From the State Executive Director- Brad Thykeson

As most of you are aware, the North Dakota Farm Service Agency is back working in full capacity after being shutdown due to a partial federal funding lapse that occurred on December 22nd 2018. Although the shutdown temporarily created the obstacle for us to provide service to ND Farmers and Ranchers, we are glad to be back up and running in full capacity.

With the recent brutal cold snap and winter weather events, North Dakota Ag Producers have experienced their own set of challenges, dealing with extreme cold...
conditions with plenty of snow and wind. Most people can avoid or limit their time outdoors when the temperatures drop below zero but livestock producers are working around the clock to make sure the animals are well taken care of, and for that we thank you!

Due to the recent shutdown, FSA has extended some of their program deadlines. The one getting the most attention is the Market Facilitation Program (MFP) with an upcoming deadline of February 14, 2019 to sign up and submit part D of the CCC-910 application. Also, it’s better to visit us sooner than later if you are in need of FSA Farm Loan Programs so we have time to go over the options that can best help you plan for your upcoming production season. A final reminder is for livestock producers to report weather related livestock deaths to their FSA office within 30 days from when the loss was apparent.

The 2018 Farm Bill was enacted December 20, 2018. Through the Farm Bill, USDA’s Farm Service Agency supports America’s farmers and ranchers through a variety of farm loans, safety net, conservation and disaster assistance programs. We’re evaluating changes the Farm Bill made to the programs that we administer, and we’ll work to implement those changes as quickly as possible so please be on the lookout for more information relating to the Farm Bill rollout forthcoming from our Agency soon.

As always, we at the North Dakota Farm Service Agency appreciate your commitment to agriculture and we respect you your grit in handling North Dakota’s extreme seasons.

Stay safe out there,
- Brad Thykeson

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**Market Facilitation Program- Sign-up Deadline Nearing**

The Market Facilitation Program (MFP) provides payments to producers of eligible commodities who have been significantly impacted by the loss of traditional exports. Producers of certain commodities can now sign up for the MFP.

USDA’s Farm Service Agency (FSA) will administer MFP to provide payments to corn, dairy, hog, sorghum, soybean, wheat, and fresh sweet cherry producers.

The sign-up period for enrollment into MFP runs through **February 14, 2019**, with information and instructions provided at [www.farmers.gov/mfp](http://www.farmers.gov/mfp). Eligible producers are eligible to apply after harvest is complete, as payments will only be issued once production is reported.

The MFP payment rates are as follows:

- Corn $0.01 per bushel
- Dairy $0.12 per cwt
- Fresh Sweet Cherries $0.16 per pound
- Hogs $8.00 per head
Sorghum $0.86 per bushel
Soybeans $1.65 per bushel
Wheat $0.14 per bushels

Payments are capped per person or legal entity as follows:

- A combined $125,000 for eligible crop commodities
- A combined $125,000 for dairy production and hogs
- A combined $125,000 for fresh sweet cherries and almonds

Applicants must also have an average adjusted gross income for tax years 2014, 2015, and 2016 of less than $900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations to be eligible for MFP.

2018 Livestock Indemnity Program Deadline

Producers who suffered livestock deaths due to eligible adverse weather events from January 1, 2018 through December 31, 2018 may submit an application for payment with their local FSA County Office by the March 1, 2019 deadline.

Eligible livestock producers MUST have filed a notice of loss within 30 calendar days from when the loss was apparent. **NOTE:** Due to the lapse in federal funding, FSA County Offices may have been closed when the deadline to report a notice of loss occurred, therefore, this deadline has been extended to February 14, 2019.

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 March 1, 2019 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 Forage Program

Due to the lapse in federal funding, the deadline to apply for 2018 Livestock Forage Program (LFP) benefits has been extended to February 28, 2019. For 2018, there were 10 counties in North Dakota that were eligible for LFP and they are: Bottineau, Eddy, Foster, McHenry, Nelson, Pierce, Renville, Rolette, Ward and Wells. Livestock producers that had an interest in grazing land in those counties and an interest in eligible livestock may be eligible for 2018 LFP. Contact the applicable County Office for more information.

2019 Livestock Indemnity Program

Producers who suffer livestock deaths due to eligible adverse weather events from January 1, 2019 through December 31, 2019, 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.

2019 Emergency Livestock Disaster Programs

Livestock producers, including Honeybee and Farm-raised Fish producers, are reminded that the 2019 Emergency Livestock Disaster Program (ELAP) program year began October 1, 2018 and continues through September 30, 2019.

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. **NOTE:** Due to the lapse in federal funding, FSA County Offices may have been closed when the deadline to report a notice of loss occurred, therefore, this deadline has been extended to February 14, 2019.

In addition to filing a notice of loss, a timely filed acreage report for the 2019 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, 2019.

IRS Reporting For Tax Year 2018

Producers which are recipients of program payments during calendar year 2018 will receive form CCC-1099-G detailing payments received from the Commodity Credit Corporation. The annual report of program payments on CCC-1099-G is a service intended to help our customers report taxable income. It is not intended to replace producer’s responsibilities to report income to IRS. The mailing of form CCC-1099-G occurred on January 31, 2019.

CCC will not issue form CCC 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 CCC Form 1099-G showing all payments from all counties.

FSA staff will not attempt to 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.

Although refund information is not shown on the CCC 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:
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/fixed 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.

Restrictions on Removing CCC Loan Collateral

Producers with grain under Commodity Credit Corporation (CCC) loan are reminded that loan collateral cannot be removed without prior authorization or repayment. Unauthorized removal, which includes removal for cleaning for seed is considered a violation and is subject to monetary and administrative penalties. CCC loans are subject to spot check. Determined shortages must be repaid with principal plus interest and additional monetary penalties plus loss of future loan eligibility and restrictions on LDP’s may apply. Producers planning to remove CCC loan grain must contact their local county FSA office staff for additional information.
Filing CCC-941 Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. No program payment can be issued to an eligible producer, including landowners who share in the crop, without a valid CCC-941 on file in the county office.

Producers without a valid CCC-941 on file for the applicable crop year will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2015, 2016, 2017, 2018 and 2019. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued information and then visiting your local FSA office to finalize access.

Conservation Reserve Program

The 2018 Farm Bill re-authorized CRP and set an enrollment cap of 24 million acres for Fiscal Year 2019. It is unknown if the Secretary of Agriculture will authorize a signup in 2019. At this time, FSA County Offices cannot work on or accept an offer to enroll land into CRP or submit an offer to transition land to a beginning farmer under TIP.

The 2018 Farm Bill increases the CRP enrollment cap as follows: 2019 – 24.0 million acres; 2020 – 24.5 million acres; 2021 – 25.0 million acres; 2022 – 25.5 million acres; and 2023 – 27.0 million acres.

CRP participants are encouraged to provide their local FSA County Offices with updates of land ownership, new operators, etc., so the CRP contract can be revised with this new information.

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.

Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, soybeans, oats, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, fruits and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), and eggs. Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Aggregate loan balances exceeding $100,000 require additional security in the form of real estate or an irrevocable letter of credit.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office.

Youth Loans

The Farm Service Agency 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.

Youth Loan Eligibility Requirements:
• Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
• Be 10 years to 20 years of age
• Comply with FSA’s general eligibility requirements
• Be unable to get a loan from other sources
• Conduct a modest income-producing project in a supervised program of work as outlined above
• Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

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### Beginning Farmer Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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### Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer’s federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

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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.

Calendar Deadlines

Important Upcoming Dates and Deadlines

Please note: USDA Farm Service Agency has extended deadlines on many of its programs because of the government shutdown and the emergency nature of many of the programs.

Extended Deadlines:
February 14, 2019- Market Facilitation Program- Deadline to apply
February 14, 2019- If loan matured in December 2018, Marketing Assistance Loans- settlement date
February 14, 2019- Emergency Conservation Program- Performance reporting due
February 14, 2019- Emergency Assistance Livestock, Honey Bees, and Farm-raised Fish Program- Notice of loss due
February 14, 2019-Livestock Indemnity Program- Notice of loss due
February 14, 2019- Noninsured Crop Disaster Assistance Program- Notice of loss for prevented planting and failed acres due
February 14, 2019- Noninsured Crop Disaster Assistance Program- Applications for payment for 2018 covered losses due
February 28, 2019- Livestock Forage Disaster application for payment due

Upcoming Non-Extended Deadlines:
February 18, 2019: USDA Service Centers closed in observance of Presidents Day
March 1, 2019: Deadline to sign up for the 2018 Livestock Indemnity Program
March 15, 2019: Application deadline to purchase Non-insured Crop Disaster Assistance Program (NAP) for 2019 spring-seeded crops
May 1, 2019: Deadline to report production for the Market Facilitation Program

February 2019 Loan and Interest Rates

Commodity Loans – 3.625%
Operating Loans – 4.125%
Farm Ownership and Conservation Loans – 4.250%
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 – 2.500%
Farm Storage Facility Loan, 5-Year – 2.500%
Farm Storage Facility Loan, 7-Year – 2.625%
Farm Storage Facility Loan, 10-Year – 2.750%
Farm Storage Facility Loan, 12-Year – 2.750%