

January 2014



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North Dakota FSA eNews

North Dakota State Office

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From the State Executive Director

Getting through all these cold days has been a challenge for farmers and ranchers. I often wonder how our grandparents survived 100 years ago but in reality our way of life has improved with so many simple conveniences we take for granted; like electricity.

At this time of year there are many land changes that need to be reported at county FSA offices. Plan on getting in as soon as you can to make those changes, so when a new farm bill gets implemented and acreage reporting starts you can be ahead of the game. Also as tax time comes, if you have any questions on your IRS-1099-G give the county office a call.

I am thinking spring already!

--Aaron Krauter, State Executive Director

2014 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 2014 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 all spring planted crops, including grass for hay and grazing, by the 2014 sales closing date of March 15, 2014.

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2014 Acreage Reporting Dates

Producers now have until January 15, 2014, to report crops that have a November 15, 2013 reporting deadline without paying a late-file fee. Crops under this waiver include fall seeded small grains and native and improved grasses intended for grazing or haying. The Risk Management Agency (RMA) did not grant a waiver so producers need to consult their crop insurance agent for deadlines for insured crops.

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their county FSA office to file an accurate crop certification report by the applicable deadline.

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

Additionally, producers can purchase both NAP and RMA coverage for 2014 annual forage crops. NAP coverage will not be available for 2015 annual forage crops.

Late file fees will be assessed for applicable 2014 crops reported after January 15, 2014.

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IRS Reporting For Tax Year 2013

Producers which are recipients of program payments during calendar year 2013 will receive form IRS-1099-G detailing payments producers have received from the Commodity Credit Corporation. The annual report of program payments on IRS-1099-G is a service intended to help our customers report taxable income. It is not intended to replace producer's responsibilities to report income to IRS. The mailing of form IRS-1099-G will occur

in late January 2014.

CCC will not issue form IRS 1099-G when CCC program payments total less than \$600. In addition, producers which receive program payments from multiple counties will receive only one IRS Form 1099-G showing all payments from all counties.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

Although refund information is not shown on the IRS 1099-G, a Customer's financial data including refund information, program payment amounts, and prior year CCC-1099 information is conveniently available via the internet through the FSA "Financial Inquiries" database (FSA-FI).

Instructions for obtaining a FSA-FI user ID and password are available on the FSA web site at: <http://www.eauth.egov.usda.gov/eauthWhatIsAccount.html>

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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.

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Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

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Restrictions on Removing CCC Loan Collateral

Producers with grain under Commodity Credit Corporation (CCC) loan the loan collateral cannot be removed without prior authorization or repayment. Unauthorized removal, which includes removal for cleaning for seed or planting, is considered a violation and is subject to monetary and administrative penalties. CCC loans are subject to spot check. Determined shortages must be repaid with principal plus interest, and additional monetary penalties plus loss of future loan eligibility and restrictions on LDP's may apply. Producers planning to remove CCC loan grain must contact their local county FSA office staff for additional information.

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Emergency Loans

Producers with operations in counties that have been declared Presidential Disaster Areas or designated as a disaster area by the Secretary of Agriculture or in a contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000. The current emergency loan interest rate is 2.25 percent.

Producers with operations in counties that did not receive a disaster designation could be eligible for emergency loan assistance if they suffered at least a 30 percent loss in crop production or a physical loss to livestock, livestock products, real estate or chattel property.

For more information about emergency loans, please contact your local FSA office or visit www.fsa.usda.gov.

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2013 ACRE Program – Farm Benchmark Yield Update

Producers who have a 2013 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 2013 by not later than July 15, 2014.

In the event a farm bill is enacted in the upcoming months, producers are encouraged to complete the 2013 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

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Need Help Planting a Crop?

Call Farm Rescue, the nonprofit organization that plants and harvests crops for family farmers who have experienced a major injury, illness or natural disaster. Up to 1,000 acres planted free of charge. Go to farmrescue.org or call 701-252-2017 for an application.

Apply now; priority is given to applications received by April 15.

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Important Dates and Deadlines

January 17 - Final date for County Committee Ballots to be returned to County Office or postmarked

March 15 - NAP Deadline - 2013 Spring planted and forage crops

July 15 - Acreage Reporting Deadline for 2014 Crop Year

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January Loan and Interest Rates

Commodity Loans - 1.125%

Operating Loans - 1.875%

Farm Ownership Loans - 4.125%

Farm Ownership - Down Payment Loans - 1.50%

Emergency - Amount of Actual Loss - 2.875%

Farm Storage Facility Loan, 7-Year - 2.250%

Farm Storage Facility Loan, 10-Year - 2.875%

Farm Storage Facility Loan, 12-Year - 3.000%

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