

March 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

GovDelivery

- [State Executive Director's Desk](#)
- [Just Around the Corner](#)
- [USDA Encourages Producers to Consider NAP Risk Protection Coverage before Crop Sales Deadlines](#)
- [Wetland Mitigation Banks](#)
- [ARC/PLC Acreage Maintenance](#)
- [Farm Storage Facility Loans](#)
- [Direct Loans](#)
- [March 2018 Interest Rates](#)

Michigan FSA Newsletter

State Farm Service Agency

3001 Coolidge Road,
Suite 350
East Lansing, MI 48429

Phone: 517-324-5110
Fax: 855-647-0827

www.fsa.usda.gov/mi

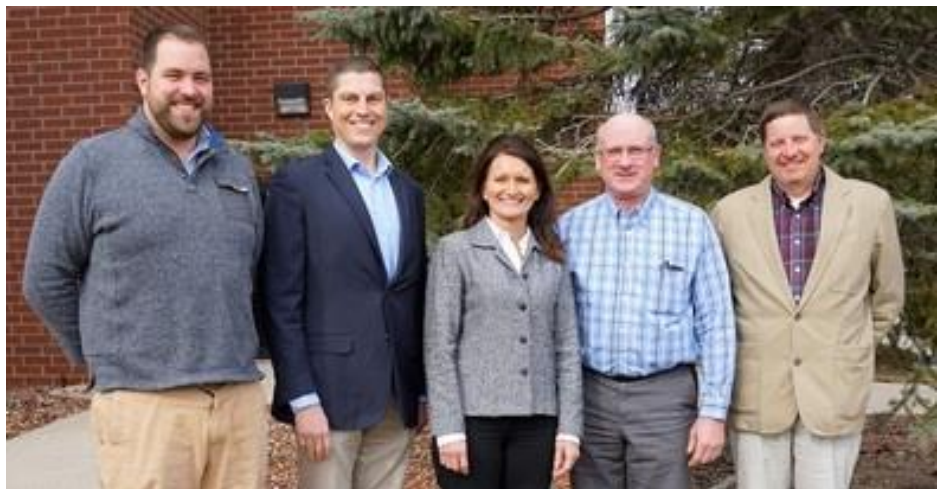
State Executive Director:
Joel Johnson

State Committee:
Sally McConnachie, Chair
Blaine Baker
Ben LaCross
Matt Schwab
Isaiah Wunsch

Division Chiefs:
David Russ, Farm Loan
Greg Todd, Prod. Adjustment
Ken Schapman, Price Sppt.
Dale Allen, Conservation

To find contact information for your local office go to www.fsa.usda.gov/mi.

State Executive Director's Desk



Michigan FSA hosted the first 2018 State Committee Meeting with the newly appointed Michigan FSA State Committee on 5 to 6 March in East Lansing. The committee members went straight to work on FSA business, ensuring the effective, efficient and equitable administration of farm programs for farmers and ranchers of Michigan.

Pictured left to right: Isaiah Wunsch, Ben LaCross, Sally McConnachie (chair), Blaine Baker and Matt Schwab.

Just Around the Corner

March 15: NAP application closing date for spring planted grains and most vegetables

March 31: MAL and LDP deadline for prior year harvested wheat, barley, canola, crambe, flaxseed, honey, oats, rapeseed and sesame

May 1: NAP application closing date for nursery crops

May 28: Offices closed for Memorial Day

May 31: Acreage reporting deadline for crop year 2019 nursery crops

May 31: MAL and LDP deadline for prior year harvested corn, soybeans and other oilseeds, rice, grain sorghum and pulse crops

The dates here are provided for general reference. Some areas and crops may have dates that differ from the general guidelines above. It is the producer's responsibility to personally verify deadlines applicable to each farm's crops with their local Farm Service Agency county office.

USDA Encourages Producers to Consider NAP Risk Protection Coverage before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

Wetland Mitigation Banks

Producers participating in programs administered by the USDA are required to abide by certain conditions on any land owned or farmed that is considered a wetland. To maintain compliance with wetland conservation provisions, producers must agree, by certifying on form AD-1026, they will not plant an agricultural commodity on a converted wetland or convert a wetland to produce an agricultural commodity.

USDA conservation compliance requires any farmer who converts a wetland for commodity production to offset that loss through mitigation to maintain eligibility for USDA benefits.

Wetland mitigation banks allow farmers to remove or alter wetlands in their fields in exchange for purchasing credits in a mitigation bank. The credits correspond to an area of the mitigation bank that at least equals the size of the altered field wetlands. The price of the credits is negotiated between the buyer and seller.

There are 10 wetland mitigation banks in the nation, including one in Michigan. To learn more about purchasing credits in a mitigation bank, contact your local USDA service center or the Michigan Municipal Wetlands Alliance at www.MichiganWetlands.com, 517-853-5806 or info@michiganwetlands.com.

ARC/PLC Acreage Maintenance

Producers enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs 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 or PLC, the County Committee may elect to terminate the contract for the program year.

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$100,000 can be secured by a promissory note/security agreement. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

Direct Loans

FSA offers direct farm ownership and direct farm operating Loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

March 2018 Interest Rates

Farm Ownership and Farm Operating Loans:

- Farm Operating - Direct: 3.250%
- Farm Ownership - Direct: 3.750%
- Farm Ownership - Direct, Joint Financing: 2.500%
- Farm Ownership - Down Payment: 1.500%
- Emergency Loan - Amount of Actual Loss: 3.750%

Crop Year 2017 Commodity Loans:

- Crop year commodity loans less than 1 year: 2.875% per annum*
- CCC borrowing rate-base interest charges: 1.875% per annum*

Farm Storage Facility Loans:

- 3 year loan terms: 2.225% per annum
- 5 year loan terms: 2.500% per annum
- 7 year loan terms: 2.750% per annum
- 10 year loan terms: 2.750% per annum
- 12 year loan terms: 2.750% per annum

* Corrected from earlier March Newsletter edition, with incorrectly showed the interest rate for February 2018.

USDA is an equal opportunity provider, employer and lender. 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).