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North Dakota FSA eNews

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From the State Executive Director

Greetings from your Farm Service Agency. It seems that all we talk about these days is the weather, but really that has been the talk at the coffee shops in every town across North Dakota since the days of the early settlers. Too much, not enough or just right. One must admit that the countryside looks pretty when it's green. We have been hearing a lot about the challenges Congress has had lately passing a new farm bill but we must remind ourselves that we are in a one year extension of the 2008-2012 farm bill. If you are going to participate in the DCP program you must sign up and you must report your acres to the county FSA office before the deadline. At the bottom of this newsletter is a listing of those important dates and deadline. If you have any questions please call your county office. Have a Happy Independence Day!

--Aaron Krauter, State Executive Director

2013 DCP Signup

2013 Direct and Counter-Cyclical Program (DCP) enrollment is available through August 2, 2013. Here are some IMPORTANT REMINDERS:

- All producers with an interest in DCP base acres must be included on the DCP contract and receive a proportionate share of DCP payment for the farm.
- All producers receiving a share greater than zero on the DCP contract must sign the contract no later than August 2, 2013.
- Advance payments are not authorized in the 2013 DCP program, therefore 100% of the farm's direct payment will be issued in October of 2013.

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2012 ACRE Program – Farm Benchmark Yield Update

Producers who have a 2012 Average Crop Revenue Election (ACRE) program contract on one or more FSA farms, must complete the FSA-658 (Record of Production & Yield) for each ACRE farm and each covered commodity planted in 2012 by not later than July 15, 2013. 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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2013 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.

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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Early Land Preparation for CRP Contracts Expiring September 30, 2013

CRP participants may receive authorization to begin seedbed preparation for a fall or spring-seeded crops during the final year of the CRP contract. This provision applies to acreage enrolled in certain CRP practices. Participants should contact the County FSA Office to determine eligibility. Participants will also have to revise their Conservation Plan of Operations at the NRCS office and receive approval from FSA prior to

destruction of the cover.

Participants who are preparing for a fall-seeded crop may physically destroy cover beginning July 1 of the final year without a payment reduction. The fall-seeded crop must be planted if the cover is destroyed.

Participants who are preparing for a spring-seeded crop may destroy cover chemically beginning August 2 of the final contract year.

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2013 Acreage Reports

Acreage reports must be filed for all cropland on the farm before any 2013 Direct and Counter-Cyclical (DCP) and Average Crop Revenue Election (ACRE) payments can be made or before eligibility can be established for marketing assistance loans and Loan Deficiency Payments (LDP's). 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.

The deadline for submitting a timely filed acreage report for the 2013 crop year is July 15, 2013. Producers are reminded that filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Producers who request prevented planting acreage credit must report the acreage and complete a CCC-576, Notice of Loss. The deadline for timely filing a prevented planting claim has been extended to July 15 for the 2013 crop year in North Dakota. Producers must establish to the satisfaction of the County Committee that all cropland that was feasible to plant and prevented from being planted was affected by a natural disaster rather than a management decision. Additionally, producers are required to prove that preliminary efforts to plant the crop are evident, such as disking the land or orders for purchase or delivery of seed and fertilizer.

Producers requesting failed acreage credit must report the acreage before disposition of the crop to receive credit for that crop. The County Committee must be satisfied that the acreage was planted under normal conditions, but failed as a result of a natural disaster and not a management decision.

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County Committee Elections

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to ALL farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

The COC nomination period runs from June 17 through August 1. For more information contact your local FSA office.

Nomination forms can be found at: <http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/FSA669-A.PDF>.

Nomination forms can also be found in Spanish at:
http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/FSA669-A_SPANISH.PDF

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General Commodity Loan Eligibility Requirements

To be eligible for loan or LDP, commodities must:

- have been produced by an eligible producer and harvested in the current crop year
- be in existence and in storable condition
- be merchantable for food, feed or other uses as determined by CCC
- not contain mercurial compounds, toxin-producing molds or other poisonous substances (vomitoxin and aflatoxin levels can affect wheat, barley and corn eligibility)
- meet the definition for the applicable commodity in the official U.S. Standards.

To be eligible for loans, producers must comply with annual program requirements, which includes reporting acreage for all cropland on the farm. Commodities that are obtained through substitution, purchase or received as a gift are not eligible for loan or LDP. Crop mixtures are not eligible for loan or LDP. Quantities requested for LDP are not eligible for loan. Commodity grades, class and eligibility for nonrecourse loan are based on the United States Standards for Grain. Unshorn pelts and commodities harvested as other than grain are eligible for LDP only.

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Beneficial Interest Requirements

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

Sales agreements, including options to purchase, priced later and contracts for future delivery can impact beneficial interest. Once beneficial interest is lost, the commodity remains ineligible for loan or LDP, even if the producer regains control or title at a later date. Some contracts may also have provisions, such as restrictions on ability to mortgage the commodity or storage earned prior to delivery, that impact when beneficial interest is lost even if no payment has been issued to the seller. Even without a sales contract, delivery location, such as a feed lot, ethanol plant, seed plant or licensed warehouse can also impact when beneficial interest is considered lost.

Producers planning to use any of the various types of sales contracts can request to have the contract reviewed by the local county FSA office to determine how the contract would impact beneficial interest.

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Loan Types

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 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. CCC will not adjust the loan rate using premiums and discounts at the time of loanmaking. However, loan rates will be adjusted if the loan is forfeited to CCC at maturity.

Test weight and moisture levels can impact the eligibility for nonrecourse loans. If there are known commodity quality problems producers should contact their local county FSA office to discuss available loan options.

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Important Dates and Deadlines

July 15 - 2012 ACRE Production Evidence Deadline

July 15 - Acreage Reporting Deadline for 2013 Crop Year

August 1 - 2013 Land and Ownership Changes

August 1 - Last day to file County Committee Election Nomination Forms

August 2 - 2013 DCP Sign-up ends

November 4 - County Committee Election ballots mailed to eligible voters

November 15 - 2014 Crop Year Acreage Reporting deadline for fall-seeded crops and perennial forage

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

July Loan and Interest Rates

Commodity Loans -1.125%

Operating Loans - 1.250%

Farm Ownership Loans - 3.250%

Farm Ownership - Down Payment Loans - 1.50%

Emergency - Amount of Actual Loss - 2.250%

Farm Storage Facility Loan, 7-Year - 1.500%

Farm Storage Facility Loan, 10-Year - 2.125%

Farm Storage Facility Loan, 12-Year - 2.375%

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