

November 2015



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## North Dakota FSA eNews

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### North Dakota Farm Service Agency

1025 28th St S  
Fargo, ND 58103  
Phone: 701-239-5224  
Fax: 855-813-6644

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

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Aaron Krauter

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### From the State Executive Director

November has arrived and the fall harvest is coming to a close. The first payments have been issued for the 2014 year under ARC/PLC, the safety net program authorized by the 2014 Farm Bill. Some of the key numbers used in calculating those payments comes

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

from NASS, so make sure to take a couple minutes to respond to your NASS survey every year and help make those calculations as accurate as they can be.

Stay safe out there - and don't forget to vote in your local County Committee election!

Aaron Krauter, State Executive Director

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## FSA County Committee Elections to Begin; Producers to Receive Ballots Week of Nov. 9

Farm Service Agency (FSA) today announced that the U.S. Department of Agriculture (USDA) will begin mailing ballots to eligible farmers and ranchers across the country for the 2015 FSA County Committee elections on Monday, Nov. 9, 2015. Producers must return ballots to their local FSA offices by Dec. 7, 2015, to ensure that their vote is counted.

Nearly 7,700 FSA County Committee members serve FSA offices nationwide. Each committee has three to 11 elected members who serve three-year terms of office. One-third of county committee seats are up for election each year. County committee members apply their knowledge and judgment to help FSA make important decisions on its commodity support programs; conservation programs; indemnity and disaster programs; emergency programs and eligibility.

Producers must participate or cooperate in an FSA program to be eligible to vote in the county committee election. Approximately 1.9 million producers are currently eligible to vote. Farmers and ranchers who supervise and conduct the farming operations of an entire farm, but are not of legal voting age, also may be eligible to vote.

Farmers and ranchers will begin receiving their ballots the week of Nov. 9. Ballots include the names of candidates running for the local committee election. FSA has modified the ballot, making it more easily identifiable and less likely to be overlooked. Voters who do not receive ballots in the coming week can pick one up at their local FSA office. Ballots returned by mail must be postmarked no later than Dec. 7, 2015. Newly elected committee members and their alternates will take office Jan. 1, 2016.

For more information, visit the FSA website at [www.fsa.usda.gov/elections](http://www.fsa.usda.gov/elections). You may also contact your local USDA Service Center or FSA office. Visit <http://offices.usda.gov> to find an FSA office near you.

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## Fall Acreage Reporting Deadline

Producers with the following crops have a reporting deadline of November 15 for both FSA and RMA purposes: apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains. Therefore, the aforementioned crops must be reported by November 15, 2015 to be considered timely filed.

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## Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota for the 2015 program year was July 15, 2015. Acreage reports must be filed for all cropland on the farm before any 2015 ARC or PLC payments can be issued. For marketing assistance loans and LDP's, all cropland on the farm on which the crop pledged as loan collateral must be reported. Additionally, participants of the Conservation Reserve Program (CRP) and the Non-insured Assistance Program (NAP) must report the specific acreage for which benefits are being requested.

Although the reporting deadline has passed for program year 2015, county offices will accept late-filed acreage reports providing certain criteria are met, including the assessment of late-filed fees. Contact your local county office for additional information relative to late-filed acreage reports.

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## Average AGI Limitation

With the passage of the 2014 Farm Bill, a new AGI limitation has been established for program eligibility purposes. If the participant's average AGI exceeds \$900,000 (farm and nonfarm), the person or legal entity will be ineligible for payments and benefits as follows for the respective programs/years:

- October 2, 2011, and subsequent years – LIP, LFP, ELAP, and TAP
- 2014 and subsequent years – NAP
- 2014 through 2018 – ARC, PLC, LDP, and MLG
- 2015 and subsequent years – Conservation-related programs.

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 2014 program year, for example, the 3 taxable years for AGI purposes would include 2010, 2011, and 2012.

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## Payment Limitations

The method in which FSA limits payments for program years 2014 through 2018 will continue to be via direct attribution. Direct attribution means that 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.

The following are program limitations for the 2014 through 2018 program years:

- Price Loss Coverage (PLC), Agricultural Risk Coverage (ARC), LDP's, and MLG's: \$125,000
- CRP: \$50,000
- LIP, LFP, & ELAP: \$125,000
- NAP: \$125,000

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## Margin Protection Program – Dairy Registration and Coverage Election Deadline

The registration and coverage election deadline for MPP-Dairy has been extended to November 20, 2015. Furthermore, a change has been made in when the total premium fees must be paid. Effective immediately, for 2016 coverage, 100% of the total premium due must be paid by September 1, 2016. Previously, producers had to pay a portion of the premium by February 1st and balance by June 1st. With this change, producers have until September 1st to pay the entire premium due.

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## USDA Announces Conservation Incentives for Working Grass, Range and Pasture Lands

Beginning Sept. 1, farmers and ranchers can apply for financial assistance to help conserve working grasslands, rangeland and pastureland while maintaining the areas as livestock grazing lands. The initiative is part of the voluntary Conservation Reserve Program (CRP), a federally funded program that for 30 years has assisted agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat. In return, the U.S. Department of Agriculture (USDA) provides participants with rental payments and cost-share assistance. CRP has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The CRP-Grasslands initiative will provide participants who establish long-term, resource-conserving covers with annual rental payments up to 75 percent of the grazing value of the land. Cost-share assistance also is available for up to 50 percent of the covers and other practices, such as cross fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife. Participants may still conduct common grazing practices, produce hay, mow, or harvest for seed production, conduct fire rehabilitation, and construct firebreaks and fences. With the publication of the CRP regulation today, the Farm Service Agency will accept applications on an ongoing basis beginning Sept. 1, 2015, with those applications scored against published ranking criteria, and approved based on the competitiveness of the offer. The ranking period will occur at least once per year and be announced at least 30 days prior to its start. The end of the first ranking period will be Nov. 20, 2015.

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## USDA Announces General CRP Signup

The Farm Service Agency will conduct a general CRP signup beginning December 1, 2015 through February 26, 2016.

To be eligible for placement in CRP, land must be either: Cropland (including field margins) that is planted to an agricultural commodity 4 of the previous 6 crop years from 2008 to 2013, and which is physically and legally capable of being planted in a normal manner to an agricultural commodity.

To be eligible for CRP enrollment, a farmer must have owned or operated the land for at least 12 months prior the previous CRP sign-up period. Exceptions to this rule include:

- Land acquired by the new owner due to the previous owner's death;

- Change in ownership due to foreclosure; or
- Land that was purchased by the new owner without the sole intention of placing it in CRP.

The CRP contracts are no less than 10 years, and cannot be any longer than 15 years. Certain conservation practices are limited to only 10 years, whereas some conservation practices can be 10 to 15 years.

The general signup process is conducted on a competitive basis, whereby enrollment offers are scored based on an Environmental Benefits Index (EBI). Producers can improve their individual EBI score by enhancing the existing cover (if offering expiring CRP) or select a grass mixture that is more diverse, if planting a new stand of grass. There are several other ways to improve the EBI and landowners should visit their local FSA office to find out how to go about doing this.

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## **Additional Acres for CRP Duck Nesting Habitat and Wetland Restorations**

Two popular continuous CRP practices received additional acres for enrollment in North Dakota.

The Duck Nesting Habitat (CP37) received an increase of 30,000 acres, bringing North Dakota's total allotment to 180,000 acres. Currently, there is approximately 144,300 acres enrolled in Duck Nesting.

The Wetland Restoration, Non-Floodplain (CP23A) received an increase of 15,000 acres, which brought North Dakota's total allotment to 65,956 acres. There is approximately 48,000 acres currently enrolled in this Wetland Restoration practice.

Producers interested in offering cropland into these continuous CRP practices should contact their local FSA Office.

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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.

For hand-harvested crops producer must notify FSA of damage or loss within 72 hours of the date damage or loss first becomes apparent. Notification may be provided in person or by e-mail, FAX, or phone.

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## USDA Encourages Producers to Consider Risk Protection Coverage before Fall Crop Sales Deadlines

Greater protection is now available from the Noninsured Crop Disaster Assistance Program (NAP) for crops that traditionally have been ineligible for federal crop insurance. The new options, created by the 2014 Farm Bill, provide greater coverage for losses when natural disasters affect specialty crops such as vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, and energy crops.

The NAP application closing date for honey is December 1, 2015.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

To learn more about NAP visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local FSA office.

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## USDA Issues Safety-Net Payments to Farmers Facing Market Downturn

USDA's Farm Service Agency (FSA) has announced that beginning today, nearly one half of the 1.7 million farms that signed up for either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments for the 2014 crop year.

Unlike the old direct payments program, which paid farmers in good years and bad, the 2014 Farm Bill authorized a new safety-net that protects producers only when market forces or adverse weather cause unexpected drops in crop prices or revenues.

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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.

Certified farm-stored loans require an entry on the application how the certified quantity for loan was determined. This basis of quantity may include producer bin measurements or scale tickets.

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

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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 grain, oilseed or pulse crop 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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## 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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## 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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## September Loan and Interest Rates

Commodity Loans - 1.250%  
Operating Loans - 2.500%  
Farm Ownership Loans - 3.875%  
Farm Ownership - Down Payment Loans - 1.500%  
Emergency - Amount of Actual Loss - 3.500%  
Farm Storage Facility Loan, 7-Year - 1.750%  
Farm Storage Facility Loan, 10-Year - 2.125%  
Farm Storage Facility Loan, 12-Year - 2.250%

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## Important Dates and Deadlines

November 9 - County Committee election ballots mailed to eligible voters  
November 15 - 2014 Crop Year Acreage Reporting deadline for fall seeded crops  
November 20 - CRP Grasslands Initiative Signup Deadline  
December 1 - CRP General Signup Begins  
December 1 - NAP Application Closing Date for Honey  
December 7 - Last day to return county committee ballots to FSA County Office  
January 1 - Newly elected county committee members take office  
February 26 - CRP General Signup Ends

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