

March 2015



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## North Dakota FSA eNews

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### From the State Executive Director

2014 Farm Bill implementation has been going great guns here in North Dakota. Most owners completed their base reallocation and yield updates before the original February 27th deadline. In some southern states, the workload at FSA related to the recent drought has delayed the ability of county offices to get that work done. As a result, the Secretary of Agriculture has extended the base and yield update deadline to March 31.

Brian Haugen

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

That extended date matches up with your deadline to decide which program you will sign your farms into either PLC, ARC-CO or ARC-IC. The bottom line: March 31, 2015 is the deadline for base and yield updates and ARC/PLC program election.

If you have not completed this work and wish to participate in USDA farm programs you must contact your county office as soon as possible. The county office will help you through the process.

I am excited for spring!

Aaron Krauter, State Executive Director

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## **USDA Provides One-Time Extension of Deadline to Update Base Acres or Yield History for ARC/PLC Programs**

Agriculture Secretary Tom Vilsack announced that a one-time extension will be provided to producers for the new safety-net programs established by the 2014 Farm Bill, known as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). The final day to update yield history or reallocate base acres has been extended one additional month, from Feb. 27, 2015 until March 31, 2015. The final day for farm owners and producers to choose ARC or PLC coverage also remains March 31, 2015.

If no changes are made to yield history or base acres by March 31, 2015, the farm's current yield and base will be used. A program choice of ARC or PLC coverage also must be made by March 31, 2015, or there will be no 2014 payments for the farm and the farm will default to PLC coverage through the 2018 crop year.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity.

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## **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 March 31, 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 2015 through Summer 2015: Producers sign contracts for 2014 and 2015 crop years.
  - October 2015: ARC or PLC payments for the 2014 crop year are issued, if triggered.

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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.

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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 31, 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 31, 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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## Conservation Reserve Program

FSA County Offices are taking offers for various Continuous CRP practices at this time. Under a Continuous CRP signup, the effective start date of the contract can be delayed by up to 6 months. Therefore, if a Continuous CRP contract were to start on April 1, the producer could delay the start date to October 1st. However, under this delayed start date provision, no growing crops can be on the land that is to be enrolled in CRP. There are no exceptions to this provision.

Also, since the effective start date can be delayed up to 6 months, producers with CRP contracts expiring on September 30, 2015, can now submit offers to re-enroll existing CRP acreage under Continuous CRP signup #47. Eligibility for re-enrollment will depend on location for certain practices.

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## 2014 Crop Year Commodity Loan Deadline

Producers planning to use the commodity loan program for their 2014 crops are reminded that March 31, 2015, is the deadline for filing applications for the following 2014 crops: wheat, barley, oats, canola, crambe, flaxseed, rapeseed, sesame seed and honey.

These loans carry a nine month maturity and can be repaid with cash at disbursement to loan maturity. To be eligible, producers must have produced an eligible loan commodity during for the applicable crop year, complied with annual program requirements, maintain beneficial interest (have title to the commodity and retain control of the commodity), request marketing assistance loan (MAL) on or before the final loan availability date for a specific commodity, and, if required, submit lien waivers for any liens existing on the crop for which MAL is being requested.

Producers interested in a commodity loan on the above listed commodities should contact their local county FSA office staff prior to the March 31 deadline. The 2014 crop commodity loan rates are available at any county FSA office, or online at: <http://www.fsa.usda.gov/FSA> and clicking on the "Price Support" link.

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 FSA authorization and providing an incorrect quantity certification.

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## Highly Erodible Land and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments, compliance with Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) provisions are required. Farmers with HEL soils need to be aware of tillage, crop residue, and rotation requirements as specified in your conservation plan. Contact NRCS if you have any questions about your conservation plan. Don't wait until after you plowed the ground to find out you are out of compliance.

Also, it is very important that you contact NRCS or FSA before modifying (tiling, draining, dredging, filling or leveling) any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in a loss of USDA program benefits.

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## FSA Assists RMA

FSA county office staff will be assisting Risk Management Agency and insurance providers in monitoring crop conditions throughout the growing season. FSA staff will be making two inspections; one during the growing season and one during the time harvest is normal for the crop.

The staff will be checking to see if reported crops have been planted and cared for in a workmanlike manner. All suspected cases of fraud, waste, and abuse of the Federal Crop Insurance Program will be referred to RMA.

Producers may report suspected cases of fraud, waste, and abuse to the county office staff, RMA

office or Office of Inspector General. Additionally, FSA will assist RMA with auditing claims.

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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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## 2014 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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## Change in Farming Operation

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to your county FSA office as soon as possible. When making ownership changes please provide a copy of the land deed or recorded land contract for purchased property. A reminder that the failure to maintain accurate farm records with FSA on all land you have an interest in can cause potential loss of program eligibility.

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## Youth Loans

FSA makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

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## Important Dates and Deadlines

March 16 - 2015 NAP Deadline - 2015 Spring Planted and Forage Crops

March 31 - Commodity Loan Application Deadline for wheat, barley, oats, canola, crambe, flaxseed, rapeseed, sesame seed and honey

March 31 - ARC/PLC Base Reallocation and Yield Update Deadline

March 31 - PLC,ARC-CO,ARC-IC Election Deadline

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## March Loan and Interest Rates

Commodity Loans -1.250%

Operating Loans - 2.50%

Farm Ownership Loans - 3.500%

Farm Ownership - Down Payment Loans - 1.50%

Emergency - Amount of Actual Loss - 3.500%

Farm Storage Facility Loan, 7-Year - 1.750%

Farm Storage Facility Loan, 10-Year - 1.875%

Farm Storage Facility Loan, 12-Year - 2.000%

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