



Agricultural Law Update

July 2012

USDA DESIGNATES 72 MICHIGAN COUNTIES AS PRIMARY NATURAL DISASTER AREAS

- Liza C. Moore

On July 2, 2012, the USDA announced the designation of 72 counties in Michigan as primary disaster areas due to damages and losses caused by severe weather in January 1 – May 11, 2012. These counties include:

Alcona	Eaton	Lenawee	Oceana
Alger	Emmet	Livingston	Ogemaw
Allegan	Genesee	Luce	Osceola
Alpena	Gladwin	Mackinac	Oscoda
Antrim	Grand Traverse	Macomb	Otsego
Arenac	Hillsdale	Manistee	Ottawa
Barry	Huron	Marquette	Presque Isle
Bay	Ingham	Mason	Roscommon
Benzie	Ionia	Mecosta	St. Clair
Berrien	Iosco	Menominee	St. Joseph
Cass	Iron	Midland	Sanilac
Charlevoix	Jackson	Missaukee	Schoolcraft
Cheboygan	Kalamazoo	Monroe	Shiawassee
Chippewa	Kalkaska	Montcalm	Tuscola
Clare	Kent	Montmorency	Van Buren
Crawford	Lake	Muskegon	Washtenaw
Delta	Lapeer	Newago	Wayne
Dickinson	Leelanau	Oakland	Wexford

Farmers and ranchers in the following counties also qualify for natural disaster assistance because their counties are contiguous:

Baraga	Gogebic	Ontonagon
Branch	Gratiot	Saginaw
Calhoun	Houghton	
Clinton	Isabella	

Contact your local USDA Service Centers for further information on eligibility requirements and application procedures for programs available for farmers and ranchers in primary disaster areas. ■■

To view the press release, please visit: tinyurl.com/6v8nwm4



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UPDATE ON 2012 FARM BILL

On July 12, 2012, the House Agriculture Committee approved their version of the Farm Bill by a vote of 35-11. The Farm Bill now moves to the House for consideration. The Senate passed its version of the Farm Bill on June 21, 2012 by a vote of 64-35.

To view the House Committee's press release regarding the completion of the markup process, please visit: tinyurl.com/cneptqw

DATES TO REMEMBER:

July 28, 2012 | Delta County's Breakfast on the Farm, VanDrese Farms, Cornell, MI | tinyurl.com/7xc4jbc

August 1-2, 2012 | Farm Drainage and Nutrient Management Field Day, Pleasant View Dairy, Jonesville, MI | tinyurl.com/6waqaph

August 16, 2012 | Northeast-Purdue Ag Center Field Day, Columbia City, IN | tinyurl.com/7eeoqhr

August 22, 2012 | Pinney-Purdue Ag Center Field Day, Wanatah, IN | tinyurl.com/6rlze56

August 28-30, 2012 | Farm Progress Show, Boone, IA | tinyurl.com/79rrqr3

USDA OFFICIALS TOUR MICHIGAN AND OTHER DROUGHT/ SEVERE WEATHER-AFFECTED STATES; USDA SECRETARIAL DISASTER DESIGNATION RULE AMENDED

- Liza C. Moore

On July 15, 2012, Under Secretary for Farm and Foreign Agricultural Services Michael Scuse began a tour of Michigan, Ohio, and Indiana—states affected by spring severe frosts and freezes and now increasing drought. Additional USDA subcabinet members will travel to Tennessee, Kentucky, Illinois, Arkansas, Missouri, Colorado, New Mexico, and Texas in the coming weeks. According to the USDA's press release, the purpose of the visits is to "show support to farmers and ranchers affected by a string of extreme weather in 2012." "USDA officials will also provide guidance on the department's existing disaster resources and remind producers to keep thorough records of losses. . . ."

To view the press release, please visit: tinyurl.com/6oky7ep

On July 11, 2012, USDA Secretary Tom Vilsack announced "a package of program improvements that will deliver faster and more flexible assistance to farmers and ranchers devastated by natural disasters." The final rule for Secretarial disaster assistance will be amended to "nearly automatically" qualify a disaster county once it is categorized by the U.S. Drought Monitor as a severe drought for eight consecutive weeks during the growing season and streamline the Secretarial designation process. ■■

To view the press release, please visit: tinyurl.com/7zzt9rl

GOVERNOR SNYDER NAMES NEW MDARD DIRECTOR

- Liza C. Moore

On June 25, 2012, Governor Snyder announced the appointment of Jamie Clover Adams as the new Michigan Department of Agriculture and Rural Development (MDARD) Director. Ms. Clover Adams was previously Michigan's Department of Environmental Quality Policy and Legislative Affairs Director. "I am honored to serve the people of Michigan and am anxious to get to work to meet Gov. Snyder's goals for

agriculture," Clover Adams said. "We will strive to double our exports, work to significantly increase farm verifications and help grow the value chain from farm to fork," said Ms. Clover Adams. Keith Creagh, the former MDARD Director, was appointed the Department of Natural Resources Director. ■■

To view the press release, please visit: tinyurl.com/74cqarb

THE BASICS OF COOPERATIVES

On July 17, 2012, Todd Hoppe gave a presentation on "The Basics of Cooperatives" at an Accounting Seminar sponsored by the Great Lakes and Mississippi Valley Chapters of the National Society of Accountants for Cooperatives held in Bloomington, Illinois.

To view the agenda for this NSAC seminar, please visit: tinyurl.com/cus37ls

To learn more about NSAC, please visit: www.nsacoop.org/



NONCOMPETITION AGREEMENTS ARE ENFORCEABLE IF...

- Nicholas M. Oertel and Joel C. Farrar

Noncompetition agreements typically prohibit an employee or seller of a business to own or work for a competitor of the protected party, and often are of substantial value. However, Michigan courts will only enforce these agreements if they comply with the following four requirements.

1. The agreement protects only "reasonable competitive business interests."

"Reasonable competitive business interests" include the protection of trade secrets, confidential information, and relationships with customers and suppliers. A noncompetition agreement may not be used to prohibit a person's ability to use general knowledge or skills.

2. The agreement is of reasonable duration.

There is no litmus test for whether the agreement is reasonable in duration, since the reasonableness of the duration depends upon the business interests being protected. Durations of one or two years are generally found to be reasonable, although longer periods have been upheld in connection with the sale of a business.

3. The agreement is reasonable in geographic scope.

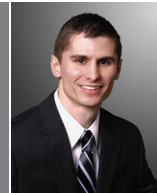
The agreement's geographic scope should generally be limited to the area in which the protected party does business or will do business, including the area from which the business's clients are drawn. A good test is to consider whether competition at each restricted location could reasonably have an adverse impact on the protected party.

4. The agreement is reasonable in the type of activity restrained.

The restriction should be broad enough to protect only the protected party's legitimate business interests, such as by only prohibiting the restricted party from competing in the protected party's field, and should not unduly impair the restricted party's ability to earn a living in other fields.

In light of the above, it is important that noncompetition agreements be reasonable and carefully drafted to ensure that the agreement is enforceable.

Please contact [Nick Oertel](#) or [Joel Farrar](#) if you have questions or require assistance in connection with noncompetition agreements. ■■



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MICHIGAN AGRICULTURAL DISASTER LOAN ORIGINATION PROGRAM ACT OF 2012 SIGNED INTO LAW

- Liza C. Moore

On June 26, 2012, Governor Snyder signed the Agricultural Disaster Loan Origination Program Act of 2012 into law. The law requires a one-time \$15-million appropriation to cover some costs for banks that offer agricultural loans to farmers and processors affected by the severe weather this spring. "This is the worst natural disaster to strike Michigan's agricultural industry in more than 50 years," Governor Snyder

said. "Agriculture is a key component of our economy, and these loans will help keep our fruit farmers afloat until next season," said Snyder. ■■

To view the press release, please visit: tinyurl.com/6uxow8t

To view the law, please visit: tinyurl.com/756ej4



Agricultural Law Update

2012 MICHIGAN LIVESTOCK EXPO

Foster Swift was proud to be a sponsor of the 2012 Michigan Livestock Expo, held July 12-17. The finale event, the Sale-Abration, was a huge success, raising over \$160,000 for youth scholarships. Foster Swift was excited to go in with other companies to collectively purchase the Grand Champion Market Hog and the Supreme Champion Dairy Cow. Interestingly, one of

the Showcase Steers traveled all the way from Schoolcraft County to East Lansing for the event. ■ ■

For more information about the Livestock Expo, please visit: <http://www.milivestock.com/milivestock>



Patricia Scott, Liza Moore, Brian Goodenough and others with the Grand Champion Market Hog



David VanderHaagen, Liza Moore, Patricia Scott and others with the Supreme Champion Dairy Cow

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LANSING

FARMINGTON HILLS

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DETROIT

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HOLLAND

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