

July 2019



Farm Service Agency Electronic News Service

NEWSLETTER

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Michigan FSA Newsletter

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

Notes from the State Executive Director

Deadline to Report Spring-Seeded Crops Extended to July 22

The deadline to file crop acreage reports to FSA county offices and federal crop insurance agents for spring-seeded crops is extended to July 22 for agricultural producers in Michigan impacted by flooding and heavy moisture. See the *Deadline Extended to Report Spring-Seeded Crops* article below for more information.

Dairy Margin Coverage is Here

Signup began June 17 for the new [Dairy Margin Coverage](#) (DMC) program, the cornerstone program of the dairy safety net that helps dairy producers manage the volatility of milk and feed prices, operated by FSA. The DMC application deadline is Sept. 20, 2019.

See the *New Dairy Margin Coverage Signup - Available Now* article below for more information.

Disaster Declaration in Northern Lower Peninsula

Earlier this month, [15 northern lower peninsula counties were declared a primary or contiguous disaster area](#) due to excessive rain and high winds that occurred since Aug. 28, 2018 there.

Under this designation, producers with operations in Antrim, Benzie, Charlevoix, Cheboygan, Crawford, Grand Traverse, Kalkaska, Leelanau, Manistee, Missaukee, Montmorency, Oscoda, Otsego, Roscommon and Wexford counties may be eligible to apply for low interest emergency loans.

Deadline Extended to Report Spring-Seeded Crops

Producers in States Impacted by Floods and Heavy Moisture Must Report by July 22

USDA is extending the deadline to report acres for agricultural producers in states impacted by flooding and heavy moisture. This new July 22 deadline applies to producers in Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Ohio and Wisconsin for reporting spring-seeded crops to FSA county offices and crop insurance agents.

Filing a timely crop acreage report is important to maintaining eligibility for USDA conservation, disaster assistance, safety net, crop insurance, and farm loan programs. A crop acreage report documents all crops and their intended uses and is an important part of record-keeping for your farm or ranch.

Producers filing reports with FSA county offices are encouraged to set up an appointment before visiting the office. Producers who set up appointments before the July 22 deadline are considered timely filed, even if the appointment occurs after the deadline. Producers not in these select states must file spring-seeded crops by the original July 15 deadline.

USDA has taken additional steps to help impacted producers, including:

- Updating the haying and grazing date for producers who have planted cover crops on prevented plant acres;
- Offering special sign-ups through the Environmental Quality Incentives Program for assistance to plant cover crops; and
- Extending the deadline to report prevented plant acres in certain places.

To learn more, contact your [FSA county office](#) or visit fsa.usda.gov or farmers.gov/prevented-planting.

New Dairy Margin Coverage Signup - Available Now

The 2018 Farm Bill allowed USDA to construct the new [Dairy Margin Coverage Program](#) (DMC), which replaces the Margin Protection Program for Dairy (MPP-Dairy). This new program offers 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.

The program provides coverage retroactive to January 1, 2019, with applicable payments following soon after enrollment. At the time of signup, dairy producers can choose between the \$4.00 to \$9.50 coverage levels. [Learn more about coverage levels and premiums](#). The Farm Bill also allows producers who participated in MPP-Dairy from 2014-2017 [to receive a repayment or credit for part of the premiums paid into the program](#). FSA has been providing premium reimbursements to producers since last month and those that elect the 75 percent credit option will now have that credit applied toward 2019 DMC premiums.

The Department has built in a 50 percent blend of premium and supreme alfalfa hay prices with the alfalfa hay price used under the prior dairy program to provide a total feed cost that more closely aligns with hay rations used by many producers. At a milk margin minus feed cost of \$9.50 or less, payments are possible. With the 50 percent hay blend, FSA's revised April 2019 income over feed cost margin is \$8.82 per hundredweight (cwt). The revised margins for January, February and March are, respectively, \$7.71, \$7.91 and \$8.66 – triggering DMC payments for each month. DMC payments will be reduced by 6.2 percent in 2019 because of a sequester order required by Congress and issued in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985.

DMC offers catastrophic coverage at no cost to the producer, other than an annual \$100 administrative fee. Producers can opt for greater coverage levels for a premium in addition to the administrative fee. Operations owned by limited resource, beginning, socially disadvantaged or veteran farmers and ranchers may be eligible for a waiver on administrative fees. Producers have the choice to lock in coverage levels until 2023 and receive a 25-percent discount on their DMC premiums. To assist producers in making coverage elections, USDA partnered with the University of

Wisconsin to develop a [DMC decision support tool](#), which can be used to evaluate various scenarios using different coverage levels through DMC.

All dairy operations in the United States are eligible for the DMC program. An operation can be run either by a single producer or multiple producers who commercially produce and market cows' milk. Eligible dairy operations must have a production history determined by FSA. For most operations, production history is based on the highest milk production in 2011, 2012 and 2013. Newer dairy operations have other options for determining production history. Producers may contact their local FSA office to get their verified production history.

Dairy producers also are reminded that 2018 Farm Bill provisions allow for dairy operation to participate in both FSA's DMC program and the Risk Management Agency's [Livestock Gross Margin \(LGM-Dairy\)](#) program. There are also no restrictions from participating in DMC in conjunction with any other RMA insurance products.

For more information, visit [farmers.gov DMC webpage](#) or contact your local USDA service center. To locate your local FSA office, visit [farmers.gov/service-locator](#).

2019 County Committee Elections Nominations Due Aug. 1

FSA encourages all farmers, ranchers, and FSA program participants to take part in the County Committee election nomination process. County committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process. A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. One-third of the seats on these committees are open for election each year.

County committees may have an appointed advisor to further represent the local interests of underserved farmers and ranchers. Underserved producers are beginning, women and other minority farmers and ranchers and landowners and/or operators who have limited resources.

All nomination forms for the 2019 election must be postmarked or received in the local USDA service center by Aug. 1, 2019. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: *Eligibility to Vote and Hold Office as a COC Member* available online at: [fsa.usda.gov/elections](#).

Payments to Deceased Producers

In order to claim a FSA payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death. If a producer earned a FSA payment prior to becoming deceased, the following is the order of precedence of the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to

pay the deceased participant. Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

Joint Financing Option for Direct Farm Ownership Loans

FSA's [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations. Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$600,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit www.fsa.usda.gov. To find your local FSA office, visit <http://offices.usda.gov>.

Interest Rates - July 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	2.125%
Crop Year Commodity Loan (if less than 1 year)	3.125%
Farm Storage Facility Loan 3 year	1.875%
Farm Storage Facility Loan 5 year	1.875%
Farm Storage Facility Loan 7 year	2.000%
Farm Storage Facility Loan 10 year	2.125%
Farm Storage Facility Loan 12 year	2.250%

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