



# GRAND TRAVERSE, KALKASKA, & LEELANAU COUNTY FSA NEWS

February 2010

Issue # 01

Grand Traverse,  
Kalkaska, Leelanau  
County FSA  
USDA Service Center  
1501 Cass St, Suite A  
Traverse City, MI 49684  
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www.fsa.usda.gov/mi

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

**County Committee**  
Brent Wagner, Chairman  
Gregory Send, V. Chairman  
Jim Bardenhagen, Member  
Bruce Cotton, Member  
David Noonan, Member  
Joanne Gallagher, Advisor

County Committee meets  
the 2<sup>nd</sup> Wednesday at 9:00  
am each month.

**Staff**  
Greg Shy, CED  
Julie Isabell  
Jan Malik  
Mary Coleman  
Jim Monroe, FLM  
John Neff



## COUNTY COMMITTEE ELECTION

Congratulations to David Noonan of Maple City. Mr Noonan was re-elected to serve as the COC representative from LAA #2 (Centerville, Cleveland, Elmwood, Empire, Glen Arbor, Solon and Kasson Townships) Keith Parker was elected as first alternate and Denis Garvin was elected second alternate.

The results of the election are as follows:

David Noonan	-	30 votes
Keith Parker	-	26 votes
Denis Garvin	-	17 votes

76 ballots were received with 3 of these ballots being spoiled.

During the County Committee Organizational Meeting held on January 13<sup>th</sup> Brent Wagner was unanimously elected COC Chairperson and Greg Send was unanimously elected as Vice-Chairperson.

During the Organizational Meeting the COC set the second Wednesday of the month at 9:00 a.m. as the COC meeting date. These meetings are open to the public.

County Committees are vital to the successful implementation of programs for our producers. We would like to thank everyone who took the time to vote in this important election.

## NAP Coverage Deadline

Due to changes in program provisions it is even more important for producers to purchase insurance on their crops. **If all of your crops are not insured you will not be eligible for any disaster assistance.** The Non-Insured Crop Disaster Assistance Program (NAP) is available for 2010 crops for which catastrophic level

crop (CAT) insurance is not available through FCIC. CAT is available for the following crops: Apples, Barley, Corn, Oats, Snap Beans, and Wheat. All other crops are insurable under NAP.

**March 15<sup>th</sup>** is the NAP and FCIC application closing date for most 2010 annual crops. If you carried NAP coverage on your crops for crop year 2009, please remember to provide your production records to the FSA office by July 15<sup>th</sup>.

NAP must be purchased by September 30 for alfalfa, canola, other forages, and rye. **November 20<sup>th</sup> is the deadline for 2011 perennial crops.** Contact the office for a complete list of NAP closing dates. The application fee for NAP crops is \$250 per crop; or \$750 per producer per county.

## 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 COVERED BY NAP INCLUDING GRASSES. For losses on crops covered by the Non-insured Crop Disaster Assistance Program (NAP) 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.

Remember all crops must be insured either by a NAP or FCIC in order to remain eligible for Supplemental Disaster Assistance Program.

## Supplemental Disaster Assistance Programs (SURE)

The 2008 Farm Bill amended the Trade Act of 1974 to create five new disaster programs, collectively referred to as Supplemental Agriculture Disaster Assistance programs. These programs include: Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP), Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Tree Assistance Program (TAP) and the **Supplemental Revenue Assistance Payments (SURE) Program.**



## **Adjusted Gross Income Verification (AGI) Process**

Beginning in January 2010 FSA and NRCS will provide producers with consent forms they voluntarily complete and submit to IRS which authorize IRS to disclose information to USDA for 2009 and 2010 AGI compliance purposes. Two consent forms, one for individuals (CCC-927) and one for legal entities (CCC-928) will be used. Producers may obtain the forms at their local USDA Service Center or online. USDA Service Centers will not accept or retain the completed consent form.

Producers will mail consent forms directly to IRS; employees will not accept any tax information, completed forms or other tax-related paperwork from producers for this process. The deadline for producers to submit the consent form to IRS is **June 15, 2010.**

After June 15, 2010, a reconciliation process will be used to identify producers who did not file a consent form with IRS.

Producers who fail to complete these forms or are determined non-compliant will be notified of the requirement to refund the applicable payments.

## **Grand Traverse Area Producers May be Eligible for SURE For 2008 Crops!!!!!!!!!!!!**

To be eligible for these programs, producers must have purchased at least catastrophic risk protection (CAT) level of crop insurance for all insurable crops and/or Noninsured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops for the 2008 crop year. Producers, who meet the definition of a Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher, do not have to meet this risk management purchase requirement.

SURE is different from other disaster programs because it is **REVENUE BASED.**

**The Supplemental Revenue Assistance Payments (SURE) Program**, the 2008 Farm Bill's successor to prior ad hoc crop disaster programs, is officially open for applications. **Currently we are only taking applications for the 2008 crop year.**

For SURE, a "farm" is eligible when either: 1) a portion of the farm is located in a county covered by a qualifying natural disaster declaration (**The Grand Traverse Area qualified in 2008**) or a contiguous county; or 2) the actual revenue is less than 50% of the normal revenue. **Note:** A "farm" refers to all crop acreage in all counties across the nation that a producer planted or intended to be planted for harvest for normal commercial sale or farm livestock feeding. If farm eligibility criteria 1 or 2 is met, the producer must suffer a 10 percent revenue loss on at least one crop of economic significance on their farm in order to be eligible for SURE. A crop of economic significance is one that contributes at least 5 percent of the expected revenue for a producer's farm.

In the 2008 Farm Bill; in general, the term "farm" means the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer. In the case of aquaculture, the term "farm" means all fish being produced in all counties that are intended to be harvested for sale by the eligible producer. In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer.

The SURE guarantees for the farm 90% of the total expected farm revenue. SURE payments will be 60% of the difference between the SURE guarantee for the farm and the total farm revenue.

Signup has started for all of these programs. If you had any losses in the 2008 or 2009 crop years please contact the FSA office for more information or on line at [www.fsa.usda.gov](http://www.fsa.usda.gov)

## **2010 DCP SIGNUP**

Enrollment for the 2010 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2010. USDA urges producers to make use of the eDCP automated website to sign up, or producers can visit any USDA Service Center to complete their 2010 DCP contract.

USDA 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 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. USDA began issuing advance direct payments beginning Dec. 1, 2009. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

## **THE ACRE OPTION**

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year average state yield and the most recent 2 year national price for each eligible commodity. For 2010, the 2 year price average will be based on the 2008 and 2009 crop years.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base acres on the farm. In exchange for participating in ACRE, a farm's direct payment is reduced by 20 percent, marketing assistance loan rates are reduced by 30 percent, and producers will not receive counter-cyclical payment.

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## **FARM STORAGE FACILITY LOANS**

Changes have been made to the FSFL program. Structures to store hay, renewable biomass, and fruits and vegetables are now eligible. Cold storage facilities are also eligible, but controlled atmosphere facilities are still not eligible.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are 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 are currently 2.875% for a 7 year term, 3.375% for a 10 year term and 3.750% for a 12 year term.

The following commodities are eligible for farm storage facility loans:

- Corn, soybeans, oats, wheat, barley or minor oilseeds harvested as whole grain
- Corn, wheat, oats or barley harvested as other-than-whole grain
- Hay
- Renewable biomass
- Fruits and vegetables

The decision to enroll in the ACRE Program is irrevocable. All owners and producers of the farm must agree to enroll in ACRE. Once ACRE is elected the farm will remain in ACRE through the 2012 crop year.

The June 1, 2010, deadline is mandatory for all participants. USDA will not accept any late-filed applications.

## **USDA OFFERING FINANCIAL ASSISTANCE FOR HIGH TUNNELS**

The U.S. Department of Agriculture has financial assistance available to landowners interested in constructing high tunnels to increase the availability of locally grown produce.

The assistance is available through a pilot program that utilizes financial assistance from the Environmental Quality Incentives Program administered by the USDA Natural Resources Conservation Service. High tunnels are made of ribs of plastic or metal pipe covered with a layer of plastic sheeting and are easy to build, maintain and move. High tunnels provide a protected environment for vegetables or other crops and are mainly used to increase temperature in early spring and fall for extended crop production. NRCS-Michigan is participating in the 3-year pilot program that will verify if high tunnels are effective in reducing pesticide use, keeping vital nutrients in the soil, extending the growing season, increasing yields, and providing other benefits to growers. The program will provide financial assistance for the construction of one high tunnel per farm. The high tunnel must be constructed from a pre-manufactured kit and have an interior height of at least 6-feet.

Financial assistance from the pilot program will cover 75 percent of the estimated cost of constructing a high tunnel of up to 2,178-square-feet. The amount of financial assistance is determined on a square-foot basis with a limit of \$4,166. Historically-underserved producers and beginning farmers can receive 90 percent of the estimated cost for a maximum of \$4,944.

Applications must be submitted to a local NRCS field office. Additional information and a listing of Michigan NRCS field offices can be found at [www.mi.nrcs.usda.gov](http://www.mi.nrcs.usda.gov).

## **BIOMASS CROP ASSISTANCE PROGRAM (BCAP)**

The BCAP assists agricultural and forest land owners and operators with matching payments for the amount paid for the collection, harvest, storage and transportation (CHST) of eligible material by a qualified Biomass Conversion Facility (BCF).

The BCAP will provide eligible material owners matching payments for the sale and delivery of eligible material to a CHST qualified BCF. These payments will be available to eligible material owners at the rate of \$1 for each \$1 per dry ton paid by the CHST-qualified BCF to the eligible material owners, limited to a maximum of \$45 per dry ton and limited to a 2-year payment duration.

Eligible Materials generally include: Pre-commercial thinnings that would not otherwise be used for higher-value products; and are harvested in accordance with applicable law and land management plans, and Waste material including crop residue, and other vegetative waste material (including wood waste and wood residues).

For more information on the BCAP visit FSA's BCAP website at: <http://www.fsa.usda.gov/energy>

## **MEAP AND GAP WORKSHOPS**

On February 22<sup>nd</sup> at 10:00 a.m. a workshop will be held on the Michigan Agricultural Assurance Program (MAEAP). Starting at 1:00 p.m. the GAP workshop will begin. This workshop will help prepare cherry, apple, peach and asparagus growers for the USDA GAP Audit in 2010. Dawn Drake (MACMA) and Colleen Bess (USDA) will be on hand to answer questions and help development of your food safety plan. This program cost is \$5 and includes lunch. Please register with Jackie Base at (231) 946-1510. These workshops will be held at the Northwest Michigan Horticultural Research Station.

## **2010 CROP CERTIFICATIONS**

Producers who have received 2010 certifications please review, sign and return these as soon as possible. This will keep you eligible for future programs.

**STATE ACRES  
 FOR WILDLIFE  
 ENHANCEMENT**

If your property has an orchard on it or has been planted to a row crop you might be eligible for the USDA to pay for 90% of the cost of planting your eligible acres to wildflowers. In addition you could receive a rental payment averaging \$30/ac per year and a one-time \$100 per acre signing bonus. Agreements signed for this program are for a ten year period.

Call for details.

Dates to Remember	
On Going	SURE 2008 crop loss signup
On Going	Biomass Crop Assistance
March 15 <sup>th</sup>	NAP sales closing date for spring seeded crops.
March 15 <sup>th</sup>	FCIC sales closing date for spring seeded crops.
June 1 <sup>st</sup>	ACRE signup ends.
June 1 <sup>st</sup>	DCP signup ends.
June 15	Final date to submit AGI to IRS
July 15 <sup>th</sup>	Final date to submit NAP production evidence
July 15 <sup>th</sup>	Final date to submit production evidence for ACRE.
July 15 <sup>th</sup>	Final date to report 2010 crops.

Selected Interest Rates for January 2010	
Farm Operating Loans — Direct	2.875%
Farm Ownership Loans — Direct	4.625%
Limited Resource Loans	4.750%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans 7 yr.	2.875%
Farm Storage Facility Loans 10yr.	3.375%
Farm Storage Facility Loans 12 yr	3.750%
90-Day Treasury Bill	0.125%
Commodity Loans 1996-Present	1.375%



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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.