

February 2015



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North Dakota FSA eNews

North Dakota Farm Service Agency

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From the State Executive Director

Deadlines are approaching quicker than you may realize! February 27th is the deadline for landowners to visit their county office if they plan on reallocating their base acres or update CC yields. February is the shortest month of the year, and when you take out Washington's Birthday and 8 weekend days, you have 19 days left. Now factor in what day you're reading this newsletter, and you can see that the clock is ticking fast towards that February 27th deadline.

Thank you to all those who have taken the time to make those base and yield decisions. For those still planning, I ask you to not wait

Brian Haugen

until the last day.

Please contact your local FSA Office for questions specific to your operation or county.

The next upcoming deadlines are March 16 for NAP insurance coverage for spring planted crops and March 31 for ARC/PLC election.

Have a great February!

--Aaron Krauter, SED

Beware of Phone Scams

Be advised that phone scams have been attempted which target our farmers and ranchers. While we do not have any reports of phone scam attempts made in North Dakota, we want to be sure we alert our producers of the possibility. In a recent reported attempt in Illinois, a producer was contacted last week by a 202 area code number, claiming to be USDA. They were told they were eligible to receive a \$9,000 payment and was instructed to give the caller his bank account number or a credit card number for a credit. The producer declined to give them the information and the caller hung up.

If you are contacted by what you believe is a scam attempt to gain any financial information such as bank accounts or credit card information, please report the incident to your local Farm Service Agency office.

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FSA Announces Key Dates for New 2014 Farm Bill – ARC and PLC Programs

FSA announced key dates for farm owners and producers to keep in mind regarding the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). The new programs are designed to help producers better manage risk for price losses or revenue losses.

Dates associated with ARC and PLC that farm owners and producers need to know:

- Now through February 27, 2015: Current land owners must complete their farm's base reallocation and yield update decision.
- Now through March 31, 2015: Current producers with risk in cropland acres on the farm make a one-time election of either ARC-CO or PLC on a crop by crop basis or elect ARC-IC for the farm, for the 2014 through 2018 crop years.
- Spring of 2015 through summer 2015: Producers sign contracts for 2014 and 2015 crop years.
- October of 2015: ARC or PLC payments for the 2014 crop year are issued, if triggered.

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Late-filed Acreage Reports for Base Reallocation

Owners and operators will be given an opportunity to request corrections to acreage history for crop

years 2009 through 2012 providing supporting documentation is available. Further, producers will be given an opportunity to submit late-filed acreage reports of P&CP (planted and considered planted) or subsequently planted crop acreage.

Additionally, owners and operators will be able to submit a request for prevented planting credit for 2009 through 2012 providing the prevented planting request for the crop had not been previously processed and acted upon by FSA.

Since physical evidence will likely be absent, producers will be required to prove existence and disposition of the crop. However, if evidence accepted and approved by RMA or any other USDA agency is provided in support of crop existence, proof of crop disposition will not be required.

If a late-filed acreage report or revision changes what FSA will recognize as initial crop acreage for any program purpose, the revised acreage will be used for all program purposes without any exception and without regard to who requested the late-filed acreage report or revision.

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USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

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USDA Provides Greater Protection for Fruit, Vegetable and Other Specialty Crop Growers

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 deadline for spring planted and forage crops is March 16, 2015.

Previously, the program offered coverage at 55 percent of the average market price for crop losses that exceed 50 percent of expected production. Producers can now choose higher levels of

coverage, up to 65 percent of their expected production at 100 percent of the average market price.

The expanded protection will be especially helpful to beginning and traditionally underserved producers, as well as farmers with limited resources, who will receive fee waivers and premium reductions for expanded coverage. More crops are now eligible for the program, including expanded aquaculture production practices, and sweet and biomass sorghum. For the first time, a range of crops used to produce bioenergy will be eligible as well.

To help producers learn more about the NAP and how it can help them, USDA, in partnership with Michigan State University and the University of Illinois, created an online resource. The Web tool, available at www.fsa.usda.gov/nap, allows producers to determine whether their crops are eligible for coverage. It also gives them an opportunity to explore a variety of options and levels to determine the best protection level for their operation.

FSA, which administers the program, also wants to hear from producers and other interested stakeholders who may have suggestions or recommendations on the program. Written comments will be accepted until Feb. 13, 2015 and can be submitted through www.regulations.gov.

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2015 NAP – Annually Planted Crops for Hay

Producers may purchase 2015 NAP crop coverage on annually planted crops for forage (hay or graze). These crops include but are not limited to: wheat, barley, oats, millet, sudan grass, and rye for hay or grazing. Buy up coverage is permitted for annually planted crops intended for hay. Buy up coverage is not authorized for grazing.

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Non-Irrigated Corn for Grain Coverage Available Under NAP Program

NAP coverage for non-irrigated corn for grain in eight western North Dakota counties is now available beginning with the 2015 crop year. Counties affected by the change in coverage are: Billings, Bowman, Burke, Divide, Golden Valley, McKenzie, Slope and Williams.

The application deadline for the 2015 NAP coverage for all non-insurable spring planted and forage crops, including grass for hay and grazing is March 16, 2015.

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Livestock Indemnity Program

Producers who suffer livestock deaths due to adverse weather events from January 1, 2015 through December 31, 2015 may submit a notice of loss and application for payment with their local FSA County Office by the January 30, 2016 deadline.

Eligible livestock producers MUST file a notice of loss within 30 calendar days from when the loss was apparent. Livestock producers suffering livestock losses may submit the notice of loss by phone, fax, email or in person. After the notice of loss has been filed, the producer must also

submit an application for payment. This can be done any time prior to the January 30, 2016 deadline.

Producers need to maintain inventory records, such as calving/lambing books, record sales and purchases of livestock, veterinary records, etc. to document the number of livestock. In addition to the inventory records, producers also need to compile records documenting livestock losses due to eligible adverse weather events.

Eligible adverse weather events include, but are not limited to; earthquakes; hail; lightening; tornado; winter storm if the winter storm lasts for 3 consecutive days and is accompanied by high winds, freezing rain or sleet, heavy snowfall and extremely cold weather; floods; blizzards; wild fires; extreme heat; extreme cold; anthrax; straight-line winds; and disease if exacerbated by another adverse weather event. Livestock losses due to pneumonia are NOT an eligible adverse cause of loss.

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Emergency Livestock Disaster Programs

Livestock producers, including Honeybee and Farm-raised Fish producers, are reminded that the 2015 Emergency Livestock Disaster Program (ELAP) program year began October 1, 2014 and continues through September 30, 2015.

Producers who suffer livestock losses not covered under LIP, or losses of eligible stored feed stocks, colony-collapse disorder, etc, are reminded to report these losses within 30 calendar days of when the loss is apparent. In addition to filing a notice of loss, a timely filed acreage report for the 2015 program year must also be submitted with the administrative FSA county office. For Honeybee producers who have become aware of colony collapse while in another state, the notice of loss can be filed with the local FSA office in that state.

After producers have timely filed their notice of loss and acreage report, the next step is to make the application for payment. This step must be completed no later than November 1, 2015. Since ELAP funds are limited to \$20 million per fiscal year, the national office must determine if the requested ELAP payments exceed the \$20 million allocation. If the requested 2015 ELAP benefits exceed \$20 million, all payments will be factored.

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IRS Reporting for Tax Year 2014

The annual report of program payments on IRS-1099-G for tax year 2014, have been distributed to customers. This form is intended as a service to help our customers report taxable income and not intended to replace a producer's responsibilities to report income to IRS.

When CCC program payments total less than \$600 an IRS-1099 G will not be issued. Producers which received program payments from multiple counties receive only one IRS Form 1099-G showing all payments from all counties.

FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

Refund information is not shown on the IRS 1099-G, a Customer's financial data including refund information, program payment amounts, and prior year CCC-1099 information is conveniently available via the internet through the FSA "Financial Inquiries" database (FSA-FI). Instructions for obtaining a FSA-FI user ID and password are available on the FSA web site

at: <http://www.eauth.egov.usda.gov/eauthWhatIsAccount.html>

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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. An FSFL loan must be approved before authorizing delivery of equipment or materials, site preparation, or construction. For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

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Foreign Buyers 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. The Farm Service Agency administers this program for USDA. All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) 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. Reports of foreign owners of US agricultural land are found at FSA's public website at the following link: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=ecpa&topic=afa>

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Microloans

FSA developed the Microloan program to better serve the unique financial operating needs of beginning, niche and the smallest of family farm operations by modifying its Operating Loan application, eligibility and security requirements. The program offers flexibility in access to credit for smaller traditional farm loans, but is also an attractive loan alternative for smaller farming operations like specialty crop producers and operators of community supported agriculture.

The 2014 Farm Bill made a major change in the program that increased the maximum amount available under the Microloan program to \$50,000. Microloan repayment terms may vary and will not exceed 7 years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. The interest rates are based on the regular operating loan rates that are in effect at the time of the microloan approval or closing, whichever is less.

If you are interested in the Microloan Program please contact your local Farm Loan Program Service Center for more information or an application.

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Need Help Planting a Crop?

Call Farm Rescue, the nonprofit organization that provides planting, harvesting and haying assistance for family farmers who have experienced a major injury, illness or natural disaster. Up to 1,000 acres planted free of charge. Go to farmrescue.org or call 701-252-2017 for an application.

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February Loan and Interest Rates

Commodity Loans - 1.250%
Operating Loans - 2.625%
Farm Ownership Loans - 3.750%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 3.625%
Farm Storage Facility Loan, 7-Year - 1.875%
Farm Storage Facility Loan, 10-Year - 2.000%
Farm Storage Facility Loan, 12-Year - 2.125%

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Important Dates and Deadlines

February 27 - Base and Yield Update
March 16 - NAP Deadline - 2015 Spring Planted and Forage Crops
March 31 - PLC, ARC-CO, ARC-IC Election

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).