



November 2007

State Executive Director Comments

Greetings,

FSA Offices around the State have been busy in the past few weeks issuing \$112 million in Conservation Reserve Program payments and \$175 million in final 2007 Direct Payments. In addition, sign-up for the 2005 and 2006 Crop Disaster Program began on October 15, 2007. Sign-up for the Livestock Disaster Programs is also underway. A deadline has yet to be established for the ongoing Disaster Program signup periods.



By the time you receive this newsletter you should have received a ballot for the upcoming county committee election, provided you are an eligible voter. I encourage you to participate in the election.

I also encourage you to read the article regarding the upcoming Census of Agriculture that will be conducted by the National Agricultural Statistics Service. It is beneficial to all of agriculture to participate in the survey.

Gary J. Nelson, FSA State Executive Director

Crop Disaster Program

The sign-up period for the Crop Disaster Program (CDP) is underway.

Eligible farmers can sign up for the CDP program if they have one or more insured crops that suffered quantity losses of 35% or greater to their insured crops in the years of 2005, 2006 or 2007. The sign-up for Quality Losses will be announced at a later date.

The CDP program provides benefits to farmers who suffered quantity and quality losses to 2005, 2006, or 2007 crops from natural disasters if the crop was planted before Feb. 28, 2007, or, in the case of prevented plantings, for crops that would have been planted before Feb. 28, 2007. In North Dakota, the crops eligible for coverage in 2007 would include alfalfa, grass for hay, and winter wheat. The 2007 spring planted crops would not be eligible crop acreage under the 2007 crop year.

Contact your local FSA Office with any questions and to schedule a time to apply for CDP.

Livestock Disaster Programs

FSA began accepting applications for the Livestock Indemnity Program (LIP) and the Livestock Compensation Program (LCP) on September 13. The application period's ending date has not been announced.

LIP provides payments to livestock producers for livestock deaths caused by eligible natural disasters between January 1, 2005 and February 28, 2007. Applicants must provide documentation to support the claimed deaths.

LCP provides benefits to livestock producers that suffered feed losses in 2005 or 2006. LCP payments are the lesser of the value of the computed feed loss due to eligible disaster conditions or the established payment rate for the type of eligible livestock on hand on the beginning date of the disaster.

2006 LCP payments are reduced by the amount received from the State of North Dakota under the Livestock Assistance Grant Program.

Opportunities to Enroll in CRP

Landowners and operators still have an opportunity to enroll eligible land into CRP on a continuous basis. North Dakota has acreage remaining in its acreage allocation for the Duck Nesting Habitat and the Farmable Wetland Program.

Eligible land may be enrolled under those special CRP initiatives mentioned above or other continuous signup practices such as filter strips, riparian buffers, shelterbelts and field windbreaks.

Cropland acreage with wetlands may be enrolled under the Duck Nesting Habitat initiative. Eligible cropland must be in areas identified as having the potential of supporting 25 or more breeding pairs of ducks. There are no limitations on the contract size under this program.

The Farmable Wetlands Program provides additional financial incentives to landowners and operators who enroll farmed wetlands and adjacent buffer areas into CRP. Enrollment into CRP under this initiative is limited to 40 acres per tract.

Remove Bales From CRP Fields

Bales obtained under the managed haying provisions must be removed from CRP fields by November 15. Failure to remove the bales timely could result in financial penalties.

Combination Share Leases

For FSA purposes, leases are considered to be combination share lease if the lease provides for both of the following:

- A guaranteed amount such as a fixed dollar amount or quantity and
- A share of the crop or crop proceeds.

If such a lease exists both the owner and operator are required to share in the DCP payments.

Dates to Remember	
December 1	Deadline to purchase NAP on Fall Crops including forages, grapes and honey.
December 3	The last day to return County Committee election ballots.

Dairy Indemnity Program

Dairy producers who are required by a public regulatory agency to remove their milk from the commercial market due to contamination by pesticides, toxic substances or chemical residues may be eligible for payments under the Dairy Indemnity Payment Program. Applications for losses during the fiscal year ending October 31 must be filed by December 31, 2007. Additional information is available at local county FSA offices.

Wool/Mohair Deadline

The deadline for 2007 wool and mohair loan applications, and wool, mohair and unshorn pelt LDP applications, is January 31, 2008. Eligible wool or mohair must have been shorn in calendar year 2007. Eligible unshorn lambs must have been sold for slaughter in calendar year 2007. Applications must be received in the county FSA office on or before the January 31 deadline.

Reporting of Loan Market Gains to IRS

Beginning with the 2007 calendar year, FSA/CCC will report producer market gains associated with the repayment of CCC loans. This will include market gains from cash loan repayments and certificate loan repayments. The market gain will be reported on IRS Form 1099-G. IRS Bulletin 2007-33, Notice 2007-63, dated August 13, 2007, provides additional information concerning the tax treatment of market gain repayments.

Restrictions on Removing CCC Loan Collateral

Producers are reminded of Commodity Credit Corporation (CCC) loan restrictions. Grain under CCC loan cannot be removed without prior authorization or repayment. Removal and disposition without written authorization or repayment, which includes moving to nondesignated bins, feeding, using for seed, or delivery to a buyer is considered a violation and is subject to monetary and administrative penalties.

Commodity 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. If the loan collateral will be sold, producers must contact the county FSA office and obtain a marketing authorization prior to removing the commodity. The marketing authorization may be requested by telephone and can be obtained for a 15 or 30 day authorization period.

Producers planning to remove or sell CCC loan commodities should contact their local county FSA office staff for additional information prior to removal of the loan collateral.

Farm Storage Facility Loans

Farm storage facility loans (FSFL) are available for construction of storage and handling equipment. New structures and permanently affixed handling and drying equipment are eligible for loan as determined by the county committee. Loan term is 7 years and requires a 15 percent downpayment. The interest rate is based on the CCC rate in effect during the month the loan application is approved. New loan amounts, plus the aggregate balance of all outstanding FSFL loans cannot exceed \$100,000.

Loan processing and approval can take up to 90 days from the time the application is received. Producers intending to use the FSFL program for construction in 2008 should contact their local county FSA office staff as soon as possible to review loan eligibility and application requirements.

County Committee Election

The Farm Service Agency (FSA) will be conducting its annual committee election in November 2007. FSA County Committees represent farmers in their local communities and make decisions on crop bases and yields, commodity loans, conservation programs, disaster payments and other federal farm assistance programs. The current County Committee consists of 3 members elected from 3 Local Administrative Areas (LAA's) or districts in all counties with the following exceptions: 1) Stark/Billings and Bowman/Slope each have a combined County Committee consisting of 5 LAA's and 5 COC members. 2) Mountrail County has a 5 member Committee from 4 LAA's. 3) Sioux County has a 4 member Committee from 4 LAAs. The **LAA** that is up for election this year is identified by the number in the **table provided below**. Please contact your local FSA Office for further information and details regarding the specific LAA conducting the election in your county or you may contact the state office at 701-239-5224.

LAA	County
1	Bottineau, Bowman, Burke, Dickey, Dunn, Golden Valley, Grand Forks, Griggs, Kidder, LaMoure, McHenry, McIntosh, McLean, Morton, Oliver, Sargent, Stark, Stutsman, Traill, Walsh, Williams
2	Adams, Burleigh, Cass, Cavalier, Divide, Logan, Mercer, Mountrail, Pembina, Rolette
3	Barnes, Benson, Eddy, Emmons, Foster, Grant, Hettinger, McKenzie, Mountrail, Nelson, Pierce, Ramsey, Ransom, Renville, Richland, Sheridan, Sioux, Stark, Steele, Towner, Ward, Wells
4	Sioux
5	Bowman

Ballots will be mailed to eligible voters **no later than November 2, 2007**. The ballots are mailed from a nationally selected vendor. Please allow at least a week to two weeks for delivery of your ballot. Your local office will also have a supply of ballots on hand for walk-in voters. **Ballots must be postmarked or returned by no later than December 3, 2007**. Only those voters eligible to vote in the Local Administrative Area conducting the election will receive ballots. Ballots must be counted in your local office no later than December 10. Please contact your local office for the specified time and date for your county.

2008 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 2008 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 \$100 per crop per county or \$300 per producer per county, not to exceed \$900 per producer in all counties.



Producers must purchase NAP policies for fall seeded crops by December 1, 2007. Fall seeded crops include: forage, grass seed, apples, berries, grapes and honey. The deadline to purchase coverage on spring seeded crops is March 15, 2008.

Loans for Socially Disadvantaged Applicants

The Farm Service Agency (FSA) makes and guarantees loans to approved socially disadvantaged applicants to buy and operate family-size farms and ranches.

A socially disadvantaged (SDA) farmer, rancher, or agricultural producer is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as a member of the group without regard to his or her individual qualities. SDA groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

The Agency:

- Reserves direct and guaranteed loan funds for SDA persons. Non-reserved funds also can be used by SDA persons;
- Discovers and removes barriers that prevent full participation of those persons in FSA's farm loan programs; and
- Provides information and assistance to applicants to help them develop sound farm management practices, analyze problems, and plan the best use of available resources essential for success in farming, ranching, or other agricultural production.

Types of Loans

Direct farm ownership loans (FO) and farm operating loans (OL) are made by FSA to approved applicants.

Guaranteed FO and OL loans are available and may be made by any lending institution subject to Federal or State supervision (banks, savings and loans, and units of the Farm Credit System) and guaranteed by FSA. Typically, FSA guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Use of Loan Funds



FO loans may be used to purchase or enlarge a farm or ranch, purchase easements or rights of way needed in the farm's operation, erect or improve buildings, implement soil and water conservation measures, and pay closing costs. Reserved direct FO loan funds can only be used to purchase a farm or ranch. Guaranteed FO funds may also be used to refinance debt.

OL loans may be used to purchase livestock, poultry, farm equipment, feed, seed, fuel, fertilizer, chemicals, insurance, and other operating expenses. Funds also may be used to refinance debt (subject to certain restrictions) and to install or improve water systems for home use, livestock or irrigation, and other improvements.

Who May Borrow

To qualify for assistance, SDA applicants must meet all loan eligibility requirements including:

- Be a family-size farmer;
- Have a satisfactory history of meeting credit obligations;
- For direct loans, have sufficient education; training, or at least 1-year's experience in managing or operating a farm or ranch within the last 5 years. For direct FO loans, applicants must have participated in the business operations of a farm or ranch for 3 years;

- Be a citizen of the United States (or a legal resident alien), including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Island Trust Territories;
- Be unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs;
- Possess legal capacity to incur loan obligations;
- Not be delinquent on a Federal debt;
- Not have caused FSA a loss by receiving debt forgiveness (certain exceptions apply); and
- Be within the time restrictions as to the number of years they can receive FSA assistance.

In the case of an entity, the members holding a majority interest must meet the same eligibility requirements. The entity must be authorized to operate a farm or ranch in the State where the actual operation is located. In addition, the entity must be owned by U.S. citizens or legal resident aliens, and the SDA members must hold a majority interest in the entity.

If the individuals holding a majority interest in the entity are related by blood or marriage, at least one stockholder, member, or partner must operate the family farm or ranch. If they are not related by blood or marriage, those holding a majority interest must operate the farm or ranch.

Terms and Interest Rates

Repayment terms for direct OL loans depend on the collateral securing the loan and usually run from 1 to 7 years. Interest rates for direct loans are set periodically according to the Government's cost of borrowing. Repayment terms for direct FO loans vary but never exceed 40 years.

Interest rates for guaranteed loans are established by the lender, but may not exceed the rate the lender charges its average farm loan customer. Guaranteed loan terms are set by the lender.

Getting a Loan

Applications for all FSA direct loan programs are made through FSA local offices and USDA Service Centers.

Guaranteed loan applications are made with the lender. In cases where a lender is not known to an applicant, local office personnel will assist the applicant.

For more information

Further information is available from local USDA Service Centers.

Selected Interest Rates for November 2007	
90-Day Treasury Bill	4.125%
Farm Operating - Direct	4.750%
Farm Ownership - Direct	5.375%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	4.375%
Sugar Storage Facility	4.875%
Commodity Loans	5.125%

CENSUS GIVES FARMERS A VOICE IN THEIR FUTURE
2007 Census of Agriculture Coming Soon

Fargo, ND – America’s farmers and ranchers will soon have the opportunity to make their voices heard and help shape the future of agriculture for years to come.

That opportunity will come to their mailboxes in the form of the 2007 Census of Agriculture.

Conducted every five years by the U.S. Department of Agriculture, the Census is a complete count of the nation’s farms and ranches and the people who operate them. The Census looks at land use and ownership, operator characteristics, production practices, income and expenditures and other topics. It provides the only source of uniform, comprehensive agricultural data for every county in the nation.

“The Census of Agriculture provides information that is not available anywhere else – information that benefits agricultural producers and their communities in numerous ways,” said David Knopf, director of the North Dakota Field Office of USDA’s National Agricultural Statistics Service (NASS).

“For instance, policy-makers factor Census data into decisions concerning agricultural and rural programs. Community planners use Census to target needed services to rural residents. Renewable fuel companies rely on Census data when determining where to locate their operations. And farmers themselves can use Census data to help make critical decisions about their businesses,” he explained.

NASS will mail out Census forms on December 28, 2007 to collect data for the 2007 calendar year. Completed forms are due by February 4, 2008. Producers can return their forms by mail or, for the first time, they have the convenient option of filling out the Census online via a secure web site.

“We’re committed to making this Census the best count ever. It’s about the future of agriculture and rural communities in our state,” Knopf said. “Regardless of how large or small their operation is or what kinds of products they produce, North Dakota farmers and ranchers will help themselves and their communities by filling out the Census of Agriculture and returning it promptly,” he added.

“We want farmers and ranchers to know: the Census of Agriculture is their voice, their future and their responsibility.”

For more information about the 2007 Census of Agriculture, please contact the NASS North Dakota Field Office at 800-626-3134 or visit www.agcensus.usda.gov online.

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