

August 2015



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North Dakota FSA eNews

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<http://offices.sc.egov.usda.gov/locator/app>

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ARCPLC Enrollment Period – 2014 and 2015 Crop Years

Operators and owners of farms in 2014 and 2015 must complete enrollment into the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs by not later than September 30, 2015.

Previously, owners and operators completed yield, base and election decisions, now you must complete the “enrollment” or “contracting” step of the program. The program elections made by producers on the farm were an irrevocable program election that runs through the 2018 crop year. The contract enrollment process is an “annual requirement”, for each of the years 2014 – 2018. The annual enrollment phase must be completed by September 30, 2015, for both the 2014 and 2015 contract years.

ARC and PLC payments are earned on farms that are enrolled into the annual contract if; the crop base has been elected in into the PLC program and the marketing year average price falls below the reference price for the crop; or for ARC-CO, the crop base has been elected into ARC-CO and the actual revenue for the year falls below the guarantee for the applicable crop base; or for ARC-IC, the farm is elected into ARC-IC and the farm’s actual revenue falls below the farms guarantee for the year. The 2014 crop year payments, if triggered, will begin to be issued in October of 2015. The crops that trigger 2014 payments will be announced by FSA later this fall.

For ARC-CO and PLC, the contract enrollment must be completed by those producers with an interest in historical base acres of the farm. For ARC-IC farms, the contract must be completed by producers who have an interest in the planted acres of the covered commodities on the farm.

Please make certain that you check with your County FSA Office to ensure that the FSA farms you want enrolled into the annual 2014 and 2015 ARC and PLC programs, have been completed.

Producers are encouraged to contact their local FSA office to schedule an appointment to complete the ARCPLC enrollment process and sign the program contract for each of their FSA farms by the deadline of September 30, 2015.

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2015 Crop – NAP Notice of Loss

Producers with a 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.

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Foreign Owners 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. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form 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.

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ARC and PLC Acreage Maintenance Requirement

Producers enrolled in Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs have agreed to protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign an ARC and PLC contract agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC and PLC programs, the County Committee may elect to terminate the contract for the program year.

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2014 ARC-IC – Farm Benchmark and Actual Yield Certification

Producers, who have a 2014 ARC-IC program contract on one or more FSA farms, must complete the certification of ARC-IC yields for each ARC-IC farm and each covered commodity planted in 2014 by not later than September 30, 2015.

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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Preventing Crop Insurance Fraud, Waste, and Abuse

The Farm Service Agency and Risk Management Agency are partners in preventing fraud, waste, and abuse in the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. In addition, FSA will refer all suspected cases of fraud, waste, and abuse to RMA.

Producers can report suspected cases to the county office staff, RMA, or the Office of the Inspector General (OIG).

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CRP 1-Year Contract Extensions

Beginning June 22, 2015, certain CRP participants with CRP contracts that are scheduled to expire on September 30, 2015, may extend all or part of the contract acreage for a 1-year period at the same payment rate. No general signup is scheduled for Fiscal Year 2015.

The signup period for the 1-year extension ends August 28, 2015.

Contracts ineligible to be extended for 1-year include contracts that will exceed a total of 15 years.

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Managed Haying or Grazing of Certain CRP Acreages

CRP participants may hay or graze certain CRP acreages under Managed Haying/Grazing provisions. The haying and grazing period begins August 2nd. The haying operation must end on September 1, 2015, whereas the grazing activity could occur as late as September 30, 2014, depending on the approved stocking rate for the acreage. Interested CRP participants must complete the applicable application process and receive approval from their local FSA Office prior to any harvesting or grazing of CRP.

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Conservation Reserve Program Acres

An additional allocation of acres is now available for enrollment under the State Acres for Wildlife Enhancement (SAFE) CRP initiative and under two Conservation Reserve Program practices targeting wetlands and duck nesting habitat.

Signup for enrollment is ongoing on a first come first served basis until the allocation is exhausted. Contact your local FSA office for more information.

Emergency Livestock Assistance Program

Producers of livestock, honeybees and farm-raised fish are reminded to report losses to their local FSA office by the earlier of the following:

- 30 calendar days of when the loss is apparent to the producer
- November 1 after the end of the program year in which the loss occurred.

Note: Program year runs October 1 through September 30.

Eligible loss conditions can include, disease, adverse weather, colony collapse and other conditions as determined by the Secretary of Agriculture.

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Dairy Margin Protection Program Election Period

The election period for the 2016 Margin Protection Program (MPP) began on July 1, 2015 and ends September 30, 2015.

Dairies currently enrolled in MPP must select a level of coverage for 2016 by September 30, 2015.

In order for new dairy operations to participate in MPP they must enroll and select a level of coverage within 90 days of beginning production.

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Marketing Assistance Loans

USDA's Commodity Credit Corporation makes available nonrecourse marketing assistance loans on certain crop year 2015 commodities. These loans can be requested by mail, via fax, or in person by properly completing the loan application (CCC-666). Loan applications are available at all county FSA offices and online at: <http://forms.sc.egov.usda.gov/eForms/>

A commodity loan application must be filed at the county office that maintains the farm records for the farm that produced the commodity for the loan. The 2015 crop commodity loan rates are

available at any county FSA office, or online at:
<http://www.fsa.usda.gov> and clicking on the "Price Support" link.

Lien searches are required for all applicants and spouses to identify prior lien holders. County Offices will be updating CCC-10's by verifying an individual's name according to their driver's license. Lien waivers are required from all lien holders before the loan can be disbursed.

To be eligible for loan the commodity must meet the applicable commodity definition in the Official United States Standards and specific commodity eligibility requirements for a nonrecourse loan.

Farm-stored loans are available in approved storage structures that provide safe storage for the commodity through the maturity date of the loan.

Warehouse-stored loans are also available at CCC-approved storage warehouses or State licensed warehouses which have been assigned a CCC warehouse code. Proof of storage paid through the loan maturity date and proof of payment of in-charges must be provided with the warehouse receipt for the warehouse stored loan.

Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which the loan was disbursed.

Producers requesting commodity loans are required to maintain beneficial interest in the commodity tendered for loan. Beneficial interest includes having control and title in the commodity. Loss of any one element causes loss of beneficial interest.

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Maturing Crop Year 2014 Commodity Loans

A matured farm-stored loan can be delivered to CCC at a CCC approved warehouse location. Discounts will apply based on grade and quality factors. Any deficiency in quantity and quality must be repaid by the parties who signed the note and security agreement. Interest applies to all settlement deficiencies.

Producers should explore all available settlement options before deciding to deliver to CCC at loan maturity. Situation can occur where CCC takes all the grain, but the producer still owes nearly all of the loan principal plus interest due to loan settlement discounts for poor quality. Commodity discount schedules are available at all county FSA offices.

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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 \$100,000 or when the aggregate amount of FSFL loans exceeds \$100,000. 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 the FSFL program is continuous throughout the year. All requests for FSFL prior to loan approval require a site inspection for an environmental assessment in accordance to National Environmental Protection Agency (NEPA) requirements showing no adverse impacts. FSFL policy requires the following actions cannot occur at the proposed FSFL

location prior to the environmental assessment being completed:

- accepting delivery of equipment and/or materials in previously undisturbed areas
- site preparation or foundation construction in previously undisturbed areas
- no alteration to any structures that are 50 years old or older or within a historic district

If any of the above are completed prior to FSA completing the on-site assessment may impede the completion of the environmental assessment and eligibility for the FSFL.

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

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Beginning Farmer Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov.

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Important Dates and Deadlines

August 28 - CRP 1-year Extension Signup Ends

September 30 - 2014 and 2015 ARCPLC Signup Deadline

September 30 - 2014 ARC-IC Yield Certification

September 30 - 2016 Rye NAP Coverage

September 30 - 2016 Dairy Margin Protection Program Election Deadline

December 2 - 2016 Honey NAP Coverage

December 2 - Last day to return county committee ballots to FSA County Office

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August Loan and Interest Rates

Commodity Loans - 1.125%

Operating Loans - 2.625%

Farm Ownership Loans - 4.000%

Farm Ownership - Down Payment Loans - 1.50%

Emergency - Amount of Actual Loss - 3.625%

Farm Storage Facility Loan, 7-Year - 2.125%

Farm Storage Facility Loan, 10-Year - 2.375%

Farm Storage Facility Loan, 12-Year - 2.625%

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