

November 2012



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North Dakota FSA eNews

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

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I saw many snowflakes last week and began wishing for spring right away. But then I thought of something that my dad often said, "If we don't get any snow this winter, we will not have a hay crop next year." In my younger years, I didn't have much interest in making hay during the summer so I never thought of snow as a resource. Nowadays, I have a much better perspective about the relationship of snow and a hay crop! I only ask for moderation in the amount of snow.

In this newsletter, you will read about something new at USDA-FSA and a **must do** for all producers that want to participate in FSA programs. Beginning with the 2013 crop year, FSA and RMA (crop insurance) will have common acreage reporting dates. Producers will report fall-seeded and perennial crops to FSA on November 15 and spring-seeded crops on July 15. The big change for most producers is that perennial forage crops, like alfalfa or grasses must be reported by November 15 even though they are not necessarily planted every fall. This includes non-cropland areas that are grazed or hayed. Bottom line, make sure all of your acres are reported by their respective deadlines.

Have a Happy Thanksgiving!

-Aaron Krauter, SED

New Common Acreage Reporting Dates for FSA and RMA

For 2012 and subsequent crop years, the acreage reporting deadline for both FSA and RMA will be July 15 for the following crops: barley, buckwheat, canola, corn, dry beans, dry peas, flax, forage seeding, grain sorghum, grass seed, millet, mustard, oats potatoes, safflower, soybeans, sugar beets, sunflowers, spring wheat, and all other crops not listed with a November 15 deadline.

Beginning with the 2013 crop year, the following crops will have a November 15 reporting deadline for FSA 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 by November 15, 2012 for the report to be considered timely filed.

Deadline to Remove Bales from CRP

CRP participants are reminded that November 15, 2012 is the deadline to remove bales from CRP that received authorization to harvest forage from CRP under the Emergency or Managed Haying provisions.

County Committee Elections

Ballots for County Committee Elections will be mailed to eligible voters on November 5th. Agricultural producers who are of legal voting age, participate or cooperate in any FSA program, and live in the local administrative area up for election are eligible to vote. Completed ballots must be returned to your county office no later than December 3, 2012.

Changes for IRS Reporting for Calendar Year 2012

In prior calendar years, CCC provided producers receiving program payments an IRS Form 1099- G. Separate forms were provided from each County Office where CCC program payments were earned in the calendar year.

Beginning in calendar year 2012, CCC will no longer be issuing IRS Form 1099-G when CCC program payments total less than \$600. In addition, producers which receive program payments from multiple counties will now receive one IRS Form 1099-G showing all payments from all counties.

2013 NAP

The Noninsured Assistance Program (NAP) provides financial assistance to eligible producers affected by a natural disaster. The program covers crops for which Federal Crop Insurance is not available. NAP covers losses greater than 50% of your expected production, based upon your approved yield and reported acreage. To apply for 2013 crop coverage, producers must complete a CCC-471 application for coverage and pay the service fee. The application and service fee must be filed by the applicable sales closing date. The service fee is \$250 per crop per county or \$750 per producer per county, not to exceed \$1875 per producer in all counties.

Producers must purchase NAP policies for honey by December 3, 2012 and for all spring planted crops, including grass for hay and grazing, by the 2013 sales closing date of March 15, 2013.

2012 Crop – NAP Notice of Loss

Producers with a 2012 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.

Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota for the 2012 program year was July 15. Acreage reports must be filed for all cropland on the farm before any 2012 DCP/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.

Although the reporting deadline has passed, county offices will accept late-filed acreage reports providing certain criteria are met. Contact your local county office for additional information relative to late-filed acreage reports.

CRP Continuous Signup Offers Affected by Expiration of 2008 Farm Bill

The 2008 Farm Bill expired on September 30, 2012 and along with that, the authority to accept or process new offers for enrollment into CRP also ended. Currently, FSA County Offices can only maintain existing CRP contracts, and issue the following payments: cost-share payments, Signup Incentive (SIP), Practice Incentive (PIP) payments and annual rental payments.

CRP Annual Rental Payments

Nearly \$86 million in CRP annual rental payments has been disbursed to North Dakota CRP participants in the month of October. County Offices are working diligently in processing any remaining FY2012 payments.

2011 SURE Program

Applications under the 2011 Supplemental Revenue Assistance Payment Program (SURE) program can now be filed at your local FSA County Office. Producers who believe they may be eligible for a SURE program payment must contact their local county office for an appointment to determine eligibility.

The SURE program provides a producer a revenue payment when actual revenue falls below the producer's guaranteed revenue for the crop year. The program guarantee and revenue are based on the sum of all crop acreage in all counties that the producer has an interest in. To be eligible for payment, producers must have all acreage insured under either the crop insurance or NAP programs and be located in a disaster county or contiguous county.

For the 2011 crop year, producers in all counties in North Dakota are eligible to file an application for SURE. If the producer's farm revenue is less than the farm guarantee and at least one crop of economic significance suffered a 10% loss in yield a SURE payment will be based on 60% of the difference. To calculate a SURE program payment, FSA will compile production, revenue and loss records from RMA and FSA data and compare the actual revenue to the guaranteed revenue. Actual revenue is determined from national average market prices, therefore producers are not required to provide sales documentation, unless requested by the county committee. Guaranteed revenue is determined by multiplying the planted or considered planted acreage times the higher of the crop's APH, adjusted APH or Counter-cyclical yield times the insurance price election times the level of coverage.

For more information on the SURE program, please visit your local FSA county office or <http://www.fsa.usda.gov>.

2012 ACRE Program – Farm Benchmark Yield Update

Producers who have a 2012 Average Crop Revenue Election (ACRE) program contract on one or more FSA farms, must complete the FSA-658 (Record of Production & Yield) for each ACRE farm and each covered commodity planted in 2012 by not later than July 15, 2013.

In the event a farm bill is enacted in the upcoming months, producers are encouraged to complete the 2012 production certification as soon as possible.

Production evidence that can be used to support the certified yields can be from the following sources:

- Crop Insurance loss records
- Sales records (buyer specific)
- Crop Insurance APH data base records
- Farm stored production records, appraisals

Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule. Spouses may not sign FSA-211s on behalf of each other or sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Spouses must have a power of attorney on file or sign personally for claim settlements, such as promissory notes.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

A spouse's authority to sign documents on behalf of the other spouse does not entitle the spouse to review or receive agency records of the other spouse.

Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade on-farm storage and handling facilities.

The maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the eligible net cost of the storage facility and permanent drying and handling equipment. North Dakota FSA requires additional security for all loans exceeding \$50,000 or when the aggregate amount of FSFL loans exceeds \$50,000. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Applications for FSFL must be submitted to the FSA County Office that maintains the farm's records. Sign-up for FSFL is continuous as long as CCC funds are available. An FSFL loan must be approved before authorizing delivery of equipment or materials, site preparation, or construction.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

Change in Farming Operation

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

Important Dates and Deadlines

2013 Acreage Reporting Deadline -apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains - November 15, 2012

Haybale Removal from CRP - November 15, 2012

County Committee Election Ballots Due - December 3, 2012

2013 NAP - Honey Insurance - December 3, 2012

November Loan and Interest Rates

Operating Loans - 1.125%
Farm Ownership Loans - 3.125%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 2.125%
Farm Storage Facility Loan, 7-Year - 1.125%
Farm Storage Facility Loan, 10-Year - 1.750%
Farm Storage Facility Loan, 12-Year - 2.000%

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).