

January 2015



# NEWSLETTER



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## Michigan FSA Newsletter

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### Michigan Farm Service Agency

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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

### Important ARC/PLC Program Deadlines Approaching

Producers are reminded that the deadline to update yield history and/or reallocate base acres is Feb. 27, 2015. Farm owners and producers can choose between the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) through March 31, 2015. 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.

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. Farm owners and producers can access the online resources, available at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc), 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

Eric Fischer, Production Adjustment  
Ken Schapman, Price Support  
Dale Allen, Conservation

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.

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

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

- **Now through Feb. 27, 2015:** Farm owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- **Now through March 31, 2015:** Producers make a one-time election between ARC and 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 issued for 2014 crop year, if needed.

To learn more about which safety net options are most appropriate for specific farming operations, farmers can use new Web tools at [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc), which can be accessed from the convenience of a home computer or a mobile device at any time. To learn more about upcoming educational meetings, farmers can contact their local Farm Service Agency county office at <http://offices.sc.egov.usda.gov/locator/app>.

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## USDA Provides Greater Protection for Fruit, Vegetable and Other Specialty Crop Growers

*Free Basic Coverage Plans and Premium Discounts Available for New, Underserved and Limited Income Farmers*

Greater protection is now available from the Noninsured Crop Disaster Assistance Program for crops that historically have been ineligible for federal crop insurance. The new options, created by the 2014 Farm Bill, provide greater coverage for losses when natural disasters affect specialty crops such as vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, and energy crops.

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.

The expanded protection will be especially helpful to beginning and socially disadvantaged producers, as well as farmers with limited resources, who will receive fee waivers and premium reductions for expanded coverage. More crops are now eligible for the program, including expanded aquaculture production practices, and sweet and biomass sorghum. For the first time, a range of crops used to produce bioenergy will be eligible as well.

To help producers learn more about the Noninsured Crop Disaster Assistance Program and how it can help them, USDA, in partnership with Michigan State University and the University of Illinois, created an online resource. The Web tool, available at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap), allows producers to determine whether their crops are eligible for coverage. It also gives them an opportunity to explore a variety of options and levels to determine the best protection level for their operation.

To learn more, visit the Farm Service Agency (FSA) website at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your

local FSA office at [offices.usda.gov](http://offices.usda.gov). The Farm Service Agency (FSA), which administers the program, also wants to hear from producers and other interested stakeholders who may have suggestions or recommendations on the program. Written comments will be accepted until Feb. 13, 2015 and can be submitted through [www.regulations.gov](http://www.regulations.gov).

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## Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production as doing so without prior authorization may put a producer's federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils must apply tillage, crop residue and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not risk your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

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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. (Note: Interest rates for FSFLs are located at the bottom of this newsletter.)

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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## Tree Assistance Program (TAP) Sign-up Continues

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.

**For losses that occurred on or after Oct. 1, 2011, through the end of the 2014 calendar year, the final date to submit an application and supporting documentation is the later of Jan. 31, 2015 or 90 calendar days after the disaster event or the date the loss is apparent. For calendar year 2015 and subsequent losses, all applications and supporting documentation must be submitted the later of 90 calendar days after the disaster event or the date the loss is apparent.**

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.

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## USDA's Farm Service Agency (FSA) Offers Farm Bill Website and Online Overview of Farm Bill Programs

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill) and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, [What's in the 2014 Farm Bill for Farm Service Agency Customers?](#)

For more information on FSA, please contact your local USDA Service Center or visit us online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is

\$5000.

#### **Youth Loan Eligibility Requirements:**

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

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### **FSA Signature Authority**

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

For additional clarification on proper signatures contact your local FSA office.

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### **Selected Interest Rates for January 2015**

- 90-Day Treasury Bill - (0.125%)
  - Farm Operating Loans- Direct (2.625%)
  - Farm Ownership Loans- Direct (4.00%)
  - Farm Ownership Loans - Direct Down Payment, Beginning Farmer or Rancher (1.50%)
  - Commodity Loans (1.125%)
  - Farm Storage Facility Loans (7 years) (2.000%)
  - Farm Storage Facility Loans (10 years) (2.250%)
  - Farm Storage Facility Loans (12 years) (2.375%)
  - Sugar Storage Facility Loans (15 years) (2.500%)
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### **Important Dates to Remember**

- **January 30, 2015:** Deadline to request early CRP contract termination
- **January 30, 2015:** Final date to submit LIP and LFP Notice of Loss and Application for CY2011-2014 losses.

- **January 31, 2015:** Deadline to request a 2014 commodity loan/LDP for Wool and Unshorn Pelts
  - **January 31, 2015:** Deadline to file TAP application for losses suffered 10/1/2011 - 2014
  - **February 1, 2015:** NAP Application Sales Closing Date, 2015 NAP Onions
  - **February 1, 2015:** Certification deadline for Maple Sap
  - **February 1, 2015:** 25% Premium Due for 2015 Margin Protection Program (MPP)
  - **February 27, 2015:** Deadline to update ARC/PLC yield history and/or reallocate base acres
  - **March 15, 2015:** NAP Application Sales Closing Date, 2015 NAP annual crops
  - **March 31, 2015:** Final date to make Program Election for ARC/PLC
  - **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).