

July 2014



NEWSLETTER



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St. Clair/Macomb County FSA Updates

St. Clair/Macomb County FSA Office

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**Farm Loan Program
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**St. Clair/Macomb County
Committee:**
Ronald Beier - Chairman
John Busemann - Member
James Koss - Member
Charles Lewis - Member
Ronald Parks - Member
Loretta Domagalski - Advisor

**Next County Committee
Meeting:** September 17,
2014 at 9:00 am

USDA Announces Funding Availability for Turning Biomass Material into Energy

Farm Bill Implementation Continues as Energy Facilities Can Now Apply for Renewed Biomass Crop Assistance Program

The U.S. Department of Agriculture (USDA) will begin accepting applications June 16 from energy facilities interested in receiving forest or agricultural residues to generate clean energy. The support comes through the Biomass Crop Assistance Program (BCAP), which was authorized by the 2014 Farm Bill.

BCAP provides financial assistance to farmers and ranchers who establish and maintain new crops of energy biomass, or who harvest and deliver forest or agricultural residues to a qualifying energy facility. Of the total \$25 million per year authorized for BCAP, the 2014 Farm Bill provides up to 50 percent (\$12.5 million) each year for matching payments for the harvest and transportation of biomass residues. BCAP matching payments will resume this summer, while crop incentives will begin in 2015. Some matching payments will support the removal of dead or diseased trees from National Forests and Bureau of Land Management public lands. This will be turned into renewable energy while reducing the risk of forest fire. Agriculture residues, such as corn cobs and stalks, also may qualify as energy-producing feedstock.

With the 2014 Farm Bill requiring several regulatory updates to BCAP, the resumption of payments for starting and maintaining new sources of biomass (Project Areas) has been deferred until a later date when the regulatory updates occur.

The USDA Farm Service Agency (FSA), which administers BCAP, will begin accepting applications from biomass conversion facilities beginning June 16, 2014, through July 14, 2014. Information on funding availability can be found in the Federal Register notice at <http://go.usa.gov/8FSH>. For more details on applications and deadlines on BCAP, visit a local FSA county office or go online to www.fsa.usda.gov/bcap.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

USDA Kicks off the 2014 "Feds Feed Families" Nationwide Food Drive

USDA kicked off the 6th annual Feds Feed Families Campaign on June 2, 2014.

The food drive is an annual event in which Federal employees, nationwide, collect food for distribution by food banks, food pantries, and shelters.

The Feds Feed Families program started in 2009. The 2014 food drive officially began on June 2 and will run through August 27.

All Federal agencies across the country participate in the campaign and Federal employees are asked to donate non-perishable food items throughout the summer. Donations are given to local food banks across the country – having a positive impact to help food banks address food insecurity. Secretary Vilsack noted that the latest USDA estimates show that in 2012, food insecurity affected 14.5 percent of American households at some point.

If you are interested in making a donation to the annual "Feds Feed Families" Food Drive, please contact your local USDA Service Center at 810-984-3865 x2.

For more information on the Feds Feed Families campaign, please visit: <http://www.usda.gov/fedsfeedfamilies>.

USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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 be notifying producers selected for review. 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.

Succession in Interest

If you have made any changes that affect your interest in base acres since you signed your last Direct and Counter-cyclical Program contract, you must report these **successions-in-interest** to the county committee by Sept. 30, so that a final determination can be made on who is eligible for the program on the farm.

Changes that qualify as a succession-in-interest include:

- A sale of land
- A change of operator or producer, including an increase or decrease in the number of partners
- A foreclosure, bankruptcy or involuntary loss of the farm
- A change in producer shares to reflect changes in the producer's share of the crop(s) that were originally approved on the contract.

If a succession-in-interest has taken place, you, as the "predecessor," are required to refund any advance DCP payments you received for the affected base acres before a payment can be made to the "successor."

Not reporting a succession-in-interest can result in contract termination and a loss of program benefits for all producers involved.

Land Contract (LC) Guarantees

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning or socially disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

FSA offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property.

For additional information you can read the [Land Contract Guarantee Program Fact Sheet](#).

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).