



January 2008

## Gratiot County Farm Service Agency Newsletter

### Gratiot County FSA

301 Commerce Dr.  
Ithaca, MI 48847  
(989) 875-3900 (phone)  
(989) 875-4500 (fax)

### Hours

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

### County Committee

Janet Conn  
Olan Humm  
Charles Humphrey

### Farm Program Staff

Melissa Dettloff  
Janice Helman  
Nancy Holland  
Steve Markley - CED  
Sandy McCrimmon  
Jeff Pearsall  
Kay Perkins

### Field Reporters

Ray Kindel  
Dave Wright

### Farm Loan Staff

Michelle Bailey  
Kim Leonard  
Dave Mroczek - FLOT  
Tim Neuhardt - FLM  
Nikki Shelby

### Dates to Remember

#### January 1

New Year's Day – office closed

#### January 15

Martin Luther King, Jr. Holiday – office closed

#### February 19

President's Day – office closed

#### March 15

Deadline for NAP application for 2007 vegetable crop

#### Ongoing

Continuous CRP  
Farm Storage Facility Loans

## 2005-2007 CROP DISASTER PROGRAM (CDP)

CDP provides benefits to farmers who suffered 35% quantity and 25% quality losses to 2005, 2006 and 2007 crops from natural disasters and related conditions so long as the actual crop lost was planted or prevented from being planted *before February 28, 2007*.

Producers who incurred qualifying losses in 2005, 2006 and 2007 will receive payment for the one year in which the benefit is the highest. Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits.

Signup for the 2005-2007 CDP quantity losses began October 15, 2007. No deadline has been announced. Signup for CDP quality losses will be announced at a future date. A quality loss of 25% or greater is needed to qualify.

In determining production, participants must supply verifiable and reliable production records to substantiate production to the FSA county committee. FSA uses RMA (crop insurance) loss records for insured crops where available and determined to be accurate. FSA includes all harvested production, non-harvested appraised production, and assigned production for the total planted acreage of the crop unit to determine production under CDP. The maximum CDP benefits a person may receive is \$80,000. CDP requires a 35 percent loss of expected production; therefore, you may be eligible for a payment even if it was determined that the loss was not great enough under NAP or RMA coverage.

Crops planted by February 28, 2007 are covered under this provision, including forage and wheat. Losses are calculated for all of 2007 even if the loss occurred after February 28th.

A Livestock Compensation Program (LCP) is part of this disaster legislation. LCP compensates producers for feed losses resulting from natural disasters occurring between **January 1, 2005 and February 28, 2007**. Producers must choose only one year to receive benefits, 05 or 06. This summer's drought is not covered under this legislation. You must have had a loss of pasture and/ or have receipts of purchased extra feed.

**PLEASE NOTE:** for future disaster program eligibility, it may be advantageous to have NAP and/or crop insurance.

*Please contact your local county office to schedule an appointment.*



### Committee Election Results

We'd like to congratulate Olan Humm for being re-elected to a second term on the County Office Committee (COC), representing producers in Local Administrative Area (LAA) #3, which consists of Elba, Emerson, Hamilton, Lafayette, North Star, and Wheeler townships. The election results for LAA #3 are:

**Olan Humm** - Elected to the COC  
**Andrea Ackels** - 1<sup>st</sup> Alternate to COC

FSA appreciates all of the voters for taking the time to complete the election ballot. The County Committee system works only because of your participation.

## ***Farm Storage Facility Loans***

FSA offers storage facility loans for producers to build or remodel farm storage facilities for a variety of commodities, including wheat, soybeans, and corn. The interest rate for December, 2007 is 4.125%.

The seven-year Farm Storage Facility Loans are available for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities. Eligible facilities include bunkers, new conventional-type cribs or bins and new and remanufactured oxygen-limiting and other upright silo-type structures.

All farm storage facility loans are secured by a promissory note and security agreement. For loans exceeding \$50,000 or where a borrower's aggregate outstanding loan balance exceeds \$50,000, a lien on real estate will be required. The maximum amount that may be borrowed is 85 percent of the net cost of the storage or handling equipment, up to \$100,000 for each borrower. A minimum down payment of 15 percent is also required. For details, contact the county office staff.



## ***Farm Record Changes***

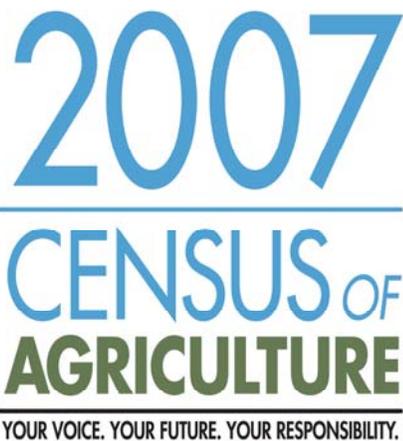
Report ***all*** farming operation changes to keep your records current. These changes would include, but are not limited to:

- Address – any contact information as well as temporary address changes should be updated for notification purposes.
- Direct Deposit – to ensure payments are deposited correctly, it is imperative that any changes in bank account information is updated immediately.
- Development – any new parcels of land removed for houses need to be reported.
- Owner/Operator Changes – report any changes in land ownership, tenants, or crop-share arrangements.
- Reconstitutions – changes that require farm combinations or separations due to sale of land or change in operators, should be reported as soon as possible.
- Farm Operating Plan – any changes to the farming operation that may have an effect on “person” and/or “actively engaged” determinations.

Update AD-1026 when you pick up new acreage, or plan to clear, drain, or put in tile on existing cropland. Making these changes without prior approval by NRCS can result in loss of USDA program payments.

Failure to notify FSA of changes in your farming operation may adversely impact your eligibility for USDA benefits.

## ***2007 Ag Census***

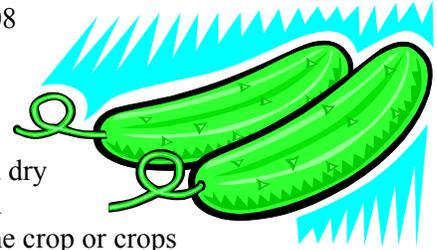


The 2007 Census of Agriculture is your chance to share your voice. Your response provides vital information that impacts decisions about community development, funding availability, farm policy, and other key issues. By actively participating in the Census, you join with other voices to make positive changes.

Look for the Census in your mailbox in early January 2008. Complete and return it by February 4, 2008. Remember, when you lend your voice, you help ensure a better future for your operation, your family, and your community. The ag census is carried out by the United States Department of Agriculture – National Agricultural Statistics Service. For more information, please visit the Ag Census website at: [www.agcensus.usda.gov](http://www.agcensus.usda.gov).

# **NAP Coverage Deadline**

Non-Insured Crop Disaster Assistance Program (NAP) is available for 2008 crops for which Catastrophic level crop insurance is not available. The application fee is \$100 per crop per county; or \$300 per producer per county, not to exceed \$900 per producer for all counties.



March 15 is the NAP application closing date for most 2008 vegetable and dry bean crops. This date is unchanged from recent years. Producers who had coverage on 2007 NAP crops may choose to continue coverage on the same crop or crops for 2008, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage, is not required to be signed when applying for continuous coverage of the same crop or crops. Producers who choose to add or delete crops from the previous year's coverage, or are changing shares for 2008, must file a new CCC-471 with signatures.

If you carried NAP coverage on crops for crop year 2007, please remember to provide your production to the FSA office. This is required for all crops which are covered under a NAP policy.

To remain compliant in NAP, producers must: 1) timely file acreage reports; 2) follow HEL and Wetland conservation compliance requirements; 3) file Notice of Loss within 15 days of weather damage or within 15 days of the loss becoming apparent; 4) request loss adjustment appraisals if any crop will not be harvested or to document production left in the field; and 5) provide true and complete production records for the unit.

## **Latest Farm Bill News**



Public information regarding the new Farm Bill is very sketchy. Although speculation is abundant, there is not yet a program to present to producers. A new bill was passed recently, but has not been cleared through all necessary channels. With the new bill, any information relating to program payments and provisions will not be available until regulations are written and sign-up is announced. Until then, other program areas directly affected by the farm bill cannot be addressed. For producers served by the Gratiot FSA, no reconstitutions will be processed until the provisions of the new farm bill are published. Also, there will be informational meetings for producers to assist them in signing up for the new farm program. Producers will be notified of the meeting dates and times and when sign-up will begin.

## **Marketing Assistance Loans and Loan Deficiency Payments (LDP's)**

Commodity loans are available for most of your 2007 grain crops, but they **must be reported for 2007**. A producer must maintain beneficial interest in the crop for the length of the loan. Also, it is the producer's responsibility to maintain the quality of the commodity in farm storage through the term of the loan.

Nine-month loans are available when crops are harvested. There are two types of loans, farm-stored and warehouse-stored. Different rules apply to each type. The loan rate is the rate for the county where the grain is stored. The producer must maintain beneficial interest in the grain under loan.

- For crop year 2007, marketing assistance loans and LDP's are available for wool and mohair through January 31, wheat through March 31, and corn and soybeans through May 31.
- Provisions of the loan program state that a loan cannot be disbursed until a lien search is completed, necessary lien waivers are obtained, and the UCC-1 is on file.

**IMPORTANT NOTICE:** If sales proceeds are needed to repay the loan, you **MUST** request a CCC-681-1 (Marketing Authorization) **prior** to moving your grain. *Market Loan Repayments* are an option that allows you to use cash to repay a commodity loan at the lesser of the posted county price (PCP) or principal plus interest.



If terms and conditions of the loan are violated, liquidated damages could be assessed, the loan could be called, and/or it could be required to repay the loan quantity involved in the violation. Also, a producer could face criminal prosecution under federal law.

## **Foreign Landowners Reporting Requirement**

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. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% 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.



## **Attention Producers, Landowners!**

- Is there a wet spot in a field that you want to drain to make cropping easier?
- Do you intend to clear timber areas to create or to expand existing crop areas?
- Are you converting a pasture field into a crop field?
- Are there any areas on your farm(s) that you are considering cropping that have not been cropped in recent years?
- Are you disturbing a wildlife habitat area of any type?
- Are you doing anything different on your farm(s) this year?

These are Highly Erodible and Wetlands provision questions that need to be considered each year by producers to ensure they remain eligible for USDA benefits. If you have questions or concerns with something you plan to do on your farm that could compromise your eligibility for government benefits, **including tiling any ground or removing woods and fencerows**, please contact the Gratiot NRCS office *before* you begin work.

### *Non-Discrimination Statement*



The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information ( Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). 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.