**September 2014**

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# St. Clair/Macomb County FSA Updates

## St. Clair / Macomb County FSA Office


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Ronald Beier - Chairman
John Busemann - Member
James Koss - Member
Charles Lewis - Member
Ronald Parks - Member
Loretta Domagalski - Advisor

**Next County Committee Meeting::** December 4, 2014 at 9:00 am

## 2015 Acreage Reporting Deadline for Perennial Forage and Fall Seeded Crops – November 15, 2014

Acreage reports are required to maintain eligibility for multiple program benefits. The deadline to report 2015 perennial forage and fall seeded crops is November 15, 2014. Acreage reports should reflect accurate crop types, acreages, intended uses and irrigation practices. Acreage reported to FSA should be consistent between FSA and crop insurance provider, if applicable. If a crop's intended use later changes, producers may update their report with the actual use. Perennial forage that is "left-standing" does not have to be reported until July 15, 2014.

Prevented planted acres must be reported within 15 days of the final planting date for the crop. Failed acres must be reported before disposition of the crop. It is important to notify FSA timely of all acres that were prevented from being planted or that failed due to a natural disaster event.

## 2014 MAL and LDP Requests

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date. MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, wool, mohair and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available. The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed $125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agricultural risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements. Adjusted Gross Income (AGI) provisions

(continued) - were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds $900,000 is not eligible to receive an MLG or LDP. National and county loans rates for 2014 crops are posted on the FSA website at: www.fsa.usda.gov/pricesupport.

For more information, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

## USDA Unveils Key New Programs to Help Farmers Manage Risk

USDA Launches Education Efforts to Help Producers Choose New Program Right for Them The U.S. Department of Agriculture (USDA) has unveiled highly anticipated new programs to help farmers better manage risk. New tools are now available to help provide farmers the information they need to choose the new safety net program that is right for their business. These new initiatives are based on market forces and include county – and individual – coverage options. The new programs, Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC), are cornerstones of the commodity farm safety net programs in the 2014 Farm Bill, legislation that ended direct payments. Both programs offer farmers protection when market forces cause substantial drops in crop prices and/or revenues. Producers will have through early spring of 2015 to select which program works best for their businesses.

To help farmers choose between ARC and PLC, USDA helped create online tools that allow farmers to enter information about their operation and see projections about what each program will mean for them under possible future scenarios. The new tools are now available at www.fsa.usda.gov/arc-plc. USDA provided $3 million to the Food and Agricultural Policy Research Institute (FAPRI) at the University of Missouri and the Agricultural and Food Policy Center (AFPC) at Texas A&M (co-leads for the National Association of Agricultural and Food Policy), along with the University of Illinois (lead for the National Coalition for Producer Education) to develop the new programs. Starting Monday, Sept. 29, 2014, farm owners may begin visiting their local Farm Service Agency (FSA) office to update their yield history and/or reallocate base acres, the first step before choosing which new program best serves their risk management needs. Letters sent this summer enabled farm owners and producers to analyze their crop planting history in order to decide whether to keep their base acres or reallocate them according to recent plantings. The next step in USDA's safety net implementation is scheduled for this winter when all producers on a farm begin making their election, which will remain in effect for 2014-2018 crop years, between the options offered by ARC and PLC. Please contact your local FSA office to learn more about the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs.

## Margin Protection Program for Dairy Producers

Farmers can now enroll in the new dairy Margin Protection Program. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating farmers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

The U.S. Department of Agriculture (USDA) also launched a new Web tool to help producers determine the level of coverage under the Margin Protection Program that will provide them with the strongest safety net under a variety of conditions. The online resource, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections.

The Margin Protection Program, which replaces the Milk Income Loss Contract program, gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment began Sept. 2 and ends on Nov. 28, 2014, for 2014 and 2015. Participating farmers must remain in the program through 2018 and pay a minimum $100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year.

Dairy operations enrolling in the new program must comply with conservation compliance provisions and cannot participate in the Livestock Gross Margin dairy insurance program. Farmers already participating in the Livestock Gross Margin program may register for the Margin Protection Program, but the new margin program will only begin once their Livestock Gross Margin coverage has ended.

## 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.

## 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.

## Dates to Remember

**November 3, 2014** - 2014 ELAP notice of loss and application for payment deadline
**November 17, 2014** - Final acreage reporting date (2015 perennial forage and fall seeded crops)
**November 28, 2014** - 2014 and 2015 MPP registration and coverage level election deadline
**December 1, 2014** - Official ballot for FSA committee elections (FSA-669) must be returned to the County FSA Office or postmarked
**February 2, 2015** - Final loan availability date for LDP or MAL for mohair, unshorn pelts (LDP only), and wool
**March 31, 2015** - Final loan availability date for LDP or MAL for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed
**June 1, 2015** - Final loan availability date for LDP or MAL for corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans and sunflower seed

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