

April 2014



NEWSLETTER



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Jackson County FSA Updates

Jackson County FSA Office

211 W. Ganson St.
Jackson, MI 49201-1241

Phone: 517-789-7716 Ext. 2
Fax: 855-647-4852

www.fsa.usda.gov

Office Hours: Monday-
Friday 8:00 am – 4:30 pm

**County Executive
Director:**
Tamela Smith

Program Technicians:
Rhonda Sauber Susan
Gray Amy Duxtader

Farm Loan Manager:
Russell Lafollette 517-849-
9890

Farm Loan Officer:
Crystal Hepker 517-849-
9890

**Next County Committee
Meeting:**
To Be Determined

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. Please contact the Jackson FSA Service Center at 517-789- 7716 Ext. 2. Or to find a FSA Service Center near you, please visit: <http://offices.sc.egov.usda.gov/locator/app>.

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 ENCOURAGES EARLY REGISTRATION FOR FSA PROGRAMS

USDA recommends that farmers and ranchers register in advance for FSA programs in order to improve the sign-up process and expedite implementation of programs. Producers are encouraged to report farm records and business structure changes to a [local FSA Service Center](#) before April 15, 2014.

Examples of updates or changes to report include:

- 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. For further information about our disaster programs and USDA's Farm Bill implementation plan, visit FSA's [2014 Farm Bill Web page](#). FSA Service Center locations can be found on the [FSA website](#).

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.

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 marketing 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.

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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.

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.

LOAN UPDATES

As a result of the 2014 Farm Bill (Pub. L. 113-79), enacted February 14, 2014, several changes were made to the Farm Loan Program. One significant change affects Beginning Farmers directly as the applicant now must not own more than 30 percent of the AVERAGE size farm, in the county where the farm is located, as established under the beginning farmer definition at the time of application.

Average farm size does not apply to SDA applicants.

With this revision the new maximum amount of acreage to be owned, and still considered a Beginning Farmer for Farm Ownership Loan purposes, is 46.20 ac in Jackson County.

Another significant change brought forward in the new Farm Bill is in regards to Guaranteed Operating Loan Term Limits. Guaranteed Operating Loan applicants are no longer limited to 15 years of financing through FSA's Guaranteed Operating Loan limits.

NEW FARM BILL PROVIDES PERMANENT LIVESTOCK DISASTER ASSISTANCE PROGRAMS

The 2014 Farm Bill, formally known as the Agricultural Act of 2014, makes the Livestock Forage Program (LFP) and Livestock Indemnity Program (LIP) permanent programs and provides retroactive authority to cover eligible losses back to Oct. 1, 2011. LFP provides compensation to eligible producers who suffered grazing losses due to drought and fire. LIP provides compensation to livestock producers who 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. USDA is determined to make implementing the livestock disaster programs a top priority and plans to open program enrollment by April 15, 2014.

As USDA begins implementing the livestock disaster assistance programs, producers should record all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses
- Dates of death supported by birth recordings or purchase receipts
- Costs of transporting livestock to safer grounds or to move animals to new pastures
- Feed purchases if supplies or grazing pastures are destroyed
- Crop records, including seed and fertilizer purchases, planting and production records

Many producers still have questions. USDA is in the process of interpreting Farm Bill program regulations. Additional information will be provided once the enrollment period is announced. In the meantime, producers can review the [LIP and LFP Fact Sheets](#). Thanks for your patience as USDA works diligently to put Farm Bill programs into action to benefit the farmers and ranchers of rural America.

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).