

April 2014



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Grand Traverse/Kalkaska/Leelanau FSA Updates

Grand Traverse Area FSA Office

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

**Next County Committee
Meeting:** April 30th, 2014
9:00 AM

FARM OWNERSHIP (FO) DIRECT LOAN CHANGES

Effective immediately, the interest rate for Direct Farm Ownership real estate loans where FSA provides up to half of the total financing (Joint Financing) shall be either 2.50 percent or the regular FO rate minus 2.00 percent, whichever is greater. The resultant rate used is a fixed rate for the duration of the loan. Thus, the April 2014 Joint Financing FO rate is 2.50 percent, as this is the higher of the April FO rate of 4.00 percent minus 2.00 percent.

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or to purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

FARM BILL OFFERS INCREASED OPPORTUNITIES FOR PRODUCERS

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

- Elimination of loan term limits for guaranteed operating loans.
- Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.
- Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than the regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.
- Increase of the maximum loan amount for Direct Farm Ownership down payments from \$225,000 to \$300,000.
- Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.
- Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.
- Increase of the guarantee amount on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward loan term limits for veterans and beginning farmers.

Additional modifications must be implemented through the rulemaking processes. Visit the [FSA Farm Bill website](#) for detailed information and updates to farm loan programs.

2014 ACREAGE REPORTING DATES

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit the Grand Traverse Area FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable for Grand Traverse, Kalkaska, and Leelanau Counties:

July 15, 2014: spring seeded grains, spring planted row crops, hops, kidney beans, cabbage (planted 3/31-5/31), onions, tomatoes, potatoes, sugar beets

August 15, 2014: cabbage (planted 6/1-7/20), processing beans

September 30, 2014: Christmas trees, nursery (ornamental & non-ornamental), turfgrass sod, aquaculture, mushrooms

November 15, 2014: perennial forage, fall wheat, and all other fall-seeded small grains

January 15, 2015: apples, apricots, blueberries, cherries, grapes, peaches

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

2014 ACREAGE REPORTING DATES CONTINUED

- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact the Grand Traverse Area FSA office at 231-941-0951 x2.

FARM SAFETY

Flowing grain in a storage bin or gravity-flow wagon can be fatal. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged.

FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

SELECTED INTEREST RATES APRIL 2014

- 90-Day Treasury Bill: 0.125%
- Farm Operating Loans - Direct: 2.000%
- Farm Ownership Loans - Direct: 4.000%
- Farm Ownership Loans - Direct Down Payment: 1.500%
- Limited Resource Loans: 5.000%
- Emergency Loans: 3.000%
- Farm Storage Facility Loans (7 years): 2.125%
- Farm Storage Facility Loans (10 years): 2.750%
- Farm Storage Facility Loans (12 years): 2.875%
- Marketing Assistance Loans: 1.125%

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).