

May 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Michigan FSA Newsletter

Michigan Farm Service Agency

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To find contact information for your local office go to offices.usda.gov.

Note from the Price Support Chief

The last we checked, the market value of livestock, poultry and their products sold in Michigan is estimated to be over \$3.1 billion. That figure illustrates what farmers and ranchers here already know – that livestock plays a huge role in Michigan's agriculture economy.

Given the importance of livestock in Michigan, we wanted to draw your attention to recent changes to the Livestock Indemnity Program and Margin Protection Program for Dairy.

Livestock Indemnity Program (LIP). In the event of disease, this change by USDA's Farm Service Agency (FSA) authorizes local FSA county committees to accept veterinarian certifications that indicate livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management. The committees may then use this certification to allow eligibility for producers on a case-by-case basis for LIP.

Margin Protection Program (MPP-Dairy). The Bipartisan Budget Act of 2018 made significant changes to MPP-Dairy. Because of these changes, **dairy operations must make a new coverage election for 2018 by June 1 to receive coverage**, even if you enrolled during the previous 2018 signup period. The online resource at www.fsa.usda.gov/mpptool allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections.

To all our Michigan farmers and ranchers, thank you for providing food, fiber and fuel for your communities, the nation and the rest of the world. It is a pleasure to work with you.

~ Ken Schapman, Price Support Chief

Just Around the Corner

May 28: Offices closed for Memorial Day

May 31: Acreage reporting deadline for crop year 2019 nursery crops

May 31: MAL and LDP deadline for prior year harvested corn, soybeans and other oilseeds, rice, grain sorghum and pulse crops

June 1: MPP-Dairy enrollment period closes

July 4: Offices closed for Independence Day

July 15: Acreage reporting deadline for spring planted feed grain crops, CRP, and most other crops

The dates here are provided for general reference. Some areas and crops may have dates that differ from the general guidelines above. It is the producer's responsibility to personally verify deadlines applicable to each farm's crops with their local Farm Service Agency county office.

Organic Certification Cost Share Program

The Organic Certification Cost Share Program (OCCSP) provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program (NOP). Certified operations may receive up to 75 percent of their certification costs paid from Oct. 1, 2017, through Sept. 30, 2018, not to exceed \$750 per certification scope.

Eligible costs include application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage.

Ineligible costs include equipment, materials, supplies, transitional certification fees, late fees and inspections necessary to address National Organic Program regulatory violations.

Producers and handlers may submit OCCSP applications to FSA county offices or they may apply through participating State Agencies, which will be listed at <https://www.fsa.usda.gov/programs-and-services/occsp/index> as their agreements to administer the program are finalized.

The FSA OCCSP application form is available at [USDA's eForms site](#), by selecting "Browse forms" and entering "OCCSP" in the "title or keywords" field on the search page.

To learn more about organic certification cost share, visit www.fsa.usda.gov/organic or contact a local FSA office by visiting <http://offices.usda.gov>.

Reporting Wind Turbines and Solar Panels Constructed on Cropland

Producers who have wind turbines or solar panels constructed on their farms should notify the local Farm Service Agency office. Any area that is no longer considered suitable as cropland (producing annual or perennial crops) should be designated in FSA's records and aerial photography maps. When base acres on a farm are converted to a non-agricultural commercial or industrial use, the total base acres on the farm must be reduced accordingly. Non-cropland areas used for solar panels or wind turbines might impact payments calculated using base acres, such as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) and Conservation Reserve Program (CRP) annual rental payments.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

Interest Rates - May 2018

Farm Ownership and Farm Operating Loans:

- Farm Operating - Direct: 3.625%
- Farm Ownership - Direct: 4.125%
- Farm Ownership - Direct, Joint Financing: 2.500%
- Farm Ownership - Down Payment: 1.500%
- Emergency Loan - Amount of Actual Loss: 3.750%

Crop Year 2017 Commodity Loans:

- CCC borrowing rate-base interest charges: 2.125% per annum
- Crop year commodity loans less than 1 year: 3.125% per annum

Farm Storage Facility Loans:

- 3 year loan terms: 2.500% per annum
- 5 year loan terms: 2.625% per annum
- 7 year loan terms: 2.750% per annum
- 10 year loan terms: 2.875% per annum
- 12 year loan terms: 2.875% per annum

USDA is an equal opportunity provider, employer and lender. 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).