## Agricultural Law pdate

**Foster Swift Agri-Business Section** 

## DATES TO REMEMBER:

### **January 9-11, 2012**

Michigan Agri-Business Association Winter Conference & Trade Show (Lansing, MI) VISIT OUR BOOTH (#635)

## January 17-19, 2012

Fort Wayne Farm Show (Fort Wayne, IN)

### **January 26, 2012**

Michigan Ag Commodities Educational Expo (Lansing, MI)

### February 15-18, 2012

National Farm Machinary Show (Louisville, KY)

## March 1-3, 2012

Commodity Classic (Nashville, TN)

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## United States Department of Labor Proposed Rulemaking Regarding Child Labor in Agriculture Regulations

by: Liza C. Moore

On September 2, 2011, the Department of Labor (DOL) published a Notice of Proposed Rulemaking to revise child labor regulations in agriculture. On October 31, 2011, the DOL published a notice to extend the comment period on the proposed rules to December 1, 2011 due to requests by numerous groups seeking additional time to comment on the proposed rules. The government website shows that over 10,000 comments were posted online, demonstrating the agricultural community's overwhelming response to these proposed regulations.

The Michigan Senate adopted Senate Resolution 94 on November 9, 2011, stating "That we memorialize Congress and the United States Department of Labor to halt the implementation of proposed restrictions regarding youth employment on farms...."



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To view S.R. 94, visit:

http://www.legislature.mi.gov/documents/2011-2012/resolutionadopted/ Senate/pdf/2011-SAR-0094.pdf

To stay up-to-date on the DOL's actions, see the DOL's answers to "Frequently Asked Questions" on these proposed rules, find a link to the proposed rules and comments, and see other DOL information on this important topic, visit the DOL's website regarding the proposed rulemaking at:

http://www.dol.gov/whd/CL/AG NPRM.htm.

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# Bankruptcy Tip: Make Sure Debtor In Chapter 11 Or Chapter 12 Bankruptcy Has Permission To Use Cash Collateral

by: Patricia Scott

Generally Chapter 11 and 12 bankruptcies are reorganizational, which means the debtor (farmer) will file a plan and pay back creditors. Once the debtor files bankruptcy, the debtor is not allowed to use the cash of the company that is pledged as collateral without: (1) permission from the secured creditor(s); or (2) an order from the court allowing it to use cash collateral.

In most instances absent an agreement with its secured creditors, the debtor will petition the court for permission to use cash collateral at the same time it files for bankruptcy. Any time you receive notice that a farm (or farmer) that you do business with has filed Chapter 11 or Chapter 12 bankruptcy, it is recommended that you determine whether the debtor has permission to use cash collateral. In the event that the debtor does not have permission

to use cash collateral, you may not wish to conduct business with and/or sell goods to the debtor. If you do sell goods to a debtor who does not have permission to use cash collateral, it may result in your not getting paid from the debtor.

If you have any questions regarding to dealing with a debtor in Chapter 11 or Chapter 12 bankruptcy, Please contact:

Patricia Scott (pscott@fosterswift.com) or Scott Chernich (schernich@fosterswift.com)



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## "Supercommittee" Action Scrapped--Back to the Drawing Board for 2012 Farm Bill

by: Liza Moore

On October 14, 2011, leaders of the Senate and House Agriculture Committees sent a letter to the Joint Select Committee on Deficit Reduction (better known as the "Supercommittee") recommending a \$23 billion cut to mandatory spending within the committees' jurisdiction.

The letter was signed by Rep. Frank Lucas, Sen. Debbie Stabenow, Rep. Collin Peterson, and Sen. Pat Roberts. But on November 21, 2011, the Co-Chairs of the Joint Select Committee on Deficit Reduction released a statement that "After months of hard work and intense deliberations, we have come to the

Continued on page 3 I "Supercommittee"



## **"Supercommittee"** I Continued from page 2

conclusion today that it will not be possible to make any bipartisan agreement available to the public before the committee's deadline." In response to the Supercommittee's announcement, the Agricultural Committee chairs issued a statement: "House and Senate Agriculture Committee leaders developed a bipartisan, bicameral proposal for the Joint Select Committee on Deficit Reduction that would save \$23 billion. However, the Joint Select Committee's failure to reach a deal on an overall deficit reduction package effectively ends this effort. ...

We will continue the process of reauthorizing the farm bill in the coming months, and will do so with the same bipartisan spirit that has historically defined the work of our committees." Later, on December 6, 2011, Sen. Stabenow stated that "We will resume holding hearings [for the Farm Bill] when Congress returns in January." "The goal is for the committee to complete an initial product in the spring to provide plenty of time for Congress to complete its work," Sen. Stabenow said.

View the House and Senate Agriculture Committees' October 14, 2011 letter at: http://www.deficitreduction.gov/public/\_cache/files/6f271f05-1a7d-4910-a81a-54984fd38c54/Joint-Agriculture-SenDebbieStabenow-SenPatRoberts-RepFrankLucas-RepCollinPeterson-Recommendations%20to%20JSC.pdf

View the Joint Select Committee's November 2011 Statement at: http://www.deficitreduction.gov/public/index.cfm/2011/11/statement-from-co-chairs-of-the-joint-select-committee-on-deficit-reduction

View the House and Senate Agriculture Committees' Response to the Super Committee announcement at: http://agriculture.house.gov/press/PRArticle.aspx?NewsID=1481

View Sen. Stabenow's December 2011 Press Release at: http://www.aq.senate.gov/newsroom/press/release/farm-bill-next-year

View the links to this article at: http://www.fosterswift.com/news-publications.html

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## Michigan Bovine Tuberculosis Risk Classification Zones Amended

by: Liza C. Moore

On September 14, 2011, USDA APHIS announced that it would amend the boundaries of the bovine tuberculosis risk classification zones for Michigan. Fifty-seven counties would now meet the requirements for accredited-free status. The interim rule reclassifies 55 counties from modified accredited advanced status to accredited-free status. Presque Isle County will be reclassified from modified accredited to modified accredited advanced. Iosco

and Ogemaw Counties will be reclassified as accredited-free. Modified accredited status imposes various requirements for tuberculosis testing of cattle. Reclassification to accredited-free removes all movement restrictions, and reclassification from modified accredited to modified accredited advanced reduces requirements. The interim rule is effective September 14, 2011.

To view the Federal Register for the interim rule, please visit: http://www.regulations.gov/#!docketDetail;D=APHIS-2011-0075

To view the APHIS news release, please visit: http://www.aphis.usda.gov/newsroom/2011/09/michigan\_bovine\_tb\_status.shtml

View the links to this article at: http://www.fosterswift.com/news-publications.html



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