



October 2006

State Executive Director Comments

Greetings,

It appears that fall has arrived in North Dakota. With it, a welcome change in weather patterns. Gone are the long, hot, and dry days of July and August. Their effects, however, have not gone away. Hopefully, fall rains will continue to replenish the soil moisture levels for next year.



This newsletter contains information on a variety of USDA programs. You will find information concerning upcoming County Committee elections. I encourage all producers to participate in this important process.

If you have any suggestions or comments regarding FSA news, please relay them to your local FSA office.

Wishing you a safe and prosperous fall harvest,

Gary J. Nelson, FSA State Executive Director

2005 Final CC Rates

The 2005 Final Counter-Cyclical (CC) payment rates for corn, grain sorghum and soybeans have been announced as:

Corn	\$.35
Grain Sorghum	\$.13
Soybeans	\$.00

The final CC payment for 2005 corn and grain sorghum will be issued to producers with bases in the next few weeks.

2007 DCP Signup

Signup for the 2007 DCP program began on October 1, 2006, and will end on June 1, 2007. When completing the signup for 2007, a 22% advance payment can be requested

for 2007 direct payments. Producers may elect any month from December 2006 to September 2007 for advance payments. However, each farm must be annually enrolled in the program before 2007 payments can be issued. Producers may also request an advance counter-cyclical (CC) payment. In fiscal year 2007, a 40% advance CC payment will be available in October of 2007.

2007 DCP Signup Online

Producers with Level 2 eAuthentication may sign up for the 2007 DCP program online at: <https://indianocan.sc.egov.usda.gov/DCP/index.jsp>

If you currently do not have Level 2 access and wish to complete the 2007 DCP signup process online, you need to complete the online registration at <http://www.eauth.egov.usda.gov>, and then visit your local FSA office for identity verification.

2007 DCP Direct Payment Rates

The Farm Security and Rural Investment Act of 2002 established the following Direct payment rates for 2007 for each of the eligible commodities:

Wheat	\$0.52/bushel
Corn	\$0.28/bushel
Grain Sorghum	\$0.35/bushel
Barley	\$0.24/bushel
Soybeans	\$0.44/bushel
Oats	\$0.024/bushel
Other Oilseeds	\$0.0080/lb

Signature Requirements on CCC-509

To participate in the DCP program, all parties that share in the crop must sign the CCC-509. If the farm is cash leased, the owner will be recorded with a '0' share of the crop. The lessor must provide the following to the County Office:

- The landowner signature to zero share on the CCC-509

- Written lease, rental arrangement, or other document signed by the owner that proves that the producer has the land cash leased for the fiscal year.
- Cash rent certification statement only if both of the following apply:
 - A producer is requesting a payment after **June 30**
 - The farm was cashed leased by the producer in the previous fiscal year and the producer was designated to receive payment of the CCC-509 for that same year.

Disaster Designation for 2006

All counties in North Dakota received a Secretarial Disaster Designation due to having significant crop losses in the 2006 crop year. This designation will make qualified farm operators in the state eligible for low-interest **Emergency (EM) Loans**. Interested farmers may contact their local USDA Service Center for further information.

Emergency (EM) Loans

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine.

Loan Uses

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation; and
- Refinance certain debts.

Eligibility

Emergency loans may be made to farmers and ranchers who:

- Own or operate land located in a county declared by the

President as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance);

- Are established family farm operators and have sufficient farming or ranching experience;
- Are citizens or permanent residents of the United States;
- Have suffered at least a 30-percent loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property;
- Have an acceptable credit history;
- Are unable to receive credit from commercial sources;
- Can provide collateral to secure the loan; and have repayment ability.

Loan Requirements

FSA loan requirements are different from those of other lenders. Some of the more significant differences are the following:

- Borrowers must keep acceptable farm records;
- Borrowers must operate in accordance with a farm plan they develop and agree to with local FSA staff; and
- Borrowers may be required to participate in a financial management-training program and obtain crop insurance.

Collateral is Required

All emergency loans must be fully collateralized. The specific type of collateral may vary depending on the loan purpose, repayment ability and the individual circumstances of the applicant.

Loan Limit

Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

Loan Terms

Loans for crop, livestock, and non-real estate losses are normally repaid within 1 to 7 years. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. In certain

circumstances, repayment may be made over a maximum of 40 years.

Interest Rate for emergency loans is currently 3.75%.

Conservation Reserve Program Adds Duck Nesting Habitat Initiative

Duck nesting habitat improvement is the goal of the new Conservation Reserve Program (CRP) initiative. Farmers and landowners can enroll land into CRP under this initiative starting October 2.

Cropland identified as having a potential duck nesting density of 25 breeding pairs or greater per square mile is eligible for the initiative.  Eligible acreage includes wetlands and adjacent uplands. Up to ten acres of upland may be enrolled for every acre of restored wetland enrolled.

CRP contracts for acreage enrolled under the duck nesting habitat practice may be for a period of 10 to 15 years. The participant will restore wetlands and establish suitable nesting cover. Participants will receive annual rental payments, cost share to establish the habitat and an incentive payment to restore wetlands.

Additional financial incentives to participate in the program are being offered by the North Dakota Game and Fish Department, Ducks Unlimited and ND Natural Resources Trust.

Acreage may be enrolled in CRP under this initiative on a continuous basis until North Dakota's 40,000 acre allocation is reached.

Additional information and maps identifying the area determined eligible, based on the potential duck nesting density, may be obtained at any Farm Service Agency Office.

Lawsuit Settled

In October 2004, the National Wildlife Federation (NWF) filed a complaint in U.S. District Court challenging certain provisions of CRP managed haying and grazing. USDA has reached an agreement with the NWF.

The agreement restricts managed haying and grazing on new CRP contracts and on contracts which have

not previously been approved for managed haying or grazing. The agreement limits managed haying to once in ten years and grazing to one in five years on the contracts mentioned above. This restriction will be applicable until USDA completes an additional analysis of the impact managed activities have on the CRP cover.

Selected Interest Rates for October 2006	
90-Day Treasury Bill	4.875%
Farm Operating - Direct	5.375%
Farm Ownership - Direct	5.625%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	4.750%
Sugar Storage Facility	5.000%
Commodity Loans 1996-Present	6.000%

NAP Notice of Loss Required

Many North Dakota crops have suffered losses due to extremely dry conditions.  Producers with NAP coverage 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.

2007 NAP

The deadline to purchase 2007 NAP coverage for fall crops is approaching. Producers must purchase NAP policies for forage crops, grass seeds, apples, berries, grapes and honey by December 1, 2006. The sales closing date for spring seeded crops is March 15, 2007.

Acreage Spot Check Determinations and Notification

Each year the Farm Service Agency completes spot checks of acreage reports. Acreage reports are the basis

for delivery of many farm programs. Acreage spot checks are completed to ensure accurate acreage reports are used for farm programs.

FSA will spot check acreages on over 10 percent of the farms in each county. Color imagery flown in August 2006 will be used to complete all acreage determinations.

All 2006 acreage spot checks will be completed using the FSA Geographic Information System official acreages. After farms are spot checked, a Notice of Determined Acreage will be sent to the farm operator.

Producer notifications will be issued by FSA as spot checks are completed. Questions concerning determined acres should be directed to your local FSA office for clarification.

Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota is July 15. Acreage reports must be filed for all cropland on the farm before any 2006 DCP or CRP payments can be made or before eligibility can be established for marketing assistance loans and LDP's. Additionally, 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.

A late-filed acreage report may be accepted if the producer pays the late-filing fee, physical evidence of the crop exists, and the crop's use can be verified. The late-filing fee is \$25 per farm and \$.10 per acre.

2006 Crop Commodity Loans

Farm stored and warehouse stored commodity loans are available on eligible 2006 crop commodities. Farm-stored loans are available in approved storage structures that provide safe storage for the commodity. Warehouse-stored loans are available at CCC-approved storage warehouses only. Proof of storage paid through the loan maturity date must be provided with the warehouse receipt for the warehouse stored loan. Warehouse-stored loan rates are adjusted for quality based on applicable CCC loan premiums and discounts. Wheat protein premiums are available only for grade #1 warehouse-stored loans and the warehouse receipt must be

accompanied with a copy of the approved laboratory protein test document.

Loan service fees are the smaller of \$45, or one-half of one percent (.005%) of the gross loan amount plus \$3 for each additional bin or warehouse receipt over one. The loan interest rate is based on the CCC announced rate for the month in which the loan is disbursed. Loans mature on demand but no later than 9 months after the month in which the loan is disbursed.



Quantities for which an LDP has been requested are not eligible for a commodity loan.

Removing Loan Collateral

Producers with outstanding CCC loans are reminded that written authorization is required from the county FSA office prior to removal of the loan collateral. That includes movement to any location not designated as a storage structure on the note and security agreement. Loans are subject to spot check. Unauthorized removal or disposition of loan collateral is considered a violation and the producer is subject to monetary and administrative penalties.

Marketing authorizations may be requested by telephone and can be authorized for either 15 or 30 calendar days. If the loan commodity cannot be completely delivered during the authorized period, an extension may be requested. The extension must be requested before the expiration date of the original authorization.

Beneficial Interest

Producers must have beneficial interest in a commodity in order to be eligible for a loan or LDP on the commodity. To maintain beneficial interest, a producer must retain control of the commodity and title to the commodity. For loan deficiency payments, beneficial interest must be retained by a producer from the time of planting of the commodity through the date that the loan deficiency payment application is requested. For loans, beneficial interest must be maintained from the time of planting through the date the loan is repaid.

Beneficial interest will be considered lost upon delivery to any location off

the farm that does not have a CCC storage agreement or a State or Federal warehouse license. That means that producers will be considered to have lost beneficial interest on the date of delivery to feed lots, seed plants, ethanol plants and any other location without a CCC storage agreement, or that do not have a State or Federal warehouse license. Contracts for sale with the storing warehouse may contain restrictions that also cause beneficial interest to be lost at a time specified in the contract. Additional information concerning beneficial interest requirements is available at local county FSA offices.

Nominations for County Committee Election

The Farm Service Agency (FSA) will be conducting its annual committee election in November 2006. FSA County Committees represent farmers in their local communities and make decisions on crop bases and yields, commodity loans, conservation programs, disaster payments and other federal farm assistance programs.

The current County Committee consists of 3 members elected from 3 Local Administrative Areas (LAA's) or districts in all counties with the following exceptions: 1) Stark-Billings and Bowman-Slope have a combined County Committee consisting of 5 LAA's and 5 COC members. 2) Mountrail County has a 5 member Committee from 4 LAA's. The LAA that is up for election this year is identified by the number in the table below. Please contact your local FSA Office for further information and details regarding the specific LAA conducting the election in your county.

LAA#	County
1	Adams, Benson, Bottineau, Burleigh, Cass, Cavalier, Hettinger, Logan, McKenzie, Nelson, Pembina, Ransom, Renville, Richland, Sioux,
2	Barnes, Burke, Dunn, Eddy, Emmons, Golden Valley, Grant, McLean, Morton, Oliver, Pierce, Ramsey, Sargent, Sheridan, Stark, Steele, Towner, Traill, Ward, Wells
3	Bowman/Slope, Dickey, Divide, Foster, Grand Forks, Griggs, Kidder, LaMoure, McHenry, McIntosh, Mercer, Rolette, Stutsman, Walsh, Williams
4	Billings, Mountrail

Ballots will be mailed to eligible voters **no later than November 4, 2006.**

The ballots are mailed from a nationally selected vendor. Please allow at least a week to two weeks for delivery of your ballot. Your local office will also have a supply of ballots on hand for walk-in voters. **Ballots must be postmarked or returned by no later than December 4, 2006.** Only those voters eligible to vote in the Local Administrative Area conducting the election will receive ballots.



Ballots will be counted in your local office on December 11th at 10:00 a.m. local time.

Dates to Remember	
October 9	FSA Offices Closed for Columbus Day
November 10	FSA Offices Closed for Veterans Day
November 23	FSA Offices Closed for Thanksgiving
December 1	NAP Sales Closing Date for 2007 Forage, Grass Seeds, Honey, Grapes, Apples and Berries
December 4	Deadline to postmark County Committee Election Ballots.

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Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.