



Ogemaw Area FSA News

September - 2010

Marketing Assistance Loans

Producers do not have to participate in the direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans. Loans are for a maximum of 9 months but the entire loan or a portion of it can be paid back anytime. Producers that feed must pay for bushels to be fed prior to feeding. Producers who will be marketing the crop must get a release to sell the grain with the proceeds payable to CCC. When you obtain a loan the interest rate in effect in January is locked in for the remainder of the loan. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans.

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or CCC takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and 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; beneficial interest requirements, acreage reporting and ensuring that the commodity meets Commodity Credit Corporation minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Crop & Weather Report

The weather in 2010 has been very interesting. With very little precipitation from January 1st through May 30th farmers had no problems planting their spring crops. The months of June and July supplied much needed moisture with plenty of heat & humidity. Some areas in Ogemaw County received 7-9 inches of rain in June followed by 8-10 inches in July. It was difficult and frustrating trying to harvest hay. Hay yields were very good but quality was down. Wheat yields were good with no sprouting reported. Oats yields were down due to wind and hail damage during the rain storms. Third cutting hay, soybeans, sugar beets and black turtle beans look good. Corn is uneven but overall is good. Most crops are maturing 7-10 days early due to increased heat and precipitation. Farming continues to be an adventure as milk and commodity prices continue to fluctuate above & below cost of production. Hopefully, fall will provide good harvesting conditions and good prices.

NAP Coverage Deadlines

Noninsured Crop Disaster applications are due at different times according to the crop being insured. **The application deadline date for the 2011 NAP coverage for fall-seeded small grains and forage crops is September 30, 2010.**

The service fee is \$250 per crop per county or \$750 per producer per county. The fee cannot exceed a total of \$1875 per producer for individuals with farming interests in multiple counties. Fees are due when the application is filed.

Limited resource producers may request a waiver for service fees.

Producers with NAP coverage must remember to complete the following to qualify for benefits. (1) Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.

(2) File a "Notice of Loss" within 15 days of when a loss is apparent, due to frost, unable to plant, drought, hail, excessive rain etc. at the FSA Office

**Ogemaw Area
USDA Service Center**
240 W Wright St
West Branch MI 48661
989-345-5470 (phone)
989-345-4010 (fax)
www.fsa.usda.gov/mi
www.sc.egov.usda.gov
www.fsa.usda.gov

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

County Committee
Brad Kartes, Chair
Brenda Cummings
Klint Marshall
Julie Nelkie, Advisor

Staff
Don Fritz, CED
Larry Cleary, FLM
Joann Sullivan, PT
Jane Illig, PT

Serving Ogemaw,
Oscoda, Crawford
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Counties



Conservation Compliance

Reminder

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land that they operate. Several areas where problems can arise with complying with a conservation system are: renting new cropland, purchasing new cropland, breaking out additional cropland, tiling existing cropland, planting new crops, and changing or removing existing conservation practices. It is very important that you contact the FSA office BEFORE doing any of the above. Also, it is very important that you contact your local County office BEFORE modifying (tiling, draining, dredging, filling or leveling) any wetland or drainage ditch. Failure to obtain advanced approval for any of these situations can result in loss of all Federal payments and program eligibility.

FARM STORAGE FACILITY LOANS

Farm Storage Facility Loans for dry hay & forage and dry & high moisture grain) are available.

September interest rate is 2.25 to 3.75% depending on the term of the loan. For more information on facility loans please visit your FSA county office or www.fsa.usda.gov.

Foreign Buyers Notification

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.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent 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.

Prevented Planted Crops

Producers are reminded that they have 15 days from the ending planting date to file prevented planting claims at the FSA Office when they are unable to plant their crop due to adverse weather conditions. This includes producers who may be unable to plant their fall wheat. The ending planting date is October 5th. The County Committee has requested RMA to extend this date to October 20th for the 2012 crop.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if their account has been changed or if another financial institution purchases their bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

Adjusted Gross Income

USDA has a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent will be required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to USDA.

The agreement ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-927 (Individual) and/or CCC-928 (Legal Entity) to the Internal Revenue Service to avoid interruption of program benefits. These forms may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainseivlet>.

County Committee Elections

Eligible voters in LAA-2 (East half of Ogemaw County) will determine the third member of the County committee for a three year term beginning January 2011. Nominations received are: Robert Bennett, Clint Marshall, and Julie Nelkie. Ballots will be mailed to eligible voters in November and must be returned to the County Office by December 6th, 2010. County Committee members administer Federal Farm Programs at the local level.

SURE



Farm Loan Programs

The Farm Service Agency (FSA) offers loans for farmers to purchase farmland and finance agricultural operations. FSA loan programs are designed to help producers who are temporarily unable to obtain private or commercial credit. In many cases, applicants are beginning farmers who have insufficient net worth to qualify for financing through a commercial lender. In other instances, borrowers might have suffered setbacks from natural disasters or might be persons with limited resources.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans can reach a maximum indebtedness of \$1,112,000. Emergency loans are always direct loans for farmers who may have suffered physical or production losses in disaster areas designated by a Presidential or Secretarial disaster declaration. Rural Youth Loans, Loans to Beginning Farmers and loans for socially disadvantaged applicants are also available through FSA.

October 1, 2010 is the last day to apply for an **emergency loan** on **2009** crop year losses from early frost, excessive rainfall, storms or drought. A 30% loss of normal production or a physical loss and the inability to obtain commercial credit are necessary to meet loan eligibility requirements. The current interest rate is 3.75%.

There has been a large increase in demand for FLP services. Since Farm Loan Manager Larry Cleary works out of the Cadillac Service Center please call him at 231-775-7681 extension 105.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disaster that incurred in the crop years 2008 through September 30, 2011. To be eligible for SURE payments, a producer is required to obtain crop insurance on all crops in all counties or, if crop insurance is not available, to participate in the Non-Insured Assistance Program (NAP) except for grazed acreage. However, crop insurance or NAP coverage is no longer required for crops that are not of economic significance or those where the administrative fee required to buy NAP coverage exceeds 10% of the value of the coverage.

Eligible farmers and ranchers who meet the definition of Socially Disadvantaged, Limited Resource, or Beginning Farmer or Rancher are exempt from the risk management purchase requirement.

Any one of the following conditions will trigger SURE application:

- at least one crop of economic significance must suffer a 10% production loss due to an eligible disaster condition
- crop of economic significance is a crop that has contributed or would have contributed at least 5% or more of the total expected revenue from all crops on the farm
- producers in counties declared disaster counties by the Secretary of Agriculture, or in contiguous counties, or those who show proof of an individual loss of at least 50% are eligible to receive SURE payments for crop producer or crop quality losses. Losses are measured with consideration to the whole-farm revenue, which includes crop insurance indemnities and commodity program payments, so that producers are not paid more than once for the same loss.

A SURE calculator is available at:

http://www.fsa.usda.gov/Internet/FSA_File/sure_calculator_2008.xls. The calculator is not official, but is intended for educational use. A fact sheet and backgrounder are also available online.

However, FSA will close the application period for 2008 SURE program payments on September 30, 2010.



IMPORTANT REMINDERS:

- Report crop losses to crop insurance office or FSA within 15 days of loss.
- Contact FSA/NRCS prior to clearing land, tilling, or filling wetlands.
- New color aerial photos are available.
- "ACRE" producers must provide 2010 production records to FSA by July 1, 2011.
- Notify FSA Office of changes in your financial institution account (this includes a name change to the institution).
- Notify FSA Office of changes to your individual operation (name of entity, members, % of ownership, shares, and signature authorities).
- Final Direct DCP payments anticipated to be issued in October 2010.
- 2009 ACRE wheat payments anticipated to be issued in October 2010.

| Dates to Remember | |
|-------------------|--|
| Sept. 30 | NAP- Crop Insurance- Deadline to purchase insurance for fall seeded crops, including hay Final date to apply for 2008 SURE |
| October 1 | Last day to apply for 2009 crop year Emergency Loans |
| Nov 5 | COC (LAA#2) Ballots Mailed |
| Dec 6 | COC (LAA#2) Ballots must be returned to County Office |
| Dec 8 | COC (LAA#2) Ballots counted |
| Continues | Farm Storage Facility Loans |
| Continues | Continuous Conservation Reserve Program |

Visit our Web site at: www.fsa.usda.gov/mi

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