOAN PROGRAM

Commodity loans are available using harvested crops as collateral. The proceeds from a loan could be used to help with cash flow or to pay off other loans. The term of the loan is nine months, starting the month after the loan is disbursed. The interest rate for the loan is the rate in effect for the month the loan is disbursed, subject to change in January using the January interest rate. The deadline is March 31, 2007 for small grains and May 31, 2007 for corn and soybeans. To be eligible for a commodity loan, crops of wheat, oats, barley, corn, soybeans and minor oilseed crops must be produced by the producer and the acreage of the crop must be reported by the crop reporting deadline (July 1 for fall planted crops, July 15 for all other crops). If the crop is not reported by the deadline, a late filing fee will be charged and physical evidence must be present on the field.

The producer must maintain beneficial interest in the commodity through the life of the loan. A producer is considered to retain beneficial interest in the commodity if the producer has control of the commodity, has the risk of loss, and has title of the commodity.

The commodity must be kept in eligible storage, such as a bin, flat storage, silo or other eligible storage.

The producer is responsible for maintaining the quality of the commodity in farm storage through the term of the loan, including any extended periods.

The quantity of the commodity loan that is going to be sold, fed, or removed from the designated storage must be repaid before disposition. The repayment can be made using the following methods: (1) principle plus interest; (2) market gain repayment – production evidence must be provided; (3) request authorization to move a quantity before repayment – the buyer of the quantity must be recorded on the authorization and the buyer is responsible for repayment of the quantity. Failure to abide by the loan requirements will result in administrative action up to and including the calling of the loan and assessment of liquidated damages.

UPDATING COUNTY OFFICE RECORDS

An extensive review of eligibility requirement records and farm records is being conducted this year.

There are several records that must be reviewed and updated because of changes each year before you are eligible to receive benefits from FSA programs.

Land Changes - If you bought, sold, leased new land, or not leasing land for this current crop year, you should report these changes to the FSA office. All land owned by the same person within a county should be combined as one farm operation. A change in land on a farm with a DCP contract will require a reconstitution which must be requested by August 1st to be effective for the current program year. Base acres on land being sold may be divided or designated using the landowner method which is the division of contract acres in the manner agreed to by the parent farm owner and purchaser.

Sod-Swamp - All land that you own or operate must have a highly erodible and wetland.

Determinations determination. Any highly erodible land must have a conservation plan being followed. Areas designated as wetlands cannot be altered to allow cropping.

Person – Payment Limitation Determination - A change in your farm operating plan, such as land changes, shares, partnerships, trusts or estates could affect your person determination.

Adjusted Gross Income – May not be eligible for benefits when the average adjusted gross income exceeds 2.5 million.

Power of Attorney - A person signing a document other than the name on the document must have Power of Attorney on file. A husband and wife may sign on behalf of each other unless written denial has been provided to the FSA office. This procedure does not apply to the commodity loan or Loan Deficiency Program. Spouse must have and FSA-211 on file to sign commodity loan documents on behalf of each other

Direct Deposit - Effective January 1, 1999, all payments for any program must be issued by direct deposit. Form SF-1199A must be completed and on file at the FSA office to make payments by direct deposit. Please inform the FSA office if a change occurs with the account number or a change in the financial institution.

FARM LOAN PROGRAM

The calendar year 2007 has begun. All Farm Loan Program borrowers are required to submit 2006 farm records of income and expenses along with a cash flow plan for 2007. Please contact the office to schedule an appointment to complete this requirement. Producer's who receive a servicing package, because they are past due on payments, are required to respond as soon as possible but no later than 60 days from the date of mailing.

FSA lends money and provides credit counseling and supervision to eligible applicants who operate family-size farms and who are temporarily unable to obtain credit from private loan institutions. Several types of loan programs are available. Under the Guaranteed Loan Program, FSA guarantees loans made by commercial lending institutions for up to 95% of any loss. For those unable to qualify for a Guaranteed Loan, FSA offers Direct Loans which are made and serviced by FSA officials. Funding for Direct Loans is more limited, and applications must wait sometimes until funds become available. Contact any FSA office for more details.

Alpena, Cheboygan, Montmorency, and Presque Isle counties are all among those counties which have been designated as disaster areas based on drought losses during the 2006 growing season. If you have qualifying losses of 30%, or more, on at least one crop due to drought conditions, you may qualify for an EM loan at 3.75% interest. If you think you qualify, gather together your production histories for the past 6 years and give Lloyd or Desiree a call.

MILK INCOME LOSS PROGRAM

The Milk Income Loss Contract Program (MILCX) has been extended until September 30, 2007. The program is available to producers on dairy operations who produce and commercially markets milk. The program provides payments to dairy producers during months when the market price of milk is low. Payments have been available for months through February, 2007. Producers must submit the monthly milk production records to qualify for the monthly payment.