USDA Farm Service Agency
U.S. DEPARTMENT OF AGRICULTURE

Michigan Farm Service Agency Newsletter - September 19, 2022

In This Issue:

Just Around the Corner

Grains, Hay & Forages

Sept. 30 is the Noninsured Crop Disaster Assistance Program (NAP) application deadline for 2023 crop year fall planted small grains, spring planted barley, spring wheat, wild rice, biannual and perennial grasses for hay and grazing, alfalfa, clover, spring seeded oats/pea mix for forage, wheat for forage, and mixed forages.

Specialty Crops

Sept. 30 is the acreage reporting deadline for 2023 value loss crops.

Organic

Oct. 31 is the application deadline for 2022 program year Organic and Transitional Education and Certification Program.

Oct. 31 is the application deadline for 2022 program year Organic Certification Cost Share Program.

More Information

This information is for general awareness. Program deadlines may change or vary by county. Be sure to verify program deadlines for your land or operation by contacting your local USDA Service Center.

USDA to Invest up to $300 million in New Organic Transition Initiative

Agriculture Secretary Tom Vilsack announced details of the U.S. Department of Agriculture's (USDA) $300 million investment, including with American Rescue Plan funds, in a new Organic Transition Initiative that will help build new and better markets and streams of income for farmers and producers. Organic production allows producers to hold a unique position in the marketplace and thus take home a greater share of the food dollar.

According to the USDA National Agricultural Statistics Service, the number of non-certified organic farms actively transitioning to organic production dropped by nearly 71 percent since 2008. Through the comprehensive support provided by this initiative USDA hopes to reverse this trend, opening opportunities for new and beginning farmers and expanding direct consumer access to organic foods through increased production.

The initiative will deliver wrap-around technical assistance, including farmer-to-farmer mentoring; provide direct support through conservation financial assistance and additional crop insurance assistance, and support market development projects in targeted markets.

USDA's Agricultural Marketing Service (AMS), Risk Management Agency (RMA) and Natural Resources Conservation Service (NRCS) are the primary agencies supporting the Initiative, which will focus on three areas.

Transition to Organic Partnership Program

Through this initiative, USDA aims to ensure that farmers transitioning to organic have the support they need to navigate that transition, including a full supply chain to American consumers who demand organic choices in their supermarkets daily. AMS will build partnership networks in six regions across the United States with trusted local organizations serving direct farmer training, education, and outreach activities. The organizations will connect transitioning farmers with mentors, building paid mentoring networks to share practical insights and advice. Each regional team will also provide community building, including train-the-mentor support; as well as technical assistance, workshops, and field days covering topics including organic production practices, certification, conservation planning, business development (including navigating the supply chain), regulations, and marketing to help transitioning and recently transitioned producers overcome technical, cultural, and financial shifts during and immediately following certification. USDA will provide up to $100 million for this program.

Direct Farmer Assistance

NRCS will develop a new Organic Management conservation practice standard and offer financial and technical assistance to producers who implement the practice. Payments will be modeled on those already available to producers meeting the existing nutrient and pest management conservation practice standards. USDA will provide $75 million for this effort. This will include an increase in organic expertise throughout its regions, creating organic experts at each of its regional technology support centers. These experts will train staff who provide direct services to USDA customers. These services include hosting hands-on organic training for state and field NRCS staff and fielding organic-related staff questions.

USDA will provide $25 million to RMA for the new Transitional and Organic Grower Assistance Program (TOGA) which will support transitioning and certain certified organic producers' participation in crop insurance, including coverage of a portion of their insurance premium.

Organic Pinpointed Market Development Support

Stakeholders have shared that specific organic markets have market development risks due to inadequate organic processing capacity and infrastructure, a lack of certainty about market access, and insufficient supply of certain organic ingredients. This AMS initiative will focus on key organic markets where the need for domestic supply is high, or where additional processing and distribution capacity is needed for more robust organic supply chains. Examples of markets seeking support include organic grain and feed; legumes and other edible rotational crops; and livestock and dairy. USDA will invest up to $100 million to help improve organic supply chains in pinpointed markets. The Department will seek stakeholder input on these pinpointed initiatives beginning in September, resulting in an announcement of specific policy initiatives later this year.

Other USDA Organic Assistance

This USDA initiative complements existing assistance for organic producers, including FSA's Organic Certification Cost Share Program (OCCSP) and Organic and Transitional Education and Certification Program (OTECP). OCCSP helps producers obtain or renew their organic certification, and OTECP provides additional funding to certified and transitioning producers during the pandemic.

NRCS offers conservation programs, such as the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP), which can provide assistance to help with managing weeds and pests, and establishing high tunnels, improving soil health, and implementing other practices key to organic operations. RMA also administers federal crop insurance options available to organic producers, including Whole Farm Revenue Protection and Micro Farm.

Crop Insurance Deadline Nears in Michigan for Wheat Producers

The USDA's Risk Management Agency (RMA) reminds Michigan wheat growers that the final date to apply for crop insurance coverage or for current policyholders to make changes to their existing policy for the 2023 crop year is the sales closing date of September 30.

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy. Producers may select from several coverage options, including yield coverage, revenue protection, and area risk policies.

For producers without insurance, contact a crop insurance agent to get information on coverages, options, and premium cost. For producers who have coverage, this is the time to review your policy with an agent to make sure it meets your needs.

One option added last year was the Quality Loss Option. This is an option you may elect to improve your Actual Production History (APH) for years in which you suffered a quality loss. The Quality Loss Option must be elected by the sales closing date of September 30. When elected, the quality loss will replace post-quality adjusted production with the pre-quality adjusted production for any year the insured filed a Notice of Loss. For more information on this and other crop insurance options, contact your crop insurance agent.

RMA is authorizing additional flexibilities due to coronavirus while continuing to support producers, working through Approved Insurance Providers (AIPs) to deliver services, including processing policies, claims and agreements. RMA staff are working with AIPs and other customers by phone, mail and electronically to continue supporting crop insurance coverage for producers. On farmers.gov, you can find more information on USDA's response and relief for producers and use other tools and resources.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA Agent Locator. Learn more about crop insurance and the modern farm safety net at rma.usda.gov. If producers have additional questions, they can contact RMA's Regional Office in Springfield at (217) 241-6600.

USDA touches the lives of all Americans each day in so many positive ways. In the Biden-Harris Administration, USDA is transforming America's food system with a greater focus on more resilient local and regional food production, fairer markets for all producers, ensuring access to healthy and nutritious food in all communities, building new markets and streams of income for farmers and producers using climate smart food and forestry practices, making historic investments in infrastructure and clean energy capabilities in rural

America, and committing to equity across the Department by removing systemic barriers and building a workforce more representative of America. To learn more, visit usda.gov.

Margin Protection Crop Insurance Deadline Nears

The USDA's Risk Management Agency (RMA) reminds corn and soybean growers that the final date to apply for the Margin Protection insurance plan for the 2023 crop year is September 30. This policy is available in select counties in Illinois, Indiana, Michigan, and Ohio.

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy.

Margin Protection is an area-based insurance plan that provides coverage against an unexpected decrease in operating margin (revenue less input costs), caused by reduced county yields, reduced commodity prices, increased prices of certain inputs, or any combination of these perils. Because Margin Protection is area-based (average for a county), an individual farm may have a decrease in its margin but not receive an indemnity or vice-versa.

You can buy Margin Protection and also buy a Yield Protection policy or a Revenue Protection policy (denoted as a base policy) on the same acreage.

To learn more about Margin Protection, please contact a crop insurance agent. There is also a national fact sheet on Margin Protection as well as Frequently Asked Questions on the RMA Website.

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RMA Revises Crop Insurance for Cherries and Broadens Access

The U.S. Department of Agriculture (USDA) is revising crop insurance programs for cherries for the 2023 and succeeding crop years. USDA's Risk Management Agency (RMA) is making changes to the Actual Revenue History (ARH) Pilot Endorsement, ARH Sweet Cherry Pilot Crop Provisions, and ARH Tart Cherry for Processing Pilot Crop Provisions.

"We are making these improvements to the crop insurance programs for cherries to provide more insurance coverage availability to producers," said RMA Springfield Regional Office Director Brian Frieden. "These revisions will also improve the clarity and performance of the cherry crop insurance programs for our producers."

The cherry insurance program is being updated to allow written agreements. This change may allow cherry producers to obtain coverage in areas where the program was not previously available. Cherry producers will also now be eligible to apply for Written Unit Agreements (WUA), which grant units by topographical or irrigation features if all requirements are met. WUAs are applicable to all cherry producers who meet the requirements.

RMA is also revising the cherry insurance program to match changes made under the Crop Insurance Reporting and Other Changes (CIROC) final rule. For example, for sweet cherries, RMA is revising the notification requirement for production intended for direct marketing from 15 days prior to sale to 15 days prior to harvest. This change will help facilitate an in-field appraisal, as needed.

The cherry insurance program protects growers against losses from low yields, low prices, low quality, or any combination of these events. The programs use producers' historical revenue to provide individualized revenue coverage.

The Sweet Cherry Pilot program was established in 2009 and is now available in California, Idaho, Michigan, Montana, Oregon, Utah, and Washington. The Tart Cherry for Processing Pilot program was established in 2014 and is now available in Michigan, New York, Utah, Washington, and Wisconsin.

Cherry producers purchased over 2,200 policies to protect more than $557 million in liabilities in 2021.

The changes to the cherry insurance program will be available on the USDA's RMA website by August 31, 2022.

More Information

Federal crop insurance is critical to the farm safety net. It helps producers and owners manage revenue risks and strengthens the rural economy. Producers may select from several coverage options, including yield coverage, revenue protection, and area risk policies. Additional information can be found on the Actuarial Information Browser page on the RMA website.

Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available online using the RMA Agent Locator. Producers can use the RMA Cost Estimator to get a premium amount estimate of their insurance needs online. Learn more about crop insurance and the modern farm safety net at www.rma.usda.gov.

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Updates to Crop Insurance Plans Broaden Access for Specialty Crop, Organic, Direct Market and Other Producers

The U.S. Department of Agriculture (USDA) is improving two of its most comprehensive risk management safety net programs, Whole-Farm Revenue Protection (WFRP) and Micro Farm, making them more accessible to America's agricultural producers. This includes doubling the maximum insurable revenue under WFRP, now $17 million, more than tripling the size of farm operations eligible for Micro Farm, now $350,000 and reducing paperwork requirements for WFRP. These improvements are in direct response to feedback from stakeholders as USDA's Risk Management Agency (RMA) recognizes the important role these insurance options play for many producers, including specialty crop, organic and direct market producers.

Listening to farmers and ranchers, learning about their needs and increasing access to resources are all priorities for us at RMA," said RMA Administrator Marcia Bunger. "Over the past year and a half, we have rolled out a number of improvements to WFRP, as well as introduced the new Micro Farm program, and through updates to Whole Farm Revenue Protection and Micro Farm, RMA can now help even more local food, direct market, specialty crop and organic producers protect their operations.

Whole-Farm Revenue Protection

The WFRP program provides protection for all eligible commodities on a farm under one insurance policy. Now, producers can insure up to $17 million in revenue (formerly $8.5 million).

Other updates to WFRP include:

- Allowing a producer to report and self-certify yield at the beginning of the year for commodities without other insurance options in a way similar to those with individual crop policies. This will significantly reduce the amount of paperwork required to apply for WFRP.
- Eliminating expense reporting to reduce paperwork burden. In place of expense reporting, WFRP will reduce the expected revenue of commodities a producer is unable to plant to 60%, similar to prevented planting for other programs.

These updates build on others recently made to WFRP, including expanded coverage and flexibilities for organic producers.

Micro Farm

The Micro Farm program, offered through WFRP, provides a risk management safety net for all eligible commodities on a farm under one insurance policy, but on a smaller scale. Now, producers with farm operations up to $350,000 in approved revenue (formerly $100,000) can get coverage. RMA introduced the new Micro Farm program in 2021 to better serve direct market and small-scale producers. While the program is well received and feedback has been largely positive, industry partners and small, diversified producers have informed RMA that the current limit is too low to meet the needs of many interested producers. In response, the FCIC approved the increase in size for eligible farm operations.

The updates to WFRP and Micro Farm take effect in crop year 2023.

More Information

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Unauthorized Disposition of Grain Results in Financial Penalties

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 your name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

Before You Break Out New Ground, Ensure Your Farm Meets Conservation Compliance

The term "sodbusting" is used to identify the conversion of land from native vegetation to commodity crop production after December 23, 1985. As part of the conservation provisions of the Food Security Act of 1985, if you're proposing to produce agricultural commodities (crops that require annual tillage including one pass planting operations and sugar cane) on land that has been determined highly erodible and that has no crop history prior to December 23, 1985, that land must be farmed in accordance with a conservation plan or system that ensures no substantial increase in soil erosion.

Eligibility for many USDA programs requires compliance with a conservation plan or system on highly erodible land (HEL) used for the production of agricultural commodities. This includes Farm Service Agency (FSA) loan, disaster assistance, safety net, price support, and conservation programs; Natural Resources Conservation Service (NRCS) conservation programs; and Risk Management Agency (RMA) Federal crop insurance.

Before you clear or prepare areas not presently under production for crops that require annual tillage, you are required to file Form AD-1026 "Highly Erodible Land Conservation and Wetland Conservation Certification," with FSA indicating the area to be brought into production. The notification will be referred to NRCS to determine if the field is considered highly erodible land. If the field is considered HEL, you are required to implement a conservation plan or system that limits the erosion to the tolerable soil loss (T) for the predominant HEL soil on those fields.

In addition, prior to removing trees or conducting any other land manipulations that may affect wetlands, remember to update form AD-1026, to ensure you remain in compliance with the wetland conservation provisions.

Prior to purchasing or renting new cropland acres, it is recommended that you check with your local USDA Service Center to ensure your activities will be in compliance with the highly erodible land and wetland conservation provisions.

For additional information on highly erodible land conservation and wetland conservation compliance, contact your local USDA Service Center.

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the Conservation Reserve Program (CRP) Continuous Signup.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your local USDA Service Center or visit fsa.usda.gov/crp.

September 2022 Lending Rates

USDA's Farm Service Agency (FSA) loans provide important access to capital to help agricultural producers start or expand their farming operation, purchase equipment and storage structures or meet cash flow needs.

Operating, Ownership and Emergency Loans

FSA offers farm ownership and operating loans with favorable interest rates and terms to help eligible agricultural producers, whether multi-generational, long-time, or new to the industry, obtain financing needed to start, expand or maintain a family agricultural operation. FSA also offers emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine. For many loan options, FSA sets aside funding for underserved producers, including veterans, beginning, women, American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or Pacific Islander, and Hispanic farmers and ranchers.

Interest rates for Operating and Ownership loans for September 2022 are as follows:

- Farm Operating Loans (Direct): 4.125%
- Farm Ownership Loans (Direct): 4.375%
- Farm Ownership Loans (Direct, Joint Financing): 2.500%
- Farm Ownership Loans (Down Payment): 1.500%
- Emergency Loan (Amount of Actual Loss): 3.750 %

FSA also offers guaranteed loans through commercial lenders at rates set by those lenders.

You can find out which of these loans may be right for you by using our Farm Loan Discovery Tool (also available in Spanish).

Commodity and Storage Facility Loans

Additionally, FSA provides low-interest financing to producers to build or upgrade on-farm storage facilities and purchase handling equipment and loans that provide interim financing to help producers meet cash flow needs without having to sell their commodities when market prices are low. Funds for these loans are provided through the Commodity Credit Corporation (CCC) and are administered by FSA.

- Commodity Loans (less than one year disbursed): 4.125%
- Farm Storage Facility Loans:
  - o Three-year loan terms: 3.125%
  - o Five-year loan terms: 2.875%
  - o Seven-year loan terms: 2.875%
  - o Ten-year loan terms: 2.750%
  - o Twelve-year loan terms: 2.875%
- Sugar Storage Facility Loans (15 years): 3.125%

Pandemic and Disaster Support

FSA broadened the use of the Disaster Set Aside (DSA), normally used in the wake of natural disasters, to allow farmers with USDA farm loans who are affected by COVID-19, and are determined eligible, to have their next payment set aside. Because of the pandemic's continued impacts, producers can apply for a second DSA for COVID-19 or a second DSA for a natural disaster for producers with an initial DSA for COVID-19. The COVID-DSA is available for borrowers with installments due before Dec. 31, 2022, and whose installment is not more than 90 days past due when the DSA request is made. The set-aside payment's due date is moved to the final maturity date of the loan or extended up to 12 months in the case of an annual operating loan. Any principal set-aside will continue to accrue interest until it is repaid. Use of the expanded DSA program can help to improve a borrower's cashflow in the current production cycle.

FSA also reminds rural communities, farmers and ranchers, families and small businesses affected by the year's winter storms, drought, hurricanes and other natural disasters that USDA has programs that provide assistance. USDA staff in the regional, state and county offices are prepared to deliver a variety of program flexibilities and other assistance to agricultural producers and impacted communities. Many programs are available without an official disaster designation, including several risk management and disaster recovery options.

More Information

Producers can explore available options on all FSA loan options at fsa.usda.gov or by contacting your local USDA Service Center.

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