

March 2015



# NEWSLETTER



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## Michigan FSA Newsletter

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### Michigan Farm Service Agency

3001 Coolidge Road, Suite 350  
East Lansing, MI 48823

[www.fsa.usda.gov/mi](http://www.fsa.usda.gov/mi)

### State Committee:

Cheryl Kobernik, Chairperson  
Art Lister Jr., Member  
Annette Magda, Member  
Dr. Eddie Moore, Member  
Robert Walther, Member

### Executive Director:

Christine White

### Division Chiefs:

David Russ, Farm Loan  
Eric Fischer, Production Adjustment  
Ken Schapman, Price Support  
Dale Allen, Conservation

*Please contact your local FSA Office for questions specific to your operation or county.*

### One-Time Deadline Extension to Update Base Acres or Yield History for ARC/PLC

*Farmers Now Have Until March 31 to Update Yields and Reallocate Base Acres; Deadline for Choosing Between ARC and PLC also Remains March 31*

Agriculture Secretary Tom Vilsack announced today that a one-time extension will be provided to producers for the new safety-net programs established by the 2014 Farm Bill, known as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). The final day to update yield history or reallocate base acres has been extended one additional month, from Feb. 27, 2015 until March 31, 2015. The final day for farm owners and producers to choose ARC or PLC coverage also remains March 31, 2015.

If no changes are made to yield history or base acres by March 31, 2015, the farm's current yield and base will be used. A program choice of ARC or PLC coverage also must be made by March 31, 2015, or there will be no 2014 payments for the farm and the farm will default to PLC coverage through the 2018 crop year.

Nationwide, more than 2.9 million educational postcards, in [English](#) and [Spanish](#), have been sent to producers, and over 4,100 training sessions have been conducted on the new safety-net programs. The online tools, available at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc), allow producers to explore projections on how ARC or PLC coverage will affect their operation under possible future scenarios.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

To learn more, farmers can contact their local Farm Service Agency county office. To find your local office visit <http://offices.usda.gov>.

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## **USDA Reminds Michigan Producers of Monday Sales Closing Date for Noninsurable Crops**

Farm Service Agency (FSA) urges Michigan producers who want to purchase coverage through the Noninsured Crop Disaster Assistance Program (NAP) to do so before the procedural sales closing date of March 15, 2015. **(Note that CCC-471 Application for Coverage forms and related service fees will be accepted through March 16th 2015.)**

NAP provides financial assistance to producers of noninsurable crops when low yields/grazing loss, loss of inventory or prevented planting occur due to natural disasters including drought, freeze, hail, excessive moisture, excessive wind or hurricanes.

In order to meet eligibility requirements for NAP, crops must be noninsurable, commercially-produced agricultural commodity crops for which the catastrophic risk protection level of crop insurance is not available.

The Agricultural Act of 2014 (the 2014 Farm Bill) allows producers to choose higher levels of NAP coverage. Previously, the program offered coverage at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Producers can now choose higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price. It is important to note that the higher coverage is not available on grazing crops.

Many crops in Michigan have a NAP application closing date of March 15, 2015. Producers should check with their local county office for a specific crop listing.

Eligible producers must file the application and pay a service fee by the March 15th deadline effective date. Producers also pay a fixed premium for higher coverage. Beginning, limited resource and underserved producers may request a waiver of the service fee and a 50 percent premium reduction when the application for coverage is filed.

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## **Maintaining the Quality of Loaned Grain**

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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## **USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes**

The 2014 Farm Bill implements a change that requires farmers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 certification form must be on file with the FSA. The Risk Management Agency (RMA), through the Federal Crop Insurance Corporation (FCIC), manages the federal crop insurance program that

provides the modern farm safety net for American farmers and ranchers.

Since enactment of the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to compliance with the highly erodible land conservation and wetland conservation provisions. The 2014 Farm Bill continues the requirement that producers adhere to conservation compliance guidelines to be eligible for most programs administered by FSA and NRCS. This includes most financial assistance such as the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans and most programs implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs implemented by NRCS.

Many FSA and Natural Resource Conservation (NRCS) programs already have implemented this requirement and therefore most producers should already have an AD-1026 form on file for their associated lands. If an AD-1026 form has not been filed or is incomplete, then farmers are reminded of the deadline of June 1, 2015.

When a farmer completes and submits the AD-1026 certification form, FSA and NRCS staff will review the associated farm records and outline any additional actions that may be required to meet the required compliance with the conservation compliance provisions.

FSA recently released a revised form AD-1026, which is available at USDA Service Centers and online at: [www.fsa.usda.gov](http://www.fsa.usda.gov). USDA will publish a rule later this year that will provide details outlining the connection of conservation compliance with crop insurance premium support. Producers can also contact their local USDA Service Center for information. A listing of service center locations is available at [offices.usda.gov](http://offices.usda.gov).

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## USDA Reminds Producers of TAP Deadlines

Farm Service Agency (FSA) reminds Michigan orchardists and nursery tree growers who have experienced losses from natural disasters during calendar year 2015 to participate in the Tree Assistance Program (TAP). Growers have until **90 calendar days** after the disaster event or when the loss becomes apparent to submit an application and supporting documentation.

The Tree Assistance Program provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines lost by natural disasters. The loss must be in excess of 15 percent mortality (adjusted for normal mortality). Nursery trees include ornamental, fruit, nut and Christmas trees produced for commercial sale. Growers must have owned the stand from the time of the disaster until the time that the TAP application is submitted, but are not required to own the land on which the stand was planted.

Approved replacement and rehabilitation practices must be completed within 12 months from the date the application is approved.

For more information or specific details about TAP, visit the web at [www.fsa.usda.gov/tap](http://www.fsa.usda.gov/tap), or contact your local FSA office. For more information on FSA disaster assistance programs, visit <http://disaster.fsa.usda.gov>.

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## Loans for Targeted Underserved Producers

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 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 targeted underserved groups.

A targeted underserved 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, targeted underserved 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.

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## USDA Enhances Farm Storage Facility Loan Program

The U.S. Department of Agriculture (USDA) today announced the expansion of the Farm Storage and Facility Loan program, which provides low-interest financing to producers. The enhanced program includes 22 new categories of eligible equipment for fruit and vegetable producers.

Producers with small and mid-sized operations, and specialty crop fruit and vegetable growers, now have access to needed capital for a variety of supplies including sorting bins, wash stations and other food safety-related equipment. A new more flexible alternative is also provided for determining storage needs for fruit and vegetable producers, and waivers are available on a case-by-case basis for disaster assistance or insurance coverage if available products are not relevant or feasible for a particular producer.

Additionally, Farm Storage Facility Loan security requirements have been eased for loans up to \$100,000. Previously, all loans in excess of \$50,000 and any loan with little resale value required a promissory note/security agreement and additional security, such as a lien on real estate. Now loans up to \$50,000 can be secured by only a promissory note/security agreement and some loans between \$50,000 and \$100,000 will no longer require additional security.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include grains, oilseeds, peanuts, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables. Qualified facilities include grain bins, hay barns and cold storage facilities for fruits and vegetables.

Contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov) for more about FSA programs and loans, including the Farm Storage Facility Loan Program.

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## Important Dates to Remember

- **March 16, 2015:** NAP Application Sales Closing Date, 2015 NAP annual crops
- **March 31, 2015:** Final date to make **Program Election for ARC/PLC**
- **March 31, 2015:** One-Time Extension of Deadline to Update Yields and/or Base Reallocations
- **March 31, 2015:** Final Marketing Assistance Loan and LDP Availability date for Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, and Sesame Seed
- **May 31, 2015:** Final Marketing Assistance Loan and LDP Availability date for Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, and Sunflower Seed
- **Continuous:** Farm Loan applications may be accepted at any time.
- **Continuous:** Continuous Conservation Reserve Program offers may be made at any time.

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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).