

January 2014



## Topics for December

- [SECRETARIAL DISASTER DESIGNATION](#)
- [FSA ADVISES PRODUCERS TO ANTICIPATE PAYMENT REDUCTIONS DUE TO MANDATED SEQUESTER](#)
- [FSA SIGNATURE POLICY](#)
- [MARKETING ASSISTANCE LOANS \(MAL\)](#)
- [FARM STORAGE FACILITY LOAN PROGRAM](#)
- [BEGINNING FARMER LOANS](#)

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## Washtenaw/Wayne County FSA Updates

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Washtenaw/Wayne  
County FSA Office

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**County Executive Director:**  
Linda Rector

**Program Technicians:**  
Lori Maulbetsch  
Lori Terreault

**Farm Loan Manager:**  
Michael Jordon

**County Committee:**  
Luther Schaible  
G Pete Elliott  
Joyce Bujak  
Howard Sias

**Next County Committee Meeting:**  
January 23, 2014 at 9:00 am

### SECRETARIAL DISASTER DESIGNATION

On November 13, 2013 Washtenaw County was designated as a natural disaster area where eligible farmers may qualify for Farm Service Agency (FSA) emergency (EM) loans due to losses caused by hail that occurred from June 10, 2013 through August 2, 2013. Wayne County was named as a contiguous County.

Farm operators in primary and contiguous counties are eligible to be considered for low-interest emergency loans from FSA, pursuant to Section 321 (a) of the Consolidated Farm and Rural Development Act.

FSA will be accepting Emergency loan applications through July 14, 2014. EM loans will be made under FSA Washington Handbook 3-FLP.

For more information please visit your local FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov). Washtenaw /Wayne County farmers/ranchers may contact Michael Jordon, Farm Loan Manager at (517) 263-7400 or e-mail [michael.jordon@mi.usda.gov](mailto:michael.jordon@mi.usda.gov) or Linda Rector, CED at (734) 761-8789 or e-mail [linda.rector@mi.usda.gov](mailto:linda.rector@mi.usda.gov).

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## FSA ADVISES PRODUCERS TO ANTICIPATE PAYMENT REDUCTIONS DUE TO MANDATED SEQUESTER

USDA's Farm Service Agency (FSA) is reminding farmers and ranchers who participate in FSA programs to plan accordingly in FY2014 for automatic spending reductions known as sequestration. The Budget Control Act of 2011 (BCA) mandates that federal agencies implement automatic, annual reductions to discretionary and mandatory spending limits. For mandatory programs, the sequestration rate for FY2014 is 7.2%. Accordingly, FSA is implementing sequestration for the following programs:

Continued...

- Dairy Indemnity Payment Program;
- Marketing Assistance Loans;
- Loan Deficiency Payments;
- Sugar Loans;
- Noninsured Crop Disaster Assistance Program;
- Tobacco Transition Payment Program;
- 2013 Direct and Counter-Cyclical Payments;
- 2013 Average Crop Revenue Election Program;
- 2011 Supplemental Revenue Assistance Program;
- Storage, handling; and Economic Adjustment Assistance for upland cotton

Conservation Reserve Program payments are specifically exempt by statute from sequestration, thus these payments will not be reduced.

These sequester percentages reflect current law estimates; however with the continuing budget uncertainty, Congress still may adjust the exact percentage reduction. Today's announcement intends to help producers plan for the impact of sequestration cuts in FY2014.

At this time, FSA is required to implement the sequester reductions. Due to the expiration of the Farm Bill on September 30, FSA does not have the flexibility to cover these payment reductions in the same manner as in FY13. FSA will provide notification as early as practicable on the specific payment reductions.

For information about FSA programs, visit your county USDA Service Center or go to [www.fsa.usda.gov/](http://www.fsa.usda.gov/). Washtenaw/Wayne County farmers/ranchers may contact Linda Rector, CED at (734) 761-8789 or e-mail [linda.rector@mi.usda.gov](mailto:linda.rector@mi.usda.gov)

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## FSA SIGNATURE POLICY

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office. Washtenaw/Wayne County farmers/ranchers may contact Linda Rector, CED at (734) 761-8789 or e-mail [linda.rector@mi.usda.gov](mailto:linda.rector@mi.usda.gov).

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## MARKETING ASSISTANCE LOANS (MAL)

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A nine-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing. The crop may be stored on the farm or in the warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

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## FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan Program (FSFLP) 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. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$50,000. 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 Treasury Department.

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.

The following commodities are eligible for farm storage facility loans:

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

For more information about FSFL please visit your local FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## BEGINNING FARMER LOANS

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through a Direct loan, a Guarantee loan or both types of loans. FSA defines a beginning farmer as a person who:

- Does not own a farm in excess of 30 percent of the county's median size.
- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov). Washtenaw and Wayne County farmers/ranchers may contact Michael Jordon, Farm Loan Manager at (517) 263-7400 or [michael.jordon@mi.usda.gov](mailto:michael.jordon@mi.usda.gov).

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).