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North Dakota FSA eNews

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From the State Executive Director

The President's signature on the Agricultural Act of 2014 makes it official that a new set of safety net programs are in place. Direct payments are replaced with Price Loss Coverage or Agricultural Risk Coverage and livestock programs such as LIP, LFP and ELAP are now permanent effective back to October 1, 2011 and there is a lot more. As USDA works through the process of implementation, we will be conducting informational meetings throughout the state. We ask for your patience and understanding so we all get it right the first time.

StrikeForce Initiative Expanded to Address Rural Poverty

USDA's StrikeForce partners public resources with local expertise to help grow rural economies and create jobs in persistent poverty communities. USDA staff work with state, local and community officials to increase awareness of USDA programs and help build program participation through intensive community outreach.

In 2013, StrikeForce identified Benson, Eddy, Rolette and Sioux Counties in

North Dakota as target communities. For 2014, Kidder, Ramsey and Sheridan Counties have been added to this intensive outreach campaign. Watch for StrikeForce events to be held in these counties in the near future.

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Document Livestock Losses

The newly enacted 2014 Farm Bill includes permanent disaster programs for livestock producers. The bill retroactively reauthorizes the Livestock Indemnity Program (LIP), the Livestock Forage Program (LFP) and the Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish (ELAP) back to October 1, 2011.

Livestock producers that lost eligible livestock due to adverse weather events from October 1, 2011 and forward, should be compiling their documentation to support their losses. It is unknown when FSA County Offices will be able to accept applications for LIP, so be watching for more news releases with more information.

Please note that a previous bulletin was sent indicating an incorrect retroactive date. Program coverage will be retroactive to October 1, 2011.

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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 17, 2014.

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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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Foreign Buyers 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. The Farm Service Agency administers this program for USDA. All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) 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. Reports of foreign owners of US agricultural land are found at FSA's public website at the following link: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=afa>

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IRS Reporting for Tax Year 2013

Producers which are recipients of program payments during calendar year 2013 will receive form CCC-1099-G detailing payments producers have received from the Commodity Credit Corporation. The Farm Service Agency uses the form CCC-1099-G, which is a substitute for Form IRS-1099 G. These annual reports of program payments on CCC-1099-G have been mailed out and are intended to help our customers report taxable income. It is not intended to replace producer's responsibilities to report income to IRS.

CCC will not issue form CCC 1099-G when CCC program payments total less than \$600. In addition, producers which receive program payments from multiple counties will receive only one CCC 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 CCC-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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Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFL) 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. 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. Sign-up for FSFL program is continuous as long as CCC funding is 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.

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Commodity Loan Repayments

Outstanding commodity loans can be repaid at any time at principal plus interest. Market rate loan repayments can be made on nonrecourse loans prior to loan maturity, when the market repayment rate is less than principal plus interest. Currently, there are no commodities with a market repayment rate less than principal plus interest. Matured loans cannot be repaid at the market repayment rate.

If the sales proceeds are needed to repay the loan, a marketing authorization (CCC-681-1) can be requested. The request can either be made in person or by telephone. The terms of the marketing authorization can be either 15 or 30 calendar days. All parties who signed the note are responsible for repaying the loan. If the buyer does not repay the loan as required by the marketing authorization, CCC will make demand for repayment on the producers who signed the note. If a market repayment option is available, the option cannot be used after loan maturity or when the buyer does not remit repayment within 15 days of the expiration date of the marketing authorization.

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Important Dates and Deadlines

March 17 - NAP Deadline - Spring planted and Forage crops

July 15 - Acreage Reporting Deadline for 2014 Crop Year spring planted crops

July 15 - 2013 ACRE Production Evidence Deadline

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February Loan and Interest Rates

Commodity Loans -1.125%
Operating Loans - 2.000%
Farm Ownership Loans - 4.250%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 3.000%
Farm Storage Facility Loan, 7-Year - 2.375%
Farm Storage Facility Loan, 10-Year - 3.000%
Farm Storage Facility Loan, 12-Year - 3.125%

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