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NEWSLETTER



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Michigan FSA Updates

Michigan Farm Service Agency

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USDA Unveils Key New Programs to Help Farmers Manage Risk

USDA just unveiled highly anticipated new programs to help farmers better manage risk, ushering in one of the most significant reforms to U.S. farm programs in decades.

New tools are now available to help provide farmers the information they need to choose the new safety net program that is right for their business.

The new programs, Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC), are cornerstones of the commodity farm safety net programs in the 2014 Farm Bill, legislation that ended direct payments. Both programs offer farmers protection when market forces cause substantial drops in crop prices and/or revenues. Producers will have through early spring of 2015 to select which program works best for their businesses.

To help farmers choose between ARC and PLC, USDA helped create online tools that allow farmers to enter information about their operation and see projections about what each program will mean for

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.*

them under possible future scenarios. The new tools are now available at www.fsa.usda.gov/arc-plc.

Starting Sept. 29, 2014, farm owners may begin visiting their local Farm Service Agency (FSA) offices if they want to update their yield history and/or reallocate base acres, the first step before choosing which new program best serves their risk management needs. Letters sent this summer enabled farm owners and producers to analyze their crop planting history in order to decide whether to keep their base acres or reallocate them according to recent plantings.

The next step in USDA's safety net implementation is scheduled for this winter when all producers on a farm begin making their election, which will remain in effect for 2014-2018 crop years between the options offered by ARC and PLC.

Producers can contact their local FSA Office for more information on ARC and PLC or to schedule an appointment to update their yield history and/or reallocate base acres.

USDA Farm Service Agency Announces Key Dates for New 2014 Farm Bill Safety Net Programs

USDA announced key dates for farm owners and producers to keep in mind regarding the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). The new programs, designed to help producers better manage risk, usher in one of the most significant reforms to U.S. farm programs in decades.

Dates associated with ARC and PLC that farm owners and producers need to know:

- **Sept. 29, 2014 to Feb. 27, 2015**: Land owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- **Nov. 17, 2014 to March 31, 2015**: Producers make a one-time election of either ARC or PLC for the 2014 through 2018 crop years.
- **Mid-April 2015 through summer 2015**: Producers sign contracts for 2014 and 2015 crop years.
- **October 2015**: Payments for 2014 crop year, if needed.

USDA leaders will visit with producers across the country to share information and answer questions on the ARC and PLC programs.

USDA helped create online tools to assist in the decision process, allowing farm owners and producers to enter information about their operation and see projections that show what ARC and/or PLC will mean for them under possible future scenarios. The new tools are now available at www.fsa.usda.gov/arc-plc. Farm owners and producers can access the online resources from the convenience of their home computer or mobile device at any time.

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.

Producers can contact their local FSA office for more information or to schedule an appointment.

Margin Protection Program for Dairy Producers

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 1, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of \$100 and a premium, as applicable, for higher levels of coverage. Producers in the dairy operation will have to select a desired coverage level ranging from \$4.00 to \$8.00, in \$0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency (RMA), as producers will not be allowed to receive benefits in both programs.

A decision tool has been made available to help producers make coverage level decisions, which can be accessed at www.fsa.usda.gov/mpptool. Registration for 2014 and/or 2015 is currently open, and will close **November 28th 2014**. Dairy operators will establish their production history during signup. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available. Contact your local FSA office to register or for more information.

USDA Farm Service Agency Reminds Producers: Farm Bill Allows Early Termination for Certain CRP Contracts

The Farm Service Agency reminds producers with acres under contract through the Conservation Reserve Program (CRP) that they can apply for early contract termination, as required by the 2014 Farm Bill. The deadline to request early CRP contract termination is Jan. 30, 2015.

This is a unique opportunity to request early termination afforded by the 2014 Farm Bill. The earliest effective date for this early termination is October 1, 2014. The requesting CRP contract must have been in effect for at least five years and additional eligibility conditions must be met to qualify. The 2014 Farm Bill identifies a list of 10 exceptions whereby land will not be eligible for the early termination provisions. For a complete list of these exceptions, please view the program fact sheet online at http://www.fsa.usda.gov/Internet/FSA_File/crp_opt_out_fact_sht.pdf

Once a CRP contract termination request is approved by the FSA County Committee, the decision may not be reversed and the terminated contract will not be reinstated. Once the land is no longer considered under the CRP contract all participants must meet HEL/WC and other conservation compliance provisions for all associated lands.

For more information or to verify eligibility for early termination (opt-out) for existing CRP contracts, please contact your local FSA office. For local FSA Service Center contact information, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

2014 MAL and LDP Requests

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. Sugar commodity loans for the 2014 crop will be available to sugar processors beginning Oct. 1, 2014.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool, mohair and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

National and county loans rates for 2014 crops are posted on the FSA website at: www.fsa.usda.gov/pricesupport.

Beginning Farmer Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.

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 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.

Tree Assistance Program (TAP) Sign-up Continues

As of Tuesday, April 15, 2014, orchardists and nursery tree growers who experienced losses from natural disasters that occurred on or after Oct. 1, 2011, can sign up for the Tree Assistance Program (TAP). TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

An application and supporting documentation for TAP losses incurred from October 1, 2011 - December 31, 2014 must be submitted by the later of **January 31, 2014** (or 90 days after the disaster event or when the loss is apparent). Losses incurred for calendar year 2015 and subsequent years must be reported by the later of 90 days after the disaster event or when the loss is apparent.

Filing for NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Important Dates to Remember

- **November 1st:** Enrollment deadline for 2014 Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)
- **November 11th:** Offices Closed in observance of Veteran's Day Holiday
- **November 15th:** Certification Deadline for 2015 fall-seeded small grains (including wheat) and perennial forage
- **November 17th:** ARC/PLC Election Period Begins
- **November 20th:** NAP Application Sales Closing Date for 2015 NAP perennial crops
- **November 27th:** Offices Closed in observance of Thanksgiving Holiday
- **November 28th:** Deadline to register for 2014 and/or 2015 Margin Protection Program (MPP)
- **January 15, 2015:** Certification deadline for Apples, Blueberries, Cherries, Grapes, Peaches
- **January 20, 2015:** Deadline to request early CRP contract termination
- **February 1, 2015:** NAP Application Sales Closing Date, 2015 NAP Onions
- **February 27, 2015:** Deadline to update ARC/PLC yield history and/or reallocate base acres
- **March 15th, 2015:** NAP Application Sales Closing Date, 2015 NAP annual crops
- **Continuous:** Farm Loan applications may be accepted at any time.
- **Continuous:** Continuous Conservation Reserve Program offers may be made at any time.

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).