



NEWSLETTER



November 2012

**Baraga
Houghton
Keweenaw
Ontonagon
Gogebic
FSA Office**

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County Committee
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www.fsa.usda.gov

Farm Storage Facility Loan Program

The Farm Storage Facility Loan (FSFL) program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000.

Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment.

New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the U.S. Treasury

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount. Applications for FSFL must be submitted to the FSA county office that maintains the farm's records.

FSFLs must be approved by the local FSA County Committee before any site preparation or construction can begin.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities.

November FSFL Interest rates:

7 year – 1.125%
10 year – 1.750%
12 year – 2.000%

For more information about FSFL visit your FSA county office or www.fsa.usda.gov.

County Committee Elections

Ballots were mailed to all eligible voters on Nov. 5, 2012 for those areas holding elections. Please contact the office if you need a replacement ballot.

Completed and signed ballots must be returned to the county office by close of business on December 3, 2012.



2013 NAP Coverage for Honey & Maple Sap must be purchased no later than December 1, 2012.

Marketing Assistance Loans

A Marketing Assistance Loan (MAL) or commodity loan is available for producers who share in the risk of producing the crop. Loans are short term 9 month loans where the actual commodity is used as collateral. To be eligible, a producer must maintain continued beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility also requires compliance with conservation and wetland protection requirements; acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. The quality of the commodity in farm storage must be maintained throughout the term of the loan. Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans. Loans can be requested as either a measured or a certified loan. A fee is charged for measuring the commodity in storage on the farm. For certified loans, the producer certifies the quantity in storage. Loans provide producers with cash flow, without having to sell their crops at a time of year when prices tend to be at their lowest. Later, when market conditions are more favorable, producers can sell the crop and repay the loan with the proceeds.

Violating provisions of a marketing assistance loan may result in liquidated damages, calling the loan and denial of future farm-stored loans.

2012 Crop Loan rates for Baraga, Houghton, Keweenaw, Ontonagon & Gogebic

Corn \$1.77 per bushel
Oats \$1.38 per bushel
Barley \$ 1.77 per bushel
Soybeans \$ 4.86 per bushel
Hard Red spring wheat \$ 2.93 per bushel
Soft Red winter Wheat \$ 2.61 per bushel

The deadline to request a 2012 crop year loan is March 31, 2013 for barley, oats, honey and wheat

The deadline to request a 2012 crop year loan is May 31, 2013 for corn, and soybeans
Current commodity loan interest rate is 1.250%