

October 2012



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## North Dakota FSA eNews

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### North Dakota State Office From the State Executive Director

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The brisk feelings of fall are in the air and we have all had our killing frost. Corn and bean harvests are proceeding much ahead of the five year average with many surprising yields. Now, as I write my October comments, Congress has not written a new Farm Bill. Quite simply the 2012 crop year will not be affected; it is the 2013 crop year where the unknown exists. As of October 1, FSA cannot write any new continuous CRP contracts. Stay tuned to our monthly newsletter and press releases we may have. One final thought, ask around to you friends and neighbors to see if they are receiving this electronic newsletter. If not get them to sign up or maybe share yours with them.

Have a great fall and enjoy the outdoors!

- Aaron Krauter, SED

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### 21 Counties in North Dakota are Designated Disaster Areas

Secretary of Agriculture Tom Vilsack has designated 21 counties as primary natural disaster areas due to damages and losses caused by the recent drought. The complete list of primary natural disaster areas includes Barnes, Benson, Billings, Bowman, Cass, Dickey, Eddy, Foster, Golden Valley, Grand Forks, Griggs, Logan, Lamoure, McIntosh, Nelson, Ransom, Ramsey, Slope, Steele, Stutsman, and Traill.

In addition, farmers and ranchers in 16 contiguous counties also qualify for natural disaster assistance. The contiguous counties are Adams, Cavalier, Dunn, Emmons, Hettinger, Kidder, McKenzie, Pembina, Pierce, Richland, Sargent, Sioux, Stark, Towner, Walsh and Wells.

FSA's emergency loans are specifically targeted towards established farm operators who have suffered significant losses due to a disaster and are unable to receive credit from commercial lenders. In addition to providing low interest loans, FSA works with producers to develop a farm plan and get connected to a financial management training program. Farmers or ranchers who suffer at least a 30% loss to production or had a physical loss to livestock, livestock products, or other farm property may be eligible for emergency loans. Loan funds through FSA may be used to restore or replace essential property, pay production costs for the disaster year, reorganize the farming operation or refinance certain debts.

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## Disaster Assistance Available for North Dakota Small Businesses

Small, nonfarm businesses in disaster-designated or contiguous counties are now eligible to apply for low interest federal disaster loans from the U. S. Small Business Administration (SBA).

SBA eligibility covers both the economic impacts on businesses dependent on farmers and ranchers that have suffered agricultural production losses caused by the disaster and businesses directly impacted by the disaster.

Small, nonfarm businesses, small agricultural cooperatives, small businesses engaged in aquaculture and most private, nonprofit organizations of any size may qualify for Economic Injury Disaster Loans (EIDLs) of up to \$2 million to help meet financial obligations and operating expenses which could have been met had the disaster not occurred.

Eligibility for these loans is based on the financial impact of the disaster only and not on any actual property damage. These loans have an interest rate of 4% for businesses and 3% for private, nonprofit organizations, a maximum term of 30 years, and are available to small businesses and most private, nonprofits without the financial ability to offset the adverse impact without hardship.

By law, SBA makes EIDLs available when the U. S. Secretary of Agriculture designates an agricultural disaster. Secretary Tom Vilsack declared this disaster on September 19, 2012.

Businesses primarily engaged in farming or ranching are not eligible for SBA disaster assistance. However, in drought disasters nurseries are eligible for SBA disaster assistance.

Applicants may apply online using the Electronic Loan Application (ELA) via SBA's secure Web site at <https://disasterloan.sba.gov/ela>.

Disaster loan information and application forms are also available from SBA's Customer Service Center by calling SBA toll-free at (800) 659-2955, emailing [disastercustomerservice@sba.gov](mailto:disastercustomerservice@sba.gov), or visiting SBA's Web site at [www.sba.gov/services/disasterassistance](http://www.sba.gov/services/disasterassistance). Individuals who are deaf or hard-of-hearing may call (800) 877 8339.

The deadline to apply for these loans is May 20, 2013.

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## Attention Hispanic and Women Farmers and Ranchers

If you, or someone you know, believe the United States Department of Agriculture (USDA) has improperly denied you farm loan benefits between 1981 and 2000 because you are Hispanic or female, you may be eligible to apply for compensation.

Claims MUST be filed between September 24, 2012 and March 25, 2013 to be considered for cash payment or loan forgiveness.

If you think you might be eligible to file a claim, please access the Farmer and Rancher Call Center or Website:

1-888-508-4429

[www.farmerclaims.gov](http://www.farmerclaims.gov)

For guidance, you may contact an attorney or other legal service provider in your community. If you are currently represented by an attorney regarding allegations of discrimination or in a lawsuit claiming discrimination, you should contact your attorney regarding this claims process.

USDA cannot provide legal advice.

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## **Expiration of 2008 Farm Bill Programs**

Many programs and policies of the U.S. Department of Agriculture (USDA) were authorized under the Food, Conservation and Energy Act of 2008 ("2008 Farm Bill") through Sep. 30, 2012. These include a great number of programs impacting millions of Americans, including programs for farm commodity and price support, conservation, research, nutrition, food safety, and agricultural trade.

Beginning Oct. 1, 2012, the authority or funding provided under the 2008 Farm Bill for USDA to operate a number of these programs expired, such as the Conservation Reserve Program (CRP), Milk Income Loss Contract Program (MILC), Grassland Reserve Program (GRP), and the authority and funding for additional programs will expire in the coming months. Because Congress has not passed a 2012 Food, Farm and Jobs Act, USDA can no longer make new commitments for programs for which the Department's authority or funding has expired.

In regards to CRP, the Farm Service Agency cannot enter into new contracts for continuous signup practices until the program is reauthorized under the new Farm Bill. The same would hold true for GRP as well. The signup period for MILC ended on September 30, 2012, therefore new applications cannot be taken at this time.

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## **2012 DCP/ACRE Program – Final Payments**

Producers who timely enrolled into the 2012 DCP/ACRE program will receive the final DCP/ACRE Direct payment starting in mid October. The direct payments in the state of North Dakota total \$240 million and will be issued in entirety in October as advance payments were not offered for the 2012 DCP/ACRE program. If you have any questions related to receipt of the payment or payment amount please contact your local FSA office for assistance.

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## **2012 CRP Annual Rental Payments**

North Dakota producers have more than 32,300 CRP contracts that cover over 2.3 million acres of land. The voluntary program helps farmers and ranchers safeguard environmentally sensitive land and provides habitat for game and non-game species of wildlife. Beginning the first week of October, North Dakota CRP participants will receive nearly \$90 million in annual rental payments.

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## **2012 Crop – NAP Notice of Loss**

Producers with a 2012 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.

A NAP payment will be made if a unit suffers a loss of production in excess of 50 percent. The payment rate for NAP is 55 percent of the established market price for the crop.

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## **2013 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 2013 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 rye by October 1, 2012, honey by December 3, 2012 and for all spring planted crops, including grass for hay and grazing, by the 2013 sales closing date of March 15, 2013.

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## 2011 SURE Program

Applications under the 2011 Supplemental Revenue Assistance Payment Program (SURE) program can be filed at your local FSA County Office beginning October 22, 2012. Producers who believe they may be eligible for a SURE program payment must contact their local county office for an appointment to determine eligibility.

The SURE program provides a producer a revenue payment when actual revenue falls below the producer's guaranteed revenue for the crop year. The program guarantee and revenue are based on the sum of all crop acreage in all counties that the producer has an interest in. To be eligible for payment, producers must have all acreage insured under either the crop insurance or NAP programs and be located in a disaster county or contiguous county.

For the 2011 crop year, producers in all counties in North Dakota are eligible to file an application for SURE. If the producer's farm revenue is less than the farm guarantee and at least one crop of economic significance suffered a 10% loss in yield a SURE payment will be based on 60% of the difference. To calculate a SURE program payment, FSA will compile production, revenue and loss records from RMA and FSA data and compare the actual revenue to the guaranteed revenue. Actual revenue is determined from national average market prices, therefore producers are not required to provide sales documentation, unless requested by the county committee. Guaranteed revenue is determined by multiplying the planted or considered planted acreage times the higher of the crop's APH, adjusted APH or Counter-cyclical yield times the insurance price election times the level of coverage.

For more information on the SURE program, please visit your local FSA county office or

<http://www.fsa.usda.gov>.

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## MILC Production Evidence Deadline

Verifiable production evidence that confirms the dairy operation's eligible production and commercial milk marketings must be provided to County Offices before any payment will be issued to the dairy operation. To obtain MILC benefits for all previous months for which a MILC payment rate was in effect, producers must provide the dairy operation's final production evidence and any supporting documentation, if not already submitted, for eligible months by COB November 1, 2012.

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## New Common Acreage Reporting Dates for FSA and RMA

For 2012 and subsequent crop years, the acreage reporting deadline for both FSA and RMA will be July 15 for the following crops: barley, buckwheat, canola, corn, dry beans, dry peas, flax, forage seeding, grain sorghum, grass seed, millet, mustard, oats potatoes, safflower, soybeans, sugar beets, sunflowers, spring wheat, and all other crops not listed with a November 15 deadline.

Beginning with the 2013 crop year, the following crops will have a November 15 reporting deadline for FSA purposes: apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains. Therefore, a producer planting winter wheat in the fall of 2012 for harvest in 2013, for example, will have to report that acreage to FSA by November 15, 2012 for the report 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 2012 program year was July 15. Acreage reports must be filed for all cropland on the farm before any 2012 DCP/ACRE 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) and the Non-insured Assistance Program (NAP) must report the specific acreage for which benefits are being requested.

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

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## Marketing Assistance Loans

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an

incorrect quantity certification.

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## Converting Paper Checks into Electronic Debits

FSA/CCC is moving toward OTCnet, an electronic method of processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. The check will be scanned into the system and voided. As a customer, you will not receive your check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check. The transfer of funds from your account can occur within 24 hours. The transfer of funds will be reflected on your account statement received from your financial institution and may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions". You have protections under Federal law for an unauthorized electronic fund transfer from your account. Please contact your financial institution immediately if you believe a transaction on your account statement was not properly authorized or is otherwise incorrect.

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## October Loan and Interest Rates

Operating Loans - 1.125%  
Farm Ownership Loans - 3.000%  
Farm Ownership - Down Payment Loans - 1.50%  
Emergency - Amount of Actual Loss - 2.125%  
Farm Storage Facility Loan, 7-Year - 1.125%  
Farm Storage Facility Loan, 10-Year - 1.750%  
Farm Storage Facility Loan, 12-Year - 2.000%

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## Important Dates and Deadlines

2012 DCP/ACRE Payments Issued – October 9, 2012  
2011 SURE Program Sign-up – October 22, 2012  
MILC Production Evidence Deadline - November 1, 2012  
2013 Acreage Reporting Deadline -apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains - November 15, 2012  
2013 NAP Deadlines –

- 2013 Honey Insurance - December 3, 2012
- 2013 Spring Planted and Forage Crops - March 15, 2013.

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).