



January 2007

Farm Service Agency

Gratiot County Farm Service Agency Newsletter

Gratiot County FSA

301 Commerce Dr.
Ithaca, MI 48847
(989) 875-3900 (phone)
(989) 875-4500 (fax)

Hours

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

County Committee

Charles Humphrey
Janet Conn
Olan Humm

Farm Program Staff

Nancy Holland
Steve Markley - CED
Sandy McCrimmon
Jeff Pearsall
Kay Perkins
Margaret Roth

Field Reporters

Ray Kindel
Dave Wright

Farm Loan Staff

Melissa Dettloff
Kim Leonard
Tim Neuhardt - FLM

Dates to Remember

January 15

Martin Luther King, Jr. Holiday
— office closed

February 19

President's Day — office
closed

March 15

Deadline for NAP application
for 2007 vegetable crop

March 31

Last day to request loan or
LDP for wheat

May 31

Last day to request loan or
LDP for corn or soybeans

Ongoing

Continuous CRP
Farm Storage Facility Loans

Committee Election Results

Congratulations go to Charles Humphrey! Chuck has been re-elected to a second term on the County Office Committee (COC), representing producers in Local Administrative Area (LAA) #2, which consists of Fulton, New Haven, Newark, North Shade, and Washington townships. The election results for LAA #2 are:

Charles Humphrey - Elected to the COC
James Slavik - 1st Alternate to COC

FSA appreciates all of the voters for taking the time to complete the election ballot. The County Committee system works only because of your participation.

Farm Record Changes

Report any farming operation changes so that we can keep your records current. Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits. You should also be aware of Highly Erodible Land Conservation, Wetland Conservation, Payment Eligibility, and Payment Limitation provisions, which impact your eligibility for Direct and Counter-Cyclical Program (DCP) payments as well as other USDA program benefits.

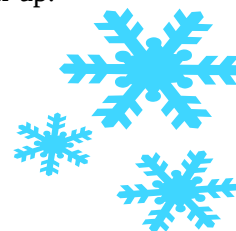
Changes to your farming operation may include, but are not limited to, a change in the structure of your farming operation, the addition or removal of farms that you operate, changes in your rental agreements, ownership changes, or changes from agricultural to non-agricultural land uses. ****If you have any farms requiring reconstitutions, be sure to request this prior to DCP sign-up.**** This one step will save a substantial amount of time.

Payment Eligibility Updates

On a national basis, FSA is undertaking the task of reviewing all producers' eligibility files for FSA program payments. This corresponds to 2006 and 2007 payments. With this, FSA's intention is to correct any issues related to payment eligibility. If errors are discovered, it may mean corrections may have to be made for years prior to 2006

What does this mean for Gratiot County producers? Hopefully, all paperwork is correct with current year and previous years' information. However, for the 2007 crop year, it is likely most producers will be asked to file a new **CCC-502** (Farm Operating Plan for Payment Eligibility Review), a new **AD-1026** (HEL and Wetland Conservation Certification), and possibly a **CCC-526** (Payment Eligibility Average Adjusted Gross Income Certification). Please note this will take extra time to complete and to plan accordingly for your visit to the FSA office.

These forms must be completed and approved prior to receiving your next program payment. To assist in this, please verify your cash rent statements and your FSA-211's (Power of Attorney) are current before your appointment for DCP sign-up.



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 FSA Office in person or by phone.





Signup- 2007 signup began October 1, 2006 and ends June 1, 2007. You must sign up annually to participate. There will be a \$100 charge to late file a DCP contract between June 2 and September 30, 2007. Under DCP, you must designate shares and sign a new DCP contract each year.

Producers are encouraged to have all cash rent statements for their landowners at the time of the appointment. For 2007, advance program payments have changed significantly. A **22% advance** of the guaranteed payment can be requested for any month December through September of the program year. The final 78% of the guaranteed payment will be issued in October, 2007, if all eligibility requirements are met. Since advance payments are considerably less than in past years, please be aware of this change and make necessary arrangements.

Just a reminder: **ALL cropland** on a farm **must** be reported each year in order to earn payments. June 30th is the deadline to report wheat and July 15th is the final day for all other crops, forage, and CRP. Program payments can only be earned by persons who have risk in the crop. Participants are required to protect all planted and idle DCP base acres from erosion and weeds throughout the crop year.

Weeds are not an acceptable cover and must be mowed. Fruits and Vegetables (FAV's) cannot be planted on base acres unless the farm or producer has FAV history. In cases where the farm and/or producer are eligible, the producer will receive an acre-for-acre reduction in his/her program payment. FAV's include dry edible beans, potatoes, cucumbers, peppers, zucchini, and squash, among others. If no FAV history exists, it's considered a program violation and could cost the producer the DCP payment for the entire farm.

Please call to schedule your DCP appointment.



Farm Storage Facility Loans

FSA offers storage facility loans for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, soybeans, and corn. The interest rate for January, 2007 is 4.50%.



The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include bunkers, new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All farm storage facility loans are secured by a promissory note and security agreement. For loans exceeding \$50,000 or where a borrower's aggregate outstanding loan balance exceeds \$50,000, a lien on real estate will be required. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment of 15 percent is also required. For details, contact the county office staff.

Adjusted Gross Income (AGI)

Producers will not be ineligible for any commodity, conservation, or price support program benefit if their AGI exceeds \$2.5 million, unless 75% or more of the AGI is from farming, ranching, or forestry. AGI is based on the average of the three tax years prior to the year benefits are requested. AGI is required from individuals, entities, and members of an entity. This information is NOT subject to disclosure under the Freedom of Information Act. AGI will help FSA ensure we are paying actual agricultural producers.



DCP and Marketing Assistance Loans Survey

FSA customer satisfaction surveys will be administered to randomly-selected DCP and Marketing Loan Assistance (MAL) participants beginning in January. This survey will include questions about application processes, program effectiveness, modes of service delivery, and customer service provided at field FSA offices. The intent of this survey is to determine the general level of customer satisfaction with DCP and MAL's.

If contacted, please take the time to complete this survey accurately. It will benefit producers and FSA alike.

NAP Coverage Deadline

Non-Insured Crop Disaster Assistance Program (NAP) is available for 2007 crops for which Catastrophic level crop insurance is not available. The application fee is \$100 per crop per county; or \$300 per producer per county, not to exceed \$900 per producer for all counties.

March 15 is the NAP application closing date for most 2007 vegetable and dry bean crops. This date is unchanged from recent years. Producers who had coverage on 2006 NAP crops may choose to continue coverage on the same crop or crops for 2007, 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 or delete crops from the previous year's coverage, or are changing shares for 2006, must file a new CCC-471 with signatures.



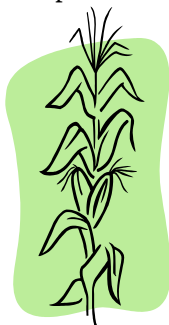
If you carried NAP coverage on crops for crop year 2006, please remember to provide your production to the FSA office. This is required for all crops which are covered under a NAP policy.

To remain compliant in NAP, producers must: 1) file acreage reports by July 15, 2007, 2) follow HEL and Wetland conservation compliance requirements, 3) file Notice of Loss within 15 days of weather damage or within 15 days of the loss becoming apparent to the producer, 4) request loss adjustment appraisals if any crop will not be harvested or to document production left in the field, and 5) provide true and complete production records for the unit.

Marketing Assistance Loans and Loan Deficiency Payments (LDP's)

Commodity loans and LDP's are available without participation in the DCP program; however, **crops must be reported**. A producer cannot obtain a loan and LDP on the same bushels and he/she must maintain beneficial interest in the crop for the length of the loan. Also, it is the producer's responsibility to maintain the quality of the commodity in farm storage through the term of the loan.

Nine-month loans are available when crops are harvested. There are two types of loans, farm-stored and warehouse-stored. Different rules apply to each type. The loan rate is the rate for the county where the grain is stored. The producer must maintain beneficial interest in the grain under loan.



- For crop year 2006, marketing assistance loans and LDP's are available for wool and mohair through January 31, wheat through March 31, and corn and soybeans through May 31.
- Provisions of the loan program state that a loan cannot be disbursed until a lien search is completed, necessary lien waivers are obtained, and the UCC-1 is on file.

IMPORTANT NOTICE: If sales proceeds are needed to repay the loan, you **MUST** request a CCC-681-1 (Marketing Authorization) **prior** to moving your grain. *Market Loan Repayments* are an option that allows you to use cash to repay a commodity loan at the lesser of the posted county price (PCP) or principal plus interest.

If terms and conditions of the loan are violated, liquidated damages could be assessed, the loan could be called, and/or it could be required to repay the loan quantity involved in the violation. Also, a producer could face criminal prosecution under federal law.

Measurement Service Fee Change

The state has adopted a new version of measurement fees from national FSA procedure. This policy will more accurately reflect the costs incurred by the agency for services such as measuring fields and grain bins. A basic farm visit fee will now be \$30 plus \$16 for the first hour and \$8 for every 30 minutes after the first hour. Fees will include actual time spent traveling, measuring, and calculating. There will be a charge for a minimum of one hour. The minimum measurement service fee will now be \$46.00.

eGov Customer Registration Process

Did you know you can verify what payments you've received from FSA (referred to as the "Customer Statement"), sign up for DCP and request LDP payments from your home computer?

1. The first step is to obtain your "Level 2 Authorization" by accessing your website of interest:
 - USDA Customer Statement <http://customerstatement.usda.gov>
 - Electronic LDP Signup http://www.fsa.usda.gov/egov/eldp_default.htm
 - Electronic DCP Signup http://www.fsa.usda.gov/egov/edcp_default.htm
2. Create an online user profile and apply for Level 2 access
3. Respond to the verification e-mail within 7 days of receipt.
4. Visit the County Office in person and provide photo identification to the Local Registration Authority in order to receive Level 2 Activation.
5. You will have access to Level 2 applications within one hour after your profile has been activated.



Foreign Landowners Reporting Requirement

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Non-Discrimination Statement

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, audio-tape, 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.