

March 2013



## Grand Traverse, Leelanau, Kalkaska FSA Updates

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### Grand Traverse Area FSA Office

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**County Executive Director:**  
Gregory Shy

**Farm Loan Manager:**  
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**Program Technicians:**  
Caleb Boge  
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Jan Malik

**County Committee:**  
Brent Wagner - Chair  
David Noonan - Vice-chair  
Bruce Cotton  
Joanne Gallagher  
Stanley Silverman  
Jaunita Send - Advisor

### Important Dates to Remember

- **March 31st** - Final date to request a 2012-crop small grain and honey loan or LDP
- **May 20th** - 45th CRP Sign-up begins
- **May 27th** - Office closed in observance of Memorial Day
- **May 31st** - Final date to request 2012-crop feed grain, oilseed loan or LDP
- **April 29th** - Final date to apply for an **Emergency Loan** based on disaster S3370 - Summer 2012 Drought and Excessive Heat
- **June 3rd** - 2013 ACRE Sign-up ends
- **June 7th** - 2011 SURE Sign-up ends
- **June 14th** - CRP Sign-up ends
- **June 30th** - Final date for late-filed certifications for fall-2012 seeded crops, Hay, and Mixed Forage
- **July 15th** - 2012 production reporting deadline for 2012 ACRE program
- **August 2nd** - 2013 DCP Sign-up ends
- **September 30th** - Final date to certify Christmas Trees, Nursery, and Turfgrass Sod

## DCP/ACRE Sign-up Continues

DCP and ACRE sign-up for 2013 crops is on-going. The ACRE sign-up period will end on June 3, 2013; and the DCP sign-up period will end on August 2, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

[Read more about DCP and ACRE](#) or contact the FSA county office for more information, or an appointment to enroll.

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## IRS 1099-G Changes

Calendar year 2012 brought changes to the way FSA reports farm program payments to the producer and to the IRS.

In past years, IRS Forms 1099-G was issued to show all program payments received from the Farm Service Agency, regardless of the amount.

For calendar year 2012, producers whose total reportable payments from FSA were less than \$600 will not receive IRS Form 1099-G. Also, producers who received payments from more than one county will only receive one Form 1099-G if the total of all payments from all counties was \$600 or more.

The same changes will apply to those who normally receive IRS Form 1099-MISC from FSA.

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## Actively Engaged

USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity **must** make contributions of active personal labor and/or active personal management to the farming operation. The contributions are to be performed on a regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs when both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management;
- **The** total direct payments received by the legal entity and each of the members can't exceed \$40,000.

# Farm Loan Programs – Emergency Farm Loans Available

**DEADLINE for Application - April 29, 2013 - Summer 2012 Drought and Excessive Heat**

USDA/FSA emergency farm loans are available in Antrim, Charlevoix, Emmet, Grand Traverse, Kalkaska, Leelanau, Otsego and all other Michigan Counties to all qualified farm operators as a result of losses caused by adverse weather conditions.

**Effective August 29, 2012**, the United States Department of Agriculture designated the entire state of Michigan, which includes 83 counties, as a primary natural disaster area.

The counties were designated as natural disaster areas **for damages and losses due to drought and excessive heat that began March 1, 2012.**

The disaster designation makes available low interest (2.25%) loans to farm operators in the designated area. Farm operators who suffered a 30% loss in crop production caused by the weather conditions and meet other eligibility requirements may qualify for Emergency (EM) loan assistance from FSA.

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

All emergency loans must be fully collateralized. Producers can borrow up to 100 percent of the actual production or physical loss, to a maximum amount of \$500,000. Loans for crop, livestock, and non-real estate losses are normally repaid within 1 to 7 years; depending on the loan purpose, repayment ability and collateral available as loan security. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. In certain circumstances, repayment may be made over a maximum of 40 years. The current annual interest rate for emergency loans is 2.25 percent.

The deadline for filing an EM loan application is April 29, 2013.

For more information farm operators should contact their local FSA office or the Farm Loan Program office in the Traverse City USDA Service Center 231-941-0951.

## **Selected Interest Rates for March 2013**

90-Day Treasury Bill; 0.125%

Farm Operating Loans — Direct; 1.25%

Farm Ownership Loans — Direct; 3.25%

Farm Ownership-Limited Resource Loans; 5.00%

Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher; 1.50%

Farm Storage Facility Loans; 1.375% (7 yrs), 2.0% (10 yrs), 2.25% (12 yrs)

Commodity Loans 1996-Present; 1.125%

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