

March 2021



Farm Service Agency **Electronic News Service**

# NEWSLETTER

**GovDelivery**

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

- [Signup Extended for Conservation Reserve Program](#)
- [New Forest Management Incentive for CRP](#)
- [Obtaining Payments Due to Deceased Producers](#)
- [Unauthorized Disposition of Grain Results in Financial Penalties](#)
- [Preauthorized Debit Available for Farm Loan Borrowers](#)
- [FSA Offers Loan Servicing Options](#)
- [Interest Rates - March 2021](#)

---

## 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](http://www.fsa.usda.gov/mi)

#### State Executive Director:

Dave Russ (Acting)

#### State Committee:

Sally McConnachie, Chair  
Blaine Baker  
Monte Bordner  
Matt Schwab  
Isaiah Wunsch

#### Division Chiefs:

David Russ, Farm Loan  
Ken Schapman, Price Sppt.  
Dale Allen, Conservation  
Kyle Knapp, Production Adj.

To find contact information for your local office go to [offices.usda.gov](http://offices.usda.gov).

### Signup Extended for Conservation Reserve Program

The USDA is extending the Conservation Reserve Program (CRP) General Signup period, which had previously been announced as ending on Feb. 12, 2021.

USDA will continue to accept offers as it takes this opportunity for the incoming Administration to evaluate ways to increase enrollment. Under the previous Administration, incentives and rental payment rates were reduced resulting in an enrollment shortfall of over 4 million acres.

CRP provides annual rental payments for 10 to 15 years for land devoted to conservation purposes, as well as other types of payments. Before the General CRP Signup period ends, producers will have the opportunity to adjust or resubmit their offers to take advantage of planned improvements to the program.

This signup for CRP gives producers an opportunity to enroll land for the first time or re-enroll land under existing contracts that will be expiring Sept. 30, 2021.

All interested producers, including those on Indian reservations and with trust lands, are encouraged to contact their local [USDA Service Center](#) for more information.

---

## New Forest Management Incentive for CRP

Existing CRP participants can now sign up for the Forest Management Incentive (FMI), which provides financial incentives to landowners with land in Conservation Reserve Program (CRP) to encourage proper tree thinning and other practices. USDA is making available \$12 million for use in making payments to forest landowners with land enrolled in the CRP in exchange for their implementing healthy forest management practices.

Right now, less than 10% of land currently enrolled in CRP is dedicated to forestland. But, these nearly 2 million acres of CRP forestland, if properly managed, can have enormous benefits for natural resources by reducing soil erosion, protecting water quality, increasing water quantity, and diversifying local farm operations and rural economies.

Only landowners and agricultural producers with active CRP contracts involving forest cover can enroll. However, this does not include active CRP contracts that expire within two years. Existing CRP participants interested in tree thinning and prescribed burning must comply with the standards and specifications established in their CRP contract.

CRP participants will receive the incentive payment once tree thinning and/or other authorized forest management practices are completed.

The incentive payment is the lower of:

- The actual cost of completing the practice; or
- 75% of the payment rate offered by USDA's Natural Resources Conservation Service (NRCS) if the practice is offered through NRCS conservation programs.

CRP signup is currently open. FSA will announce deadline later this year. Interested producers should contact their [local FSA county office](#).

---

## Obtaining Payments Due to Deceased Producers

In order to claim a FSA payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death. If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application. If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

---

## 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.

---

## Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at [www.rd.usda.gov/resources/forms](http://www.rd.usda.gov/resources/forms). Scroll down and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your [local FSA county office](#) or visit [fsa.usda.gov](http://fsa.usda.gov).

---

## FSA Offers Loan Servicing Options

There are options for Farm Service Agency (FSA) loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about your options.

---

## Interest Rates - March 2021

### **FSA Farm Loans**

Farm Operating - Direct	1.375%
Farm Operating - Microloan	1.375%
Farm Ownership - Direct	2.750%
Farm Ownership - Microloan	2.750%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency Loan - Amount of Actual Loss	2.375%

## Commodity and Storage Facility Loans

Crop Year <a href="#">Commodity Loan</a> (if less than 1 year)		1.125%
<a href="#">Farm Storage Facility Loan</a>	3 year	0.250%
Farm Storage Facility Loan	5 year	0.500%
Farm Storage Facility Loan	7 year	0.875%
Farm Storage Facility Loan	10 year	1.125%
Farm Storage Facility Loan	12 year	1.375%
Sugar Storage Facility Loan	15 year	1.500%

---

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).