

August 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

GovDelivery

- [Note from the Production Adjustment Chief](#)
- [Just Around the Corner](#)
- [USDA Encourages Producers to Consider NAP Risk Protection Coverage before Crop Sales Deadlines](#)
- [CRP Participants Must Maintain Approved Cover on Acreages Enrolled in CRP and Farm Programs](#)
- [Reporting Wind Turbines Constructed on Cropland](#)
- [FSA Offers Joint Financing Option on Direct Farm Ownership Loans](#)
- [Interest Rates - August 2018](#)

Michigan FSA Newsletter

Michigan 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
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 offices.usda.gov.

Note from the Production Adjustment Chief

Almost \$1.6 million in disaster assistance was provided to Michigan farmers through the Non-Insured Crop Disaster Assistance Program (NAP) last year.

Even if you protect your non-insurable crops under the NAP program, timely notification of disaster conditions, crop loss and completion of harvest is critical to receiving disaster assistance, should your crops be damaged by unseasonal weather. However, the notification requirements may be different depending on the type of crop covered.

For production losses on hand-harvested crops and certain perishable crops covered by NAP, producers must notify the local FSA office that a loss has occurred within 72 hours of the date the loss first became apparent. Additionally, for all NAP claims, the producer must file a Notice of Loss within 15 days of the disaster event or when the loss becomes apparent or within 15 days of the normal harvest date.

Producers of hand-harvested crops and certain perishable crops covered by NAP must also provide notification within 72 hours of completion of harvest of that crop. Almost 50% of all 5,411 NAP-eligible crops in Michigan are considered hand-harvested or perishable and fall under the 72-hour notification requirements.

The 72-hour requirement enables FSA-certified loss adjusters to visit the field and accurately assess the perishable crop loss before crop conditions change. This way FSA can verify the loss and perform appraisals if necessary. These field visits, along with required post-harvest appraisals, are critical to maintaining eligibility for payment and for the calculation of benefits.

NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

Just Around the Corner

August 17: CRP signup 51 deadline to sign offer for enrollment

September 1: NAP coverage application closing date for value loss crops

September 30:

- Acreage reporting deadline for value loss crops
- NAP coverage application closing date for fall planted small grains, including spring planted barley and oats/pea mix, biannual and perennial grasses for hay and grazing, alfalfa, clover and mixed forages
- 2018 fiscal year concludes

October 1: 2019 fiscal year begins

October 8: Offices closed for Columbus Day

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. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

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.

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.

CRP Participants Must Maintain Approved Cover on Acreages Enrolled in CRP and Farm Programs

Conservation Reserve Program (CRP) participants are responsible for ensuring adequate, approved vegetative and practice cover is maintained to control erosion throughout the life of the contract after the practice has been established. Participants must also control undesirable vegetation, weeds (including noxious weeds), insects and rodents that may pose a threat to existing cover or adversely impact other landowners in the area.

All CRP maintenance activities, such as mowing, burning, disking and spraying, must be conducted outside the primary nesting or brood rearing season for wildlife, which for Michigan is May 1 through July 31. However, spot treatment of the acreage may be allowed during the primary nesting or brood rearing season if, left untreated, the weeds, insects or undesirable species would adversely impact the approved cover. In this instance, spot treatment is limited to the affected areas in the field and requires County Committee approval prior to beginning the spot treatment. The County Committee will consult with NRCS to determine if such activities are needed to maintain the approved cover.

Annual mowing of CRP for generic weed control or cosmetic purposes is prohibited at all times.

Reporting Wind Turbines Constructed on Cropland

Producers who have wind turbines constructed on their farms should notify the local Farm Service Agency office. Any area that is no longer considered suitable as cropland (producing annual or perennial crops) should be designated in FSA's records and aerial photography maps. When base acres on a farm are converted to a non-agricultural commercial or industrial use, the total base acres on the farm must be reduced accordingly. Non-cropland areas used for wind turbines might impact payments calculated using base acres, such as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) and Conservation Reserve Program (CRP) annual rental payments.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$300,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit www.fsa.usda.gov. To find your local FSA office, visit <http://offices.usda.gov>.

Interest Rates - August 2018

Farm Ownership and Farm Operating Loans

- Farm Operating - Direct: 3.750%
- Farm Ownership - Direct: 4.125%
- 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

- CCC borrowing rate-base interest charges: 2.375% per annum
- Crop year commodity loans less than 1 year: 3.375% per annum

Farm Storage Facility Loans

- 3 year loan terms: 2.625% per annum
- 5 year loan terms: 2.750% per annum
- 7 year loan terms: 2.875% per annum
- 10 year loan terms: 2.875% per annum
- 12 year loan terms: 2.875% per annum

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).