

August 2014



NEWSLETTER



- [USDA Notifies Producers on Acreage History and Yields](#)
- [Filing for NAP Losses](#)
- [Margin Protection Program for Dairy Producers](#)
- [USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes](#)
- [Disaster Assistance for 2012 Frost or Freeze Fruit Crop Losses Announced](#)
- [Tree Assistance Program \(TAP\) Sign-up Continues](#)
- [New Farm Bill Offers Increased Opportunities for Producers](#)
- [Interest Rates for August 2014](#)

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 Notifies Producers on Acreage History and Yields

Written notifications from USDA are underway to farmers that provide updates on their current base acres, yields and 2009-2012 planting history.

Please cross check the letter from USDA with your farm records. If the information is correct, no further action is needed at this time, but if our letter is incomplete or incorrect, contact your local FSA office as soon as possible.

Verifying the accuracy of data on a farm's acreage history is a required early step for enrolling in the upcoming Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program. Later this summer, farmers and ranchers will have an opportunity to update their crop yield information and reallocate base acres.

By mid-winter all producers on a farm will be required to make a one-time, unanimous and irrevocable election between price protection and county revenue protection or individual revenue protection for 2014-2018 crop years. Producers can expect to sign contracts for ARC or PLC for the 2014 and 2015 crop years in the spring of 2015.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (includes short grain rice and temperate japonica rice), safflower seed, sesame, soybeans, sunflower seed, and wheat. Upland cotton is no longer a covered commodity.

Visit www.fsa.usda.gov or the local FSA office for information about FSA and the 2014 Farm Bill programs.

Filing for NAP Losses

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Margin Protection Program for Dairy Producers

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 1, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of \$100 and a premium, as applicable, for higher levels of coverage. Producers in the dairy operation will have to select a desired coverage level ranging from \$4.00 to \$8.00, in \$0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency (RMA), but they will not be allowed to participate in both.

A decision tool will be made available in the fall of 2014 to help producers make coverage level decisions. Enrollment will also begin this fall. Dairy operators will establish their production history during signup. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available.

USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes

Changes mandated through the 2014 Farm Bill require producers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 form must be on file with the FSA. Since many FSA and Natural Resource Conservation (NRCS) programs have this requirement, most producers should already have an AD-1026 on file. If producers have not filed, they must do so by June 1, 2015.

When a farmer completes the AD-1026, FSA and NRCS staff will outline any additional actions that may be required for compliance with the provisions. The Risk Management Agency, through the Federal Crop Insurance Corporation (FCIC), manages the federal crop insurance program that provides the modern farm safety net for American farmers and ranchers.

Since enactment of the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to compliance with the highly erodible land conservation and wetland conservation provisions. The 2014 Farm Bill continues the requirement that producers adhere to conservation compliance guidelines to be eligible for most programs administered by FSA and NRCS. This includes the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs.

FSA recently released a revised form AD-1026, which is available at USDA Service Centers and online at: www.fsa.usda.gov. USDA will publish a rule later this year that will provide details outlining the connection of conservation compliance with crop insurance premium support. Producers can also contact their local USDA Service Center for information. A listing of service center locations is available at www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/.

Disaster Assistance for 2012 Frost or Freeze Fruit Crop Losses Announced

Producers who experienced losses to bush or tree fruit crops due to frost or freeze during the 2012 crop year may be eligible for assistance through the Noninsured Crop Disaster Assistance Program (NAP). The program, authorized by the 2014 Farm Bill, provides supplemental NAP payments to eligible producers.

Farmers who did not have access to crop insurance and are in primary and adjacent counties that received a Secretarial disaster designation because of frost or freeze in 2012 are eligible for NAP assistance. Losses due to weather damage or other adverse natural occurrences may also qualify for program assistance.

NAP enrollment begins July 22, 2014. Applications must be submitted to FSA county offices by Sept. 22, 2014.

To expedite applications, producers who experienced losses are encouraged to collect records documenting these losses in preparation for sign-up. Producers also are encouraged to contact their FSA county office to schedule an appointment. Limited resource, socially disadvantaged, and beginning producers are eligible for premium reductions and also may be eligible for fee reductions.

Interested producers can view the 2012 NAP Coverage for Frost, Freeze or Weather Related Fruit Losses Fact Sheet at <http://go.usa.gov/5kSQ>, or visit a local FSA office. To find out if land is located in an eligible frost/freeze county, visit <http://go.usa.gov/53rz>.

Tree Assistance Program (TAP) Sign-up Continues

As of Tuesday, April 15, 2014, 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.

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.

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.

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 the 15 year term limit 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 Payment Loan Program 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 guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward direct operating 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.

Interest Rates for August 2014

90-Day Treasury Bill - 0.125%

Farm Operating Loans — Direct - 2.125%

Farm Ownership Loans — Direct - 3.75%

Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher - 1.50%

Emergency Loans - 3.125%

Farm Storage Facility Loans - (7 years) 2.125% - (10 years) 2.625% - (12 years) 2.750%

Sugar Storage Facility Loans - 2.875%

Commodity Loans 1996-Present - 1.125%

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).