



**December 2011**

**North Dakota  
Farm Service  
Agency**

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**Hours**

Monday - Friday  
8:00 am - 4:30 pm

**State Executive  
Director**

Aaron Krauter

**State Committee  
Chair**

Marcy Svenningsen

**State Committee  
Members**

Todd Hall  
Lynn Jacobson  
Marie Marshall  
Lucy Matejcek

**Website**

[www.fsa.usda.gov/nd](http://www.fsa.usda.gov/nd)

**From the State Executive Director**



Mother Nature again proved to us all that she is in control. Yields and quality varied with record production in areas of North Dakota.

As we close out 2011 we look back and think about the challenges and successes we had. The winter of 2010 seemed to never end. North Dakota experienced unprecedented amounts of moisture in the form of snow and rain. Livestock losses due to winter storms and prevent plant acres were more common than ever before. Major flooding in our river systems and the Devils Lake Basin was devastating. By late summer, production agriculture was a mixed bag. The hay and forage crops were as lush as one has ever dreamed for, but over 25% of the crop land in the state did not get planted. At harvest,

As we prepare for 2012, we reminisce about the great fall weather we have had and the start of a milder winter than previous. We revise our marketing plans and try to forget about all the expenses but we plan for another great year of farming in North Dakota.

We at the North Dakota Farm Service Agency also review our past year and plan for the next year just like all producers do. In previous newsletters, you have read about how your FSA office has been doing its part to reduce the federal deficit, while providing all the services required by Congress. We have reduced our operating expenses in areas like travel, postage, printing, etc. If you recall, FSA no longer sends out producers black and white acreage reporting maps. We ask that producers stop in the county office to pick them up or better yet have them emailed to your home or copied to a CD or USB device.

In another cost savings measure, this will be the **last** newsletter mailed out to operators and owners. Starting in January 2012, the monthly newsletter will be sent out via email and posted to our state FSA website ([www.fsa.usda.gov/nd](http://www.fsa.usda.gov/nd)). So I ask that you provide your email address to stay current with FSA information. If you do not have an email address find a family member or friend who will receive it for you. A copy of the newsletter is always available at your local FSA office.

Like other agriculture businesses today, FSA is beginning to use email notification to send pertinent information such as deadlines, reminders, and newsletters. This new notification system, called GovDelivery, will allow us to provide timely information about your Farm Service Agency through email, text messaging, or both. Producers will be able to access other USDA information via internet as desired. I ask for your support and assistance to get the email information. Rest assured, email addresses are treated as personally identifiable information (PII) and are confidential at FSA.

Have a great holiday season, Merry Christmas!

*Aaron Krauter*

## 2012 DCP/ACRE Sign-up

2012 Direct and Counter-Cyclical Program (DCP) enrollment will begin Jan. 23, 2012 and will end June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers planting on DCP base acres must be identified on the DCP/ACRE contract and receive a proportionate share of DCP/ACRE payment for the farm.
- Changes on the farm after enrolling June 1st in DCP/ACRE must be reported to your local FSA office such as:
  - Ownership changes
  - Producer changes (Individuals and Entities)
  - Change in crop shares arrangements

Note: Changes cannot be made after Sept. 30, 2012.

## 2010 SURE Program

The sign-up for 2010 losses started on Nov. 14, 2011 and runs through June 1, 2012.

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that incurred in the crop year 2010. SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.
- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

## Average Adjusted Gross Income (AGI) Provisions

For 2012, there are now four qualifying levels for AGI provisions. The levels are as follows:

\$500,000 Nonfarm Income – if a person or legal entity has average adjusted gross

nonfarm income that exceeds \$500,000, the person or legal entity is ineligible for all commodity program payments and benefits,

\$750,000 Farm Income – if a person or legal entity has average adjusted gross farm income that exceeds \$750,000, the person or legal entity is ineligible for DCP direct payments only,

\$1,000,000 Nonfarm Income – if a person or legal entity has average adjusted gross nonfarm income that exceeds \$1,000,000 the person or legal entity is ineligible for all conservation program benefits unless at least 66.66% of total AGI is average adjusted gross farm income.

\$1,000,000 Total Farm and Nonfarm Income - if a person or legal entity has average adjusted gross farm and nonfarm income that exceeds \$1,000,000, the person or legal entity is ineligible for 2012 direct payments under DCP.

The average AGI is based on the average of adjusted gross income for the 3 taxable years preceding the most immediately preceding complete taxable year. For the 2012 program year, the 3 taxable years for AGI purposes would include 2010, 2009, and 2008.

## Direct Attribution

For 2009 and subsequent crop years, payments will be limited by direct attribution rather than by “person.” Under direct attribution, payments made to individuals remain unchanged. However, payments to legal entities, such as corporations, limited partnerships, limited liability companies, and other similar entities, are limited by attributing the payment to an individual based on his/her direct and indirect interest in the entity.

For example, Producer A receives a DCP direct payment of \$32,000 as an individual. In addition, Producer A has a 33.33% interest in Corporation ABC, which earns \$30,000 in DCP direct payments. The application of direct attribution would result in \$10,000 being attributed to Producer A, resulting in total earnings of \$42,000. Since the limitation for DCP direct payments is \$40,000, Producer A’s payments will be reduced by \$2,000.

## Deadline Calendar

### January 23

2012 DCP/Acre Signup

### March 15

NAP Sales Closing for 2012 Forage and other Spring Planted crops.

### June 1

DCP/ACRE Signup Deadline

SURE Signup Deadline

### July 15

Acreage Reporting Deadline

2011 ACRE Production Evidence Due

### August 1

2012 Land and Ownership Changes

## Conducting FSA Business Electronically

Customers of FSA interested in conducting business transactions via internet or submitting forms electronically need to register for an eAuthentication account with a **Level 2 Access**. The website to create an account is: [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov) When creating an account, producer’s must have a valid email address to complete the registration process.

## 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, and on security documents for price support loans.

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.

The following are current program payment limitations:

Program	Limit
DCP Direct	\$40,000
DCP CC/ACRE	\$65,000
CRP	\$50,000
SURE, LIP, LFP, & ELAP	\$100,000
NAP	\$100,000
LDP & Market Gain	No limit

## Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota is July 15. Acreage reports must be filed for all cropland on the farm before any 2011 DCP or CRP 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), the Non-insured Assistance Program (NAP), and the Supplemental Revenue Assistance Payments Program (SURE) must report the specific acreage for which benefits are being requested.

A late-filed acreage report may be accepted if the producer pays the late filing fee, physical evidence of the crop exists, the crop's use can be verified, and the crop's acreage can be determined.

## Hispanic and Women Farmers

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established. If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

### Hispanic and Women Farmer Claims Process:

[www.farmerclaims.gov](http://www.farmerclaims.gov) or call 1-888-508-4429

## Pigford – The Black Farmers Discrimination Litigation:

[www.blackfarmercase.com](http://www.blackfarmercase.com) or call 1-866-950-5547

## Keepseagle - The Native American Farmers Class Action Settlement:

[www.IndianFarmClass.com](http://www.IndianFarmClass.com) or call 1-888-233-5506

## Farm Storage Facility Loan

Producers considering expanding their on farm storage capacity are reminded that the Farm Storage Facility Loan (FSFL) Program is available for eligible storage and handling equipment. New structures used to store commodity loan program commodities and having a useful life of at least 15 years are eligible for loan. Permanently affixed grain handling and grain drying equipment are eligible for loan when the County Committee determines that the equipment is needed and essential to a producer's storage system.

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 net cost of the eligible storage facility and permanent drying and handling equipment. Real estate liens are required for new loans and aggregate loan balances exceeding \$50,000. Loan terms of 7, 10, or 12 years are available depending on the amount of the loan. Interest rates for each term may be different and are based on the rate which CCC borrows from the Treasury Department. The interest rate is determined in the month that the loan application is approved.

Loan application processing can take up to 90 days to review the storage needs, borrower financial data, lien records, completion of the environmental inspection and security requirements. Authorizing delivery of equipment or materials, site preparation or construction prior to obtaining approval can result in disapproval of the loan request. Producers considering using the FSFL program should contact the staff at their local county FSA office to review the loan eligibility and application requirements.

## How To Sign Up for GovDelivery

Producers, owners and other individuals interested in keeping up to date with FSA are encouraged to sign up for GovDelivery. GovDelivery allows newsletters and informational bulletins to be sent via email.

1. To subscribe to updates, go to [www.fsa.usda.gov](http://www.fsa.usda.gov).
2. On the right side of the page under “Stay Connected”, enter your email address in the box that says “Sign up for updates:”.
3. Click Go.
4. Under Subscription Topics, click the plus symbol (+) next to Updates by State and County.
5. Click the plus symbol (+) next to North Dakota.
6. Click the check box next to “North Dakota State Office Newsletter and Updates”.
7. Click the check box next to the county or counties you wish to subscribe to.
8. Scroll to the bottom of the page and click Submit. A subscription notification will be sent to your email address.
9. If you do not receive an email notification, check your junk email folder and mark the email as “not junk” to ensure proper delivery of future emails.

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## Marketing Assistance Loans (MAL)

USDA’s Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans (MAL) for certain commodities (barley, canola, corn, crambe, dry peas, flaxseed, grain sorghum, honey, chickpeas, lentils, mustard seed, oats, rapeseed, safflower, sesame seed, soybeans, sunflower seed, wheat and wool). 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.

For details regarding eligibility, restrictions and repayment terms, contact your local county FSA office or visit <http://www.fsa.usda.gov> and click on Price Support.

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