The winter months are a great time to prepare for the upcoming growing season, because before we know it, we will all be smelling the fresh aroma of the soil, while getting those wheels turning to begin spring’s exciting work. In the meantime, a good way to fight off cabin
fever, and something we recommend, is a stop in at your local FSA office.

Enrollment in ARC/PLC is open now. While you are in the office, we can also take care of important changes in your farm records, including updating addresses and banking information. These may seem like minor details, but if we don’t have correct and up-to-date records on file, it can hold up program benefit payments to you later in the year.

Our North Dakota offices are also busy helping producers complete their financing. FSA has many loan options available, including the joint financing option explained below. If you have questions about securing credit, please stop in now to begin a conversation with our dedicated farm loan staff. This includes beginning farmers and ranchers who are in their first 10 years of production agriculture.

Recently U.S. Secretary of Agriculture Sonny Perdue, announced our new North Dakota State FSA Committee. I am thrilled to welcome these individuals on board. They are a great group of people who will represent our State very well in this role.

Stay warm and happy spring preparations!

- Brad Thykeson

Find Your Local Office: [http://offices.sc.egov.usda.gov/locator/app](http://offices.sc.egov.usda.gov/locator/app)
Financial Hardship and Loan Servicing

Many farm loan borrowers’ payments are due on Jan. 1. FSA expects and encourages prompt payment. However, for borrowers who cannot make their payments due to adversity such as a natural disaster or production difficulties beyond their control, FSA is committed to providing our farm loan borrowers with the tools necessary to be successful. A part of ensuring this success is providing guidance and counsel from loan or loan servicing application, through the term of your loan, and after. In order for FSA to help, you must alert your local FSA office to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

There are options for FSA loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Service Center to learn about the options available to you.

If past due on payments, FSA will notify you of your options with a Notice of Availability of Loan Servicing. Please pay special attention to this notice as it provides you with your options for FSA servicing programs and outlines specific deadlines that you must meet. Failure to meet these statutory deadlines may significantly limit your options and FSA’s ability to help address your farm’s financial difficulties.

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov). Please contact your local FSA Service Center if you have any questions or would like to schedule an appointment to meet with the loan staff to discuss your options.
Producers who made their elections in previous years must still enroll during the 2018 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. 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 and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit http://offices.usda.gov.

---

**Conservation Reserve Program**

Due to being so close to the 24 million acre cap established by the 2014 Farm Bill, the Secretary of Agriculture has limited enrollment, in all states, to only CREP (only counties in SW and SC North Dakota) and CRP Grasslands.

The Conservation Reserve Enhanced Program (CREP) is located in 16 counties in SW and SC North Dakota. The CREP is designed to improve water quality in select watersheds.

Producers throughout the state can offer land to be enrolled in CRP Grasslands. This special CRP program allows non-cropland and expired/expiring CRP to be enrolled. The purpose is to keep these lands in perennial cover. The acreage can be grazed and hayed, per the conservation plan.

Contact your local FSA office for more information regarding CREP and CRP Grasslands.

---

**2017 Livestock Indemnity Program**

Producers who suffered livestock deaths due to eligible adverse weather events from January 1, 2017 through December 31, 2017 may submit an application for payment with their local FSA County Office by the April 2, 2018 deadline.

Eligible livestock producers MUST have filed a notice of loss within 30 calendar days from when the loss was apparent. 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 April 2, 2018 deadline. In addition to the application for payment, producers must submit inventory records, such as calving/lambing books, sales records, purchase records, veterinary records, etc, to document the number of eligible livestock. In addition to the inventory records, livestock producers must compile records to document livestock deaths due to eligible weather events.

---

**2018 Livestock Indemnity Program**

Producers who suffer livestock deaths due to eligible adverse weather events from January 1, 2018 through December 31, 2018, are encouraged to submit a notice of loss with their local FSA County Office. The notice of loss must be submitted within 30 calendar days from when the loss became apparent.
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/scours are NOT an eligible adverse cause of loss.

Emergency Livestock Disaster Programs

Livestock producers, including Honeybee and Farm-raised Fish producers, are reminded that the 2018 Emergency Livestock Disaster Program (ELAP) program year began October 1, 2017 and continues through September 30, 2018.

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 2018 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, 2018. Since ELAP funds are limited to $20 million per fiscal year, the national office must determine if the requested 2018 ELAP benefits exceed $20 million, all payments will be factored.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

Retired or retiring landowners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or underserved farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the retiring farmer for up to two additional years after the CRP contract expires, provided the transition is not to a family member.

Enrollment in TIP is on a continuous basis. Beginning, veteran or underserved farmers and ranchers and retiring CRP participants may enroll in TIP beginning one year before the expiration date of the CRP contract or Aug. 15. For example, if a CRP contract is scheduled to expire on Sept. 30, 2018, the land may be offered for enrollment in TIP beginning Oct. 1, 2017, through Aug. 15, 2018. The Aug. 15 deadline allows the Natural Resources Conservation Service (NRCS) time to complete the TIP sustainable grazing or crop production conservation plans. The TIP application must be submitted prior to completing the lease or sale of the affected lands.

New landowners or renters must return the land to production using sustainable grazing or farming methods.

For more information on TIP, visit https://www.fsa.usda.gov/conservation.
FSAfarm+, FSA’s Customer Self-Service Portal

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) has launched a new tool to provide farmers and ranchers with remote access to their personal farm information using their home computers. Farmers and ranchers can now view, print or export their personal farm data all without visiting an FSA county office.

The program, known as FSAfarm+, provides you with secure access to view your personal FSA data, such as base and yields, Conservation Reserve Program data, other conservation program acreage, Highly Erodible Land Conservation and Wetland Conservation status information, field boundaries, farm imagery, name and address details, contact information and membership interest and shares in the operation. This data will be available in real time, at no cost to the producer and allow operators and owners to export and print farm records, including maps. Producers also can electronically share their data with a crop insurance agent from their own personal computer.

Farm operators and owners first will need “Level 2 eAuthentication” to access the webportal. This level of security ensures that personal information is protected for each user. Level 2 access can be obtained by going to www.eauth.usda.gov, completing the required information and then visiting your local FSA office to finalize access.

For more information on FSAfarm+, the customer self-service portal, contact your local FSA office. To find your local FSA county office, click http://offices.usda.gov.

Annual Review of Payment Eligibility for New Crop Year

All participants of FSA programs who request program benefits are required to submit a completed CCC-902 (Farming Operation Plan) and CCC-941 Average Gross Income (AGI) Certification and Consent to Disclosure of Tax Information to be considered for payment eligibility and payment limitation applicable for the program benefits.

Participants are not required to annually submit new CCC-902s for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the determination of record. A valid CCC-902 filed by the participant is considered to be a continuous certification used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

Participants are responsible for ensuring that all CCC-902 and CCC-941 and related forms on file in the county Office are correct at all times. Participants are required to timely notify the county office of any changes in the farming operation that may affect the determination of record by filing a new or updated CCC-902 as applicable.

Changes that may require a NEW determination include, but are not limited to, a change of:

- Shares of a contract, which may reflect:
  - A land lease from cash rent to share rent
  - A land lease from share rent to cash rent (subject to the cash rent tenant rule)
  - A modification of a variable/ixed bushel-rent arrangement
  - The size of the producer’s farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
  - The structure of the farming operation, including any change to a member’s share
  - The contribution of farm inputs of capital, land, equipment, active personal labor, and/or active personal management
• Farming interests not previously disclosed on CCC-902 including the farming interests of a spouse or minor child
• Financial status that may affect the 3-year average for the determination of average AGI or other changes that affects eligibility under the average adjusted gross income limitations.

Participants are encouraged to file or review these forms within the deadlines established for each applicable program for which program benefits are being requested.

Payment Limitation

Program payments are limited by direct attribution to individuals or entities. A legal entity is defined as an entity created under Federal or State law that owns land or an agricultural commodity, product or livestock. Through direct attribution, payment limitation is based on the total payments received by the individual, both directly and indirectly. Qualifying spouses are eligible to be considered separate persons for payment limitation purposes, rather than being automatically combined under one limitation.

Payments and benefits under certain FSA programs are subject to some or all of the following:

• payment limitation by direct attribution
• payment limitation amounts for the applicable programs
• actively engaged in farming requirements
• cash-rent tenant rule
• foreign person rule
• average AGI limitations
• programs subject to AGI limitation
• effective date of implementation of AGI limitation

No program benefits subject to payment eligibility and limitation will be provided until all required forms for the specific situation are provided and necessary payment eligibility and payment limitation determinations are made.

Payment eligibility and payment limitation determinations may be initiated by the County Committee or requested by the producer.

There are statutory provisions that require entities, earning program benefits that are subject to limitation, to provide the names, addresses, and TINs of the entities’ members to the County Committee.

All applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through the end-of-year review process.

Producers selected for end-of-year review must provide the County Committee with operating loan documents, income and expense ledgers, canceled checks for all expenditures, lease and purchase agreements, sales contracts, property tax statements, equipment listings, lease agreements, purchase contracts, documentation of who provided actual labor and management, employee time sheets or books, crop sales documents, warehouse ledgers, gin ledgers, corporate or entity papers, etc.

A determination of not actively engaged in farming results in the producer being ineligible for any payment or benefit requiring a determination of actively engaged in farming.

Noncompliance with AGI provisions, either by exceeding the applicable limitation or failure to submit a certification and consent for disclosure statement, will result in the determination of ineligibility for all program benefits subject to AGI provisions. Program benefits shall be reduced in an amount that is commensurate with the direct and indirect interest held by an ineligible person or legal entity in
any legal entity, general partnership, or joint operation that receives benefits subject to the average AGI limitations.

If any changes occur that could affect an actively engaged in farming, cash-rent tenant, foreign person, or average Adjusted Gross Income (AGI) determination, producers must timely notify the county Office by filing revised farm operating plans and/or supporting documentation, as applicable. Failure to timely notify the County Office may adversely affect payment eligibility.

**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 and to purchase portable (new or used) structures, equipment and storage and handling trucks.

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 3, 5, 7, 10 or 12 years are available depending on the amount of the loan and loan type. 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. All FSFL requests prior to loan approval require a site inspection for an environmental assessment in accordance to National Environmental Protection Agency (NEPA) requirements showing no adverse impacts. FSFL policy requires the following actions cannot occur at the proposed FSFL location prior to the environmental assessment being completed:

- accepting delivery of equipment and/or materials in previously undisturbed areas
- site preparation or foundation construction in previously undisturbed areas
- no alteration to any structures that are 50 years old or older or within a historic district

If any of the above are completed prior to FSA completing the on-site assessment may impede the completion of the environmental assessment and eligibility for the FSFL.

For more information about FSFL please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

**IRS Reporting For Tax year 2017**

Form IRS-1099-G detailing payments producers received from the Commodity Credit Corporation have been distributed. This annual report of program payments is a service intended to help report taxable income and not intended to replace a producer’s responsibilities to report income to IRS.

CCC will not issue form IRS 1099-G when CCC program payments total less than $600 for the calendar year. In addition, producers who receive program payments from multiple counties will 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.
FSA Offers Joint Financing Option on Direct Farm Ownership Loans.

The USDA Farm Service Agency's (FSA) Direct Farm Ownership loans are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant’s needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a Direct Farm Ownership Microloan option for smaller financial needs up to $50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is $300,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit www.fsa.usda.gov. To find your local FSA office, visit http://offices.usda.gov.

Back to top

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

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2017/CropCriteria.aspx.

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.
Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to http://offices.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA’s online Agent Locator: http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#. Producers can use the USDA Cost Estimator, https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx, to predict insurance premium costs.

Back to top

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm reconstitution is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by August 1 of the FY for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

**Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

**Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

**DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

**Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

Back to top

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.
If you have any updates or corrections, please call your local FSA office to update your records.

Feeling Overwhelmed? FirstLink Offers Resources to Help

Help is available if you, or someone you know, is in need of emotional support as a result of farm stress. You are not alone and help is as easy as dialing 2-1-1. The FirstLink Helpline provides confidential listening and support on a variety of topics, including financial assistance and mental health support. For help, or to connect to available resources, dial the 24-hour helpline at 2-1-1 or 701-235-7335 (SEEK). The 24-Hour Suicide Lifeline is 800-273-8255 (TALK). Find FirstLink online at http://myfirstlink.org/services/2-1-1-helpline/.

Calendar Deadlines

Important Upcoming Dates and Deadlines
Now through August 1, 2018: 2018 ARC/PLC annual signup period
Feb. 19, 2018 – FSA offices closed for the Presidents Day Federal Holiday
March 15, 2018 – 2018 NAP sales closing date for spring-seeded annual crops. For additional crops with a March 15, 2018, sales closing date, contact your local FSA office.
April 2, 2018 – Deadline to file supporting documents for 2017 Livestock Indemnity Program applications.
April 2, 2018 – 2017 Marketing Assistance Loan availability deadline for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed.

February 2018 Loan and Interest Rates

Commodity Loans – 2.750%
Operating Loans – 3.125%
Farm Ownership and Conservation Loans – 3.750%
Farm Ownership-Joint Financing – 2.500%
Emergency - Amount of Actual Loss - 3.750%
Farm Ownership-Down Payment Loans – 1.500%
Farm Storage Facility Loan, 3-Year – 2.125%
Farm Storage Facility Loan, 5-Year – 2.250%
Farm Storage Facility Loan, 7-Year – 2.375%
Farm Storage Facility Loan, 10-Year – 2.500%
Farm Storage Facility Loan, 12-Year – 2.500%

USDA is an equal opportunity provider, employer and lender. 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).