

June 2019



Farm Service Agency Electronic News Service

NEWSLETTER

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Michigan FSA Newsletter

Michigan Farm Service Agency

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Note from the State Executive Director

Michigan FSA Prevented Plant Acreage Deadline to Timely File Extended to July 15

The Michigan Farm Service Agency has been provided the ability to extend the deadline until July 15 to file prevented plant claims for those producers without RMA insurance or NAP coverage that are prevented from planting. I have authorized this extension for all counties and non-insured producers in Michigan that have been adversely affected by spring weather conditions.

Non-insured producers who are unable to timely meet the FSA notification requirement will now be able to file a CCC-576 Notice of Loss with their FSA county office no later than July 15, 2019. Producers with RMA insurance or NAP coverage are still required to observe the filing guidelines set forth by RMA or the program policy pertaining to NAP loss reporting.

Please contact your local FSA county office to schedule an appointment to report crops, prevented, and failed acreage prior

Division Chiefs:

David Russ, Farm Loan
Greg Todd, Prod.
Adjustment
Ken Schapman, Price Sppt.
Dale Allen, Conservation

To find contact information
for your local office go
to offices.usda.gov.

to your applicable deadline. If you have any questions regarding the information presented here, notices of loss, crop reporting, and FSA programs and policy, please contact your local FSA office.

Michigan FSA Announces Wetland Mitigation Bank Credit Options for FSA Producers and Participants

Since 1985, producers participating in programs administered by the USDA have been required to abide by certain conditions on any land owned or farmed that is considered a wetland. This is known as conservation compliance and was expanded to include crop insurance premium subsidies under the 2014 Farm Bill. This was retained under the 2018 Farm Bill in addition to programs administered by FSA and NRCS. To maintain compliance with wetland conservation provisions, producers must agree, by certifying on form AD-1026, they will not plant an agricultural commodity on a converted wetland or convert a wetland to produce an agricultural commodity.

USDA conservation compliance requires any participating farmer who converts a wetland for commodity production, knowingly or otherwise, to offset that loss through mitigation to maintain eligibility for USDA benefits. Restoration of the original functions and values of the converted site or mitigation of such on a different suitable site, as determined by NRCS, has been the traditional remedy. However, a recent effort by the Michigan Department of Natural Resources (MDNR) through a USDA Grant to form agricultural wetland credits may provide a new option.

Wetland mitigation banks allow farmers to remove or alter wetlands in their fields in exchange for purchasing credits in a mitigation bank. The credits correspond to an area of the mitigation bank that at least equals the size of the altered field wetlands. The price of the credits is negotiated between the buyer and seller. A limited number of wetland mitigation credits are available to producers on a first come, first served basis in the Muskegon Watershed and VII.2.1 Ecoregion through the Sears/Muskegon River Wetland Mitigation Bank. Visit the MMWA website at www.michiganwetlands.com to apply to purchase credits at this bank. We view this as a positive development allowing Michigan farmers to retain or regain USDA benefits through the purchase of such credits.

For producers outside the Muskegon Watershed and Ecoregion VII.2.1, please express your interest, including acreage needed, to staff at your local FSA office and through the MMWA website. We will indicate interest received to the Michigan DNR, who is working to prioritize future wetland mitigation bank site development based on watershed need.

USDA Announces New Decision Tool for New Dairy Margin Coverage Program

USDA announced the availability of a new [web-based tool](#) – developed in partnership with the University of Wisconsin – to help dairy producers evaluate various scenarios using different coverage levels through the new [Dairy Margin Coverage](#) (DMC) program.

The 2018 Farm Bill authorized DMC, a voluntary risk management program that offers financial protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. It replaces the program previously known as

the Margin Protection Program for Dairy. Sign up for this USDA Farm Service Agency (FSA) program opens on June 17.

The University of Wisconsin launched the decision support tool in cooperation with FSA and funded through a cooperative agreement with the USDA Office of the Chief Economist. The tool was designed to help producers determine the level of coverage under a variety of conditions that will provide them with the strongest financial safety net. It allows farmers to simplify their coverage level selection by combining operation data and other key variables to calculate coverage needs based on price projections.

The decision tool assists producers with calculating total premiums costs and administrative fees associated with participation in DMC. It also forecasts payments that will be made during the coverage year.

For more information, access the tool at fsa.usda.gov/dmc-tool. For DMC sign up, eligibility and related program information, visit fsa.usda.gov or contact your local [USDA Service Center](#).

USDA Reopens Continuous CRP Signup

USDA's Farm Service Agency (FSA) will accept applications beginning June 3, 2019, for certain practices under the continuous Conservation Reserve Program (CRP) signup and will offer extensions for expiring CRP contracts. The 2018 Farm Bill reauthorized CRP, one of the country's largest conservation programs.

FSA stopped accepting applications last fall for the continuous CRP signup when 2014 Farm Bill authority expired. Since passage of the 2018 Farm Bill last December, Fordyce said FSA has carefully analyzed the language and determined that a limited signup prioritizing water-quality practices furthers conservation goals and makes sense for producers as FSA works to fully implement the program.

Continuous CRP Signup

This year's signup will include such practices as grassed waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices approved for this program.](#)

Continuous signup enrollment contracts are 10 to 15 years in duration. Soil rental rates will be set at 90 percent of the existing rates. Incentive payments will not be offered for these contracts.

Other CRP Signup Options

FSA will open a CRP general signup in December 2019 and a CRP Grasslands signup later.

CRP Contract Extensions

A one-year extension will be offered to existing CRP participants who have expiring CRP contracts of 14 years or less. Producers eligible for an extension will receive a letter describing their options.

Alternatively, producers with expiring contracts may have the option to enroll in the Transition Incentives Program, which provides two additional annual rental payments on the condition the land is sold or rented to a beginning farmer or rancher or a member of a socially disadvantaged group.

More Information

Producers interested in applying for continuous CRP practices, including those under existing CREP agreements, or who need an extension, should contact their USDA service center beginning June 3. To locate your local FSA office, visit www.farmers.gov. More information on CRP can be found at www.fsa.usda.gov/crp.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

Retired or retiring landowners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or underserved farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the retiring farmer for up to two additional years after the CRP contract expires, provided the transition is not to a family member.

Enrollment in TIP is on a continuous basis. Beginning, veteran or underserved farmers and ranchers and retiring CRP participants may enroll in TIP beginning one year before the expiration date of the CRP contract or Aug. 23. For example, if a CRP contract is scheduled to expire on Sept. 30, 2019, the land may be offered for enrollment in TIP beginning June 3, 2019, through Aug. 23, 2019. The Aug. 23 deadline allows the Natural Resources Conservation Service (NRCS) time to complete the TIP sustainable grazing or crop production conservation plans. The TIP application must be submitted prior to completing the lease or sale of the affected lands.

New landowners or renters must return the land to production using sustainable grazing or farming methods.

For more information on TIP, visit <https://www.fsa.usda.gov/conservation>.

Interest Rates - June 2019

FSA Farm Loans

Farm Operating - Direct	3.250%
Farm Ownership - Direct	3.875%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency Loan - Amount of Actual Loss	3.750%

Commodity Credit Corporation

CCC Borrowing Rate-Based Interest Charges		2.375%
Crop Year Commodity Loan (if less than 1 year)		3.375%
Farm Storage Facility Loan	3 year	2.250%
Farm Storage Facility Loan	5 year	2.250%
Farm Storage Facility Loan	7 year	2.375%
Farm Storage Facility Loan	10 year	2.500%
Farm Storage Facility Loan	12 year	2.500%

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