

May 2015



NEWSLETTER



Having trouble viewing this email? [View it as a Web page.](#)

- [Tree Assistance Program \(TAP\) Sign-Up](#)
- [2015 Acreage Reporting Dates](#)
- [Farm Bill Offers Increased Opportunities for Producers](#)
- [ARC, PLC and CTAP Acreage Maintenance](#)
- [USDA Implements 2014 Farm Bill Provision to Limit Payments to Non-Farmers](#)
- [USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes](#)
- [Maintaining the Quality of Loaned Grain](#)
- [Unauthorized Disposition of Grain](#)
- [Important Dates to Remember](#)

Michigan FSA Newsletter

Michigan Farm Service Agency

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David Russ, Farm Loan
Eric Fischer, Production Adjustment
Ken Schapman, Price Support
Dale Allen, Conservation

Please contact your local FSA Office for questions specific to your operation or county.

Tree Assistance Program (TAP) Sign-Up

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2015 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. 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.

2015 Acreage Reporting Dates

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are applicable:

- May 31, 2015: (2016 crop) **Nursery**(Ornamental and Non-Ornamental)
- July 15, 2015: **Beans** (Adzuki, Black Turtle, Cranberry, Great Northern, Kidney, Dark Red Kidney, Light Red Kidney, White Kidney, Pinto, Small Red, Small White/Navy, Tebo, *--Yellow Eye), **Cabbage** (Planted 3/31-5/31), **Cucumbers** (Planted 5/10-6/15), **Forage Seeding** (new seedings), **all other crops**
- August 15, 2015: **Beans (all other types)**, **Cabbage (Planted 6/1-7/20)**, **Cucumbers** (Planted 5/15-7/20 in Arenac, Bay, Gladwin, Gratiot, Ionia, Isabella, Mecosta, Midland, Montcalm, Newaygo, Saginaw, Sanilac, and Tuscola Counties), **Cucumbers** (Planted 5/10-7/31 in Allegan, Muskegon, and Ottawa Counties), **Cucumbers** (Planted 6/16-8/5 in St. Joseph County)--*
- September 30, 2015: (2016 Crop) **Aquaculture, Christmas Trees, Floriculture, Ginseng, Mushrooms, Turfgrass Sod**
- November 15, 2015: (2016 crop) **Perennial Forage, Fall-Seeded Small Grains**
- January 2, 2016: (2016 crop) **Honey** (remember to report directly after moving or splitting colonies)
- January 15, 2016: (2016 crop) **Apples, Apricots, Asparagus, Blueberries, Caneberries, Cherries, Chestnuts, Cranberries, Currants, Grapes, Nectarines, Peaches, Pears, Plums, Prunes, Rhubarb, and Strawberries.**
- February 1, 2016: (2016 crop) **Maple Sap**

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 took 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.

ARC, PLC and CTAP Acreage Maintenance

Producers enrolled in Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) or the Cotton Transition Assistance Program (CTAP) must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC, PLC or CTAP, the County Committee may elect to terminate the contract for the program year.

A list of noxious weeds can be found on the following website: <http://plants.usda.gov/java/noxiousDriver>.

USDA Implements 2014 Farm Bill Provision to Limit Payments to Non-Farmers. *Department Proposes Changes to "Actively Engaged" Rule*

USDA proposed a rule to limit farm payments to non-farmers, consistent with requirements Congress mandated in the 2014 Farm Bill. The proposed rule limits farm payments to individuals who may be designated as farm managers but are not actively engaged in farm management. In the Farm Bill, Congress gave USDA the authority to address this loophole for joint ventures and general partnerships, while exempting family farm operations from being impacted by the new rule USDA ultimately implements.

The current definition of "actively engaged" for managers, established in 1987, is broad, allowing individuals with little to no contributions to critical farm management decisions to receive safety-net payments if they are classified as farm managers, and for some operations there were an unlimited number of managers that could receive payments.

The proposed rule seeks to close this loophole to the extent possible within the guidelines required by the 2014 Farm Bill. Under the proposed rule, non-family joint ventures and general partnerships must document that their managers are making significant contributions to the farming operation, defined as 500 hours of substantial management work per year, or 25 percent of the critical management time necessary for the success of the farming operation. Many operations will be limited to only one manager who can receive a safety-net payment. Operators that can demonstrate they are large and complex could be allowed payments for up to three managers only if they can show all three are actively and substantially engaged in farm operations. The changes specified in the rule would apply to payment eligibility for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, loan deficiency payments and marketing loan gains realized via the Marketing Assistance Loan program.

As mandated by Congress, family farms will not be impacted. There will also be no change to existing rules for contributions to land, capital, equipment, or labor. Only non-family farm general partnerships or joint ventures comprised of more than one member will be impacted by this proposed rule.

Stakeholders interested in commenting on the proposed definition and changes are encouraged to provide written comments at www.regulations.gov by **May 26, 2015**. The proposed rule is available at <http://go.usa.gov/3C6Kk>.

USDA Reminds Farmers of 2014 Farm Bill Conservation Compliance Changes

The 2014 Farm Bill implements a change that requires farmers 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 certification form must be on file with the FSA. The Risk Management Agency (RMA), 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 most financial assistance such as the

new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans and most programs implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs implemented by NRCS.

Many FSA and Natural Resource Conservation (NRCS) programs already have implemented this requirement and therefore most producers should already have an AD-1026 form on file for their associated lands. If an AD-1026 form has not been filed or is incomplete, then farmers are reminded of the deadline of June 1, 2015.

When a farmer completes and submits the AD-1026 certification form, FSA and NRCS staff will review the associated farm records and outline any additional actions that may be required to meet the required compliance with the conservation compliance provisions.

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 offices.usda.gov.

Maintaining the Quality of Loaned Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

Important Dates to Remember

- **May 25, 2015:** Offices CLOSED in Observance of Memorial Day
- **May 31, 2015:** Final Marketing Assistance Loan and LDP Availability date for Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans, and Sunflower Seed
- **May 31, 2015:** 2016 NAP sales closing date for Nursery stock (ornamental and non-ornamental)
- **July 15, 2015:** Certification Deadline for **Beans** (Adzuki, Black Turtle, Cranberry, Great Northern, Kidney, Dark Red Kidney, Light Red Kidney, White Kidney, Pinto, Small Red, Small White/Navy, Tebo, *--Yellow Eye), **Cabbage** (Planted 3/31-5/31), **Cucumbers** (Planted 5/10-6/15), **Forage Seeding** (new seedings), **all other crops**
- **September 30, 2015:** NAP sales closing date for Fall Seeded Small Grains, Forage and Grazing Crops
- **Continuous:** Farm Loan applications may be accepted at any time.
- **Continuous:** Continuous Conservation Reserve Program offers may be made at any time (includes CREP and SAFE).

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).