

August 2012



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North Dakota FSA eNews

North Dakota State Office **From the State Executive Director**

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August is usually the start of harvest in North Dakota, but not this year! Harvest has been going strong for a couple of weeks already. Early reports of the wheat harvest are of good yields and quality. Effects of a major drought are being felt across the entire country. Even here in North Dakota, the combination of low precipitation and high temperatures this growing season have caused every county to be listed on the U.S. Drought Monitor.

Take time to read through this month's newsletter to re-familiarize yourself with FSA programs. As always, if you have a question please call your county office. Have a safe August harvest.

- Aaron Krauter

Emergency Haying and Grazing of CRP

In response to drought conditions, FSA has authorized emergency haying and grazing use of Conservation Reserve Program (CRP) acres for all North Dakota counties.

Producers interested in emergency haying and grazing of CRP must contact their local FSA offices to obtain approval to hay or graze CRP. Producers also need to obtain a modified conservation plan from the Natural Resources Conservation Service (NRCS) that includes haying and grazing requirements.

Under CRP emergency haying and grazing provisions, haying activity may not occur after August 31, 2012, and grazing activity may not occur after September 30, 2012. The acreage eligible for emergency haying and grazing is limited to those conservation practices eligible under the emergency release of CRP for haying and grazing purposes.

For 2012 only, the 25 percent CRP payment reduction will be reduced to 10 percent for all 2012 emergency haying and grazing authorizations in order to provide greater flexibility to farmers and ranchers in response to the drought conditions.

Under emergency haying and grazing provisions, the same CRP acreage cannot be both hayed and/or grazed at the same time. For example, if 50 percent of a field or contiguous field is hayed, the remaining unhayed 50 percent cannot be grazed; it must remain unhayed and ungrazed for wildlife habitat purposes.

Highly Erodible Land Initiative Signup

Sign-up for the Highly Erodible Land Initiative under the Conservation Reserve Program (CRP) began on July 23, 2012. The purpose of this initiative is to protect up to 750,000 acres of the nation's most highly erodible croplands. Producers may enroll at their local Farm Service Agency (FSA)

county office. Enrollment will continue until the 750,000 acre limit has been met.

Through this Highly Erodible Land Initiative, eligible landowners receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible cropland for a period of 10 years. Croplands with an Erodibility Index of 20 or greater are eligible for enrollment.

Late-filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota for the 2012 program year was July 16. Acreage reports must be filed for all cropland on the farm before any 2012 DCP or ACRE payments can be made or before eligibility can be established for marketing assistance loans and LDP's. Additionally, participants of the Conservation Reserve Program (CRP) and the Non-insured Assistance Program (NAP) must report the specific acreage for which benefits are being requested. A late-filed acreage report may be accepted if specific criteria are met.

New Acreage Reporting Deadlines

Beginning with the 2013 crop year, the following crops will have a November 15 reporting deadline for both FSA and RMA purposes: apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains. Therefore, a producer planting winter wheat in the fall of 2012 for harvest in 2013, for example, will have to report that acreage to FSA and RMA by November 15, 2012 for the report to be considered timely filed.

Preventing Crop Insurance Fraud, Waste, and Abuse.

The Farm Service Agency and Risk Management Agency are partners in preventing fraud, waste and abuse in the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. In addition, FSA will refer all suspected cases of fraud, waste and abuse to RMA.

Producers can report suspected cases to the county office staff, RMA or the Office of the Inspector General.

Measurement Service Rates

A measurement service request is a request for any farm visit or acreage determination including visits to determine exact areas designated for specific crop land or land use, to determine quantity of farm-stored commodities, or to re-determine measurements of farm-stored production. The mandatory rate for conducting measurement service in North Dakota is a \$30 basic farm fee plus \$16 for the first hour and \$8 for every 30 minutes after the first hour. Measurement service fees are collected from the producer making the request before the service is performed based on an estimate of the time it will take to complete the service.

Marketing Assistance Loans

USDA's Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans (MAL) for certain commodities (barley, canola, corn, cotton, crambe, dry peas, flaxseed, graded and non-graded wool, grain sorghum, honey, chickpeas, lentils, mustard seed, oats, rapeseed, safflower, sesame seed, soybeans, sunflower seed, and wheat). MALs provide interim financing for eligible producers, allowing them to store their crops at harvest.

These loans carry a nine month maturity and can be repaid with cash at disbursement to loan maturity. To be eligible, producers must have produced an eligible loan commodity during for the applicable crop year, complied with annual program requirements, maintain beneficial interest (have title to the commodity and retain control of the commodity), request MAL on or before the final loan availability date for a specific commodity, and, if required, submit lien waivers for any liens existing on the crop for which MAL is being requested. Producers may store commodities in eligible storage on the farm or may deliver their commodity to a warehouse operating according to the Federal and State licensing requirements or operating under a Uniform Grain and Rice Storage Agreement.

CCC establishes loan rates for eligible commodities annually at the national level, and adjusts the rates locally. County loan rates for the 2012 crop are posted on the Farm Service Agency (FSA) website at <http://www.fsa.usda.gov/pricesupport>

MALs may be repaid with cash at principal plus interest or under certain circumstances, when applicable loan rates are greater than the posted county or announced national market price for eligible loan commodities, producers can repay loans at the announced applicable market price amount, without interest. In addition, a producer may request to deliver the commodity to CCC for farm-stored loans or forfeit the loan commodity to CCC for warehouse stored loans on the first day after maturity in satisfaction of the outstanding loan principal. If a violation of the loan term occurs (Incorrect certification, unauthorized removal, or unauthorized disposition of the commodity) administrative actions may apply.

Converting Paper Checks into Electronic Debits

FSA/CCC is moving toward OTCnet, an electronic method of processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. The check will be scanned into the system and voided. As a customer, you will not receive your check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check. The transfer of funds from your account can occur within 24 hours. The transfer of funds will be reflected on your account statement received from your financial institution and may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions". You have protections under Federal law for an unauthorized electronic fund transfer from your account. Please contact your financial institution immediately if you believe a transaction on your account statement was not properly authorized or is otherwise incorrect.

2012 Crop – NAP Notice of Loss

Producers with a NAP policy should file a notice of loss if they believe their crops have suffered a yield loss. In addition, if a producer is going to abandon a crop with NAP coverage, the crop must be appraised prior to destruction of the acreage to ensure coverage. Producers with NAP coverage on grazing land should also file a notice of loss if they have suffered a loss in grazing capacity on pastures.

A NAP payment will be made if a unit suffers a loss of production in excess of 50 percent. The payment rate for NAP is 55 percent of the established market price for the crop.

Maintaining DCP/ACRE Base Acres

DCP/ACRE participants are required to protect all base acres from erosion and weeds. Fields designated as "base acres" must have an eligible cover such as crop residue or volunteer grasses. Weeds are not an acceptable cover and must be maintained. Failure to control weeds on base acres may result in a reduction of program benefits if the County Committee determines that a good faith effort to control weeds and/or erosion was not made.

Foreign Owners Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

August Loan and Interest Rates

Operating Loans - 1.25%
Farm Ownership Loans - 3.000%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 2.25%
Farm Storage Facility Loan, 7-Year - 1.000%
Farm Storage Facility Loan, 10-Year - 1.625%

Farm Storage Facility Loan, 12-Year - 1.875%

Important Dates and Deadlines

Last day of Emergency Haying of CRP - August 31, 2012

Last day of Emergency Grazing of CRP – September 30, 2012

2013 Acreage Reporting Deadline - Fall seeded Crops–November 15, 2012

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).