



FSA News

North Dakota Farm Service Agency

www.fsa.usda.gov

November 2008

State Executive Director Farm Bill Comments



The FSA county office staffs have done an outstanding job in the implementation of the new Farm Bill in the short period of time they were allowed. However, we still have a long way to go. I ask for your understanding as we work through the process. Many of the changes are new to FSA, such as ACRE, Direct Attribution and the Permanent Disaster Program.

Your continued patience in working with our County Office employees is very much appreciated. Producers can look forward to local information meetings and I urge you to attend your local meeting to obtain current program information.

Wishing everyone a safe and Happy Thanksgiving,

Gary J. Nelson, FSA State Executive Director

2008 Final DCP Payments

Producers enrolled into the 2008 DCP program should have received the final direct payment. The direct payment for a crop equals 85 percent of the farm's base acreage times the farm's direct payment yield times the direct payment rate. The direct payment rates for 2008 payments are:

Wheat	\$0.52/bu	Soybeans	\$.44/bu
Corn	\$0.28/bu	Oats	\$.24/bu
Grain Sorg	\$0.35/bu	Other Oilseeds	\$.008/lb
Barley	\$0.24/bu		

The direct payments to North Dakota producers have averaged \$225 million per year.

The "Ten Acre" Legislative Change

On October 13, 2008, HR-6849 was signed into law and amended the commodity provisions of the 2008 Farm Bill to permit producers with 10 acres of DCP base to receive farm program payments for the 2008-crop season. The legislation extends the 2008 crop year DCP signup for producers with 10 base acres or less, until November 26, 2008. Producers with ten base acres or less are encouraged to contact their local FSA office before November 26, 2008 to schedule an appointment to enroll in the 2008 DCP farm program.

Producers on farms with 10.0 or less base acres will be able to file an acreage report through December 1, 2008 without being considered late-filed.

NAP Notice of Loss Required

Producers with a 2008 NAP policy 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.

2009 NAP

To apply for 2009 NAP crop coverage, producers must complete a CCC-471 application for coverage and pay the service fee. The application and service fee must be filed by the applicable sales closing date. The service fee is \$250 per crop per county or \$750 per producer per county, not to exceed \$1875 per producer in all counties.

Producers must purchase NAP policies for Rye and Value crops by December 1, 2008. All other crops, including grass for hay and grazing, have a 2009 sales closing date of March 15, 2009.

2009 NAP and RMA coverage is also needed to meet the linkage requirement under the 2009 SURE and LFP programs.

Milk Income Loss Contract Program

The Milk Income Loss Contract Program (MILC) was re-authorized by the 2008 farm bill. Program benefits are earned by milk producers if the Boston Class I price for milk falls below the target price of \$16.94 per cwt in any month from October 2007 through September 2012.

From January 2008 through August 2012, the target price is increased if the national base feed cost is greater than \$7.35 per cwt.

The signup period for the MILC program has not been announced.

Dairy Indemnity Payment Program

Payments can be made to dairy producers who have been directed by a public regulatory agency to remove their raw milk from the commercial market due to contamination by pesticides or chemical residues. Loss applications must be filed at the local county FSA office by December 31 following the end of the fiscal year in which the loss occurred.

Farm Women Benefit From Annie's Project

Annie's Project is a six-week course designed especially for farm/ranch women. It helps farm/ranch women gain the knowledge to be involved farm partners. Each session will meet once a week for three hours.

Classes will be held at: Bismarck/Mandan, Jamestown, Killdeer, Center, Langdon, Crosby, McClusky, Devils Lake, Minot, Elgin, Oakes, Fargo, Wahpeton, Grand Forks, Williston, Hettinger, and Wishek.

The \$100 registration fee and registration form must be postmarked by January 7, 2009. Space is limited at all sites. To register, contact your local county extension office. For program information visit:

www.ag.ndsu.edu/anniesproject

FSA Loans for Socially Disadvantaged Persons

Overview

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) makes and guarantees loans to eligible socially disadvantaged farmers (SDA) to buy and operate family-size farms and ranches. Each fiscal year, the Agency targets a portion of its direct and guaranteed farm ownership (FO) and operating loan (OL) funds to SDA farmers. Non-reserved funds can also be used by SDA persons.

An SDA group is a group whose members have been subject to racial, ethnic or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups consist of American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics and women.

The Agency:

- Helps remove barriers that prevent full participation of SDA farmers in FSA's farm loan programs; and
- Provides information and assistance to SDA farmers to help them develop sound farm management practices, analyze problems, and plan the best use of available resources essential for success.

Types of Loans and Uses of Loan Funds

Direct farm ownership loans (FO) and farm operating loans (OL) are made by FSA to eligible farmers. Guaranteed FO and OL loans are made by lending institutions subject to Federal or State supervision (banks, savings and loans, and units of the Farm Credit System) and guaranteed by FSA. Typically, FSA guarantees 90 percent of any loss the lender might incur if the loan fails. FO funds may be used to purchase or enlarge a farm or ranch, purchase easements or rights of way needed in the farm's operation, erect or improve buildings, implement soil and water conservation measures, and pay closing costs. Guaranteed FO funds may also be used to refinance debt.

OL funds may be used to purchase livestock, poultry, farm equipment, feed, seed, fuel, fertilizer, chemicals,

insurance, and other operating expenses. The funds also may be used for borrower training costs, closing costs, and to reorganize and refinance debt.

Terms and Interest Rates

Repayment terms for direct OL depend on the collateral securing the loan and usually run from 1 to 7 years. Repayment terms for direct FO vary but never exceed 40 years.

Interest rates for direct loans are set periodically according to the Government's cost of borrowing. Guaranteed loan terms are set by the lender. Interest rates for guaranteed loans are established by the lender.

FSA Down-payment Program

FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations.

To qualify:

- The applicant must make a cash down payment of at least 5 percent of the purchase price.
- The maximum loan amount does not exceed 45 percent of the least of (a) the purchase price of the farm or ranch to be acquired; (b) the appraised value of the farm or ranch to be acquired; or (c) \$500,000 (Note: This results in a maximum loan amount of \$225,000).
- The term of the loan is 20 years. The interest rate is 4 percent below the direct FO rate, but not lower than 1.5 percent.
- The remaining balance may be obtained from a commercial lender or private party. FSA can provide up to a 95 percent guarantee if financing is obtained from a commercial lender. Participating lenders do not have to pay a guarantee fee.

Sale of Inventory Farmland

FSA advertises inventory property within 15 days of acquisition. Eligible SDA and beginning farmers are given first priority to purchase these properties at the appraised market value. If one or more eligible SDA or beginning farmer offers to purchase the same property in the first 135 days, the buyer is chosen randomly.

Where to Apply

Applications for direct loan assistance may be submitted to the local FSA office serving the area where the operation is located. Local FSA offices are listed in the telephone directory under U.S. Government, Department of Agriculture or Farm Service Agency. For guaranteed loans, applicants must apply to a commercial lender who participates in the Guaranteed Loan Program. Contact your local FSA office for a list of participating lenders.

For More Information

Further information about this and other FSA programs is available from local FSA offices or on the FSA website at: www.fsa.usda.gov

New Payment System

FSA is implementing a web based system for processing all farm program payments. Under the new system, county offices will no longer be able to issue paper checks to producers. Producers who have signed up for direct deposit will continue to receive payments electronically within two or three business days after processing. Those without direct deposit will receive a U.S. Treasury check in 7 to 10 days after the payment is processed. The transition to the new system is scheduled during the first two weeks of December. During the transition, county offices will not be able to issue any program payments. Producers who currently have not completed a direct deposit application (Form SF-1199A) for FSA payments can contact their local FSA office for information.

Selected Interest Rates for November 2008	
90-Day Treasury Bill	1.375%
Farm Operating - Direct	3.375%
Farm Ownership - Direct	4.875%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.750%
Farm Storage Facility	3.250%
Sugar Storage Facility	4.375%
Commodity Loans	2.500%

Annual Statewide Food and Toy Drive

Farm Service Agency with the support of Community Action is conducting a State Wide Food and Toy Drive. Items can be dropped off Monday through Friday on or before December 5, 2008 at any FSA office. Cash donations are also acceptable. Help support your community. Contact your local FSA office for more information.

Dates to Remember

December 1	Deadline for 2009 NAP Coverage- Rye, Turfgrass, Nursery, Christmas Trees, Aquaculture and Honey
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CRP Rental Rates

The rental rates offered for new CRP contracts have been updated to more closely reflect current cash rents.

Also, additional financial incentives are now available for new acreage that is being enrolled under certain CRP practices. A signup incentive payment of \$100 per acre is available for acreage enrolled under wetland restoration practices and the Duck Nesting Habitat practice. These practices are also eligible for a 20 percent incentive that is added to the annual rental payments.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

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.