

April 2014



# NEWSLETTER



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## Baraga Area FSA Updates

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Baraga Area  
FSA Office  
16403 Ojibwa  
Industrial Park Rd  
Baraga MI 49908 9085

906 353 8225 phone  
855 643 5272 fax

### Hours

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

### County Executive Director

Susan K DeVoe

### Program Technician

Tammy Clisch

### Farm Loan Manager

Bruce Stephenson

### County Committee

Butch Semmerling - Chair  
Brenda Turunen - Vice  
Bruce King - Member  
Gary Palosaari - Member  
Glenn Longtin - Member  
Roger Duschene - Advisor

**Next County Committee Meeting:** to be determined & announced

### FARM BILL PROVIDES PERMANENT DISASTER ASSISTANCE PROGRAMS

Producers of Christmas trees, livestock, honeybees, and fruit can sign-up for disaster-related loss programs. These weather related disaster programs were authorized by the 2014 Farm Bill as permanent programs and provide retroactive authority to cover losses that occurred back to October 1, 2011.

- [LIP](#) provides compensation to eligible livestock producers that have suffered livestock death losses in excess of normal mortality due to adverse weather, and attacks by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators. Eligible livestock includes beef cattle, dairy cattle, bison, poultry, sheep, swine, horses, and other eligible livestock.
- [ELAP](#) provides emergency assistance to eligible commercial producers of honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards.
- [TAP](#) provides financial assistance to qualifying orchardists, Christmas and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.
- [LFP](#) provides compensation to eligible livestock producers that have suffered grazing losses due to drought or fire on publicly managed land. Eligible counties are rated by the U.S. Drought Monitor as D2, D3, or D4. Baraga, Houghton, Keweenaw, Ontonagon or Gogebic are **NOT** rated as eligible counties for 2011, 2012 or 2013.

For more information, producers may review the [2014 Farm Bill Fact Sheet](#), LIP, LFP, ELAP, and TAP fact sheets online.

All producers who experienced losses are encouraged to **collect any/all records** documenting livestock ownership and their losses. Then contact the FSA county office to schedule an appointment.

## **USDA ENCOURAGES EARLY FARM RECORD REVIEW FOR FSA PROGRAMS**

Examples of updates or changes that should be reported early to your FSA office:

- New producers or producers who have not reported farm records to FSA.
- Producers, who have recently bought, sold or rented land. Those producers need to ensure that changes have been reported and properly recorded by local FSA county office personnel. Reports of purchased or sold property should include a copy of the land deed, and if land has been leased, then documentation should be provided that indicates the producer had/has control of the acreage.
- Producers that have changed business structures (e.g. formed a partnership or LLC) need to ensure that these relationships and shares are properly recorded with FSA. Even family farms that have records on file may want to ensure that this is recorded accurately as it may impact payment limits.

Farm records can be updated during business hours at FSA Service Centers that administer the county where the farm or ranch is located. Producers can contact their local FSA Service Center in advance to find out what paperwork they may need. In addition, bank account information should be supplied or updated if necessary to ensure that producers receive payments as quickly as possible through direct deposit.

## **NEW 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 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.

## **SAVE TIME – MAKE AN APPOINTMENT WITH FSA**

As we roll out the Farm Bill programs administered by FSA, there will be related signups and in some cases multiple management decisions that need to be made by you, the producer, in consult with FSA staff. To insure maximum use of your time and to insure that you are afforded our full attention to your important business needs, please call our office ahead of your visit to set an appointment and to discuss any records or documentation that you may need to have with you when you arrive for your appointment. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

## **USDA ANNOUNCES THE EXTENSION OF THE MILK INCOME LOSS CONTRACT PROGRAM FOR 2014**

The USDA Farm Service Agency (FSA) recently announced the extension of the Milk Income Loss Contract (MILC) program which protects dairy farmers against income loss through Sept. 1, 2014, or until a new Margin Protection Program for dairy producers (MPP) is operational. Contracts for eligible producers enrolled in MILC on or before Sept. 30, 2013, are automatically extended until the termination date of the MILC program. Dairy operations with approved MILC contracts will continue to receive monthly payments if a payment rate is in effect.

MILC compensates enrolled dairy producers when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt), after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost, just as in the 2008 Farm Bill. The payment rate for October 2013 through January 2014 milk marketings is zero. Payment rates during the months after January 2014 until the termination of the MILC program will be determined as the appropriate data becomes available.

Producers who want to select a different production start month must visit their local FSA office between April 14, 2014, and May 30, 2014. FSA will provide producers with information on program requirements, updates and sign-ups as the information becomes available.

## **2009, 2010, 2011, 2012 AND 2013 AVERAGE ADJUSTED GROSS INCOME COMPLIANCE REVIEW**

The AGI verification and compliance reviews for 2009, 2010, 2011, 2012 and 2013 are conducted on producers who the IRS indicates may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the AGI limitation of \$500,000 of nonfarm income, \$750,000 of farm income, \$1 million of conservation program benefits or the \$1 million total AGI, then receivables will be established for payments earned directly or indirectly by the producer subject to the applicable limitation. The Michigan FSA State Office will begin notifying producers selected for review next month. If you have any questions about the review process or determination, please contact the Michigan FSA State Office at 517 324 5110. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Adverse determinations become administratively final if not timely appealed and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

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).