



May 2009

2009 DCP and ACRE Program Signup Deadline is August 14

USDA has extended the sign-up deadline from June 1 to August 14, 2009 for both the Direct and Counter-cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) Program. This action extends the sign-up deadline by 10 weeks to give producers ample time to decide whether to participate in ACRE or remain in DCP for crop year 2009.

The ACRE program, authorized by the 2008 Farm Bill, provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The decision to elect ACRE binds the farm to the program through the 2012 crop year, the last crop year covered by the 2008 Farm Bill.

Sign-up may also be completed online by going to <http://www.fsa.usda.gov/FSA/edcp> and clicking on "Access eDCP Service." Participants can choose payment options, assign crop shares and sign and submit contracts from any computer with Internet access. Submitted contract options may also be viewed and printed.

Farm Changes

To ensure accuracy of farm records, it is very important that you notify the FSA office of all land ownership and address changes as soon as they occur. A copy of the applicable recorded deed should be provided to complete land ownership changes. Failure to notify FSA of farm changes may result in refunds of program payments.

Farm changes may include:

- Address changes
- Change in bank accounts
- Land purchases or land sales
- Land leases
- Additional members added to an operation
- Changing from an individual to an entity
- Name changes
- Deaths of landowners
- Deaths of members in an operation

2009 Acreage Reports

Acreage reports must be filed for all cropland on the farm before any 2009 Direct and Counter-Cyclical (DCP) and Average Crop Revenue Election (ACRE) payments can be made or before eligibility can be established for marketing assistance loans and Loan Deficiency Payments (LDP's). 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. Additionally, to be eligible for benefits subject to the Supplemental Revenue Assistance Payment Program (SURE), all crops in all counties must be reported, including non-cropland that will be hayed and/or grazed.

The deadline for submitting a timely filed acreage report is July 15, 2009. Producers are reminded that filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

For 2009 only, the deadline for filing a timely prevented planting request in North Dakota has been extended to July 15. Producers must establish to the satisfaction of the County Committee that all cropland that was feasible to plant and prevented from being planted was affected by a natural disaster rather than a management decision. Additionally, producers are required to prove that preliminary efforts to plant the crop are evident, such as disking the land or orders for purchase or delivery of seed and fertilizer.

Producers requesting failed acreage credit must report the acreage before disposition of the crop to receive credit for that crop. The County Committee must be satisfied that the acreage was planted under normal conditions, but failed as a result of a natural disaster and not a management decision.

Sowing the Seeds of Hope

Rural and farm families are independent problem solvers. Some concerns in life, however, are difficult to solve alone or with family and friends. Sowing the Seeds of Hope can provide affordable counseling to assist you with marital or family conflict, crisis, or financial stress. For more information and referral contact 2-1-1 North Dakota. From any phone in North Dakota dial 211 or go online to www.211nd.org.

Farm Storage Facility Loans

Farm storage facility loans (FSFL) are available for construction of storage and handling equipment. New structures and permanently affixed handling and drying equipment are eligible for loan as determined by the county committee. The loan term is 7 years and requires a 15 percent downpayment. The interest rate is based on the CCC rate in effect during the month the loan application is approved. New loan amounts, plus the aggregate balance of all outstanding FSFL loans, cannot exceed \$100,000.

DCP FAV Plantings

Producers who intend to plant fruits and vegetables (FAVs) in 2009 need to be aware of the FAV planting restrictions that apply on base acreage. When planting FAV's, producers have the following options:

1. Plant FAVs on a participating farm's "free acres".
2. Plant FAVs on base acreage of a participating farm that has a farm FAV history and take an acre-for-acre reduction in the DCP payment. NOTE: Farm FAV history is based on the FAV planting history for 1991-1995 or 1998-2001.
3. Plant FAVs on base acreage of a participating farm without farm FAV history, using the producer's FAV history and take an acre-for-acre reduction in DCP payment. NOTE: Producer FAV history is based on the planting history the producer has of each specific FAV crop.
4. Plant FAVs on a nonparticipating farm.

Dry peas, lentils and garbanzo beans are exempted from the FAV restriction.

NAP Notice of Loss Required

Producers with a 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.

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.

CRP Contract Extensions

There are 502 general signup contracts with about 220,000 acres expiring from CRP in North Dakota on September 30, 2009. Participants on some of these contracts have been notified that they have an opportunity to extend the contracts for a period of three or five years. About 56,000 acres are eligible for the extension.

The notified participants must respond by June 30, 2009, if they choose to extend the contract under the current terms.

There may be opportunities to re-enroll some of the 220,000 expiring acres under the continuous signup provisions. Expiring acreage may be eligible for re-enrollment in CRP under the Duck Nesting Habitat practice, State Acres for Wildlife Enhancement (SAFE), Wetland Restoration or the Farmable Wetland Program.

Commodity Loan and LDP Deadline

Producers planning to use the commodity loan program for their 2008 crops are reminded that May 31, 2009 is the deadline for filing applications for the following 2008 crops: corn, dry peas, grain sorghum, lentils, mustard, safflower, small chickpeas, soybeans and sunflowers. May 31 is also the deadline for requesting a loan deficiency payment (LDP) for the crops earning an LDP. However, due to current market prices none of these commodities are currently earning an LDP.

To be eligible for a loan or LDP, a producer must have complied with the annual program requirements for the farm that produced the crop, maintain beneficial interest in the commodity, and not have a delinquent federal nontax debt.

Commodity loan and LDP applications must be filed with the county FSA office that maintains the farm program records for the farm that produced the crop. Producers interested in a commodity loan or LDP on the above listed commodities should contact their local county FSA office staff prior to the May 31 deadline.

Eligible Commodities and Loan/LDP Final Availability Dates for the 2008 Crop:

Commodity	Final Availability Date
Corn, Dry Peas, Grain Sorghum, Lentils, Mustard, Safflower, Small Chickpeas, Soybeans, Sunflowers	May 31, 2009

New Loan Repayment Rate Method

USDA has begun using an improved and more stable system for determining non-recourse marketing assistance loan repayment rates and loan deficiency payment rates for wheat, feed grains, pulse crops, oilseeds, wool, mohair and honey.

CCC will determine and publish daily loan repayment rates based on the average market prices during the preceding 30 days for wheat, corn, grain sorghum, soybeans, barley, oats, canola, flaxseed and sunflower seed. At the same time, CCC will begin announcing each day a repayment rate based on the preceding five days. The effective alternative repayment rate will be the lower of either the 30-day average or the 5-day average.

CCC will also publish loan repayment rates once a week based on the average market prices during the preceding 30 days for pulse crops, crambe, mustard, rapeseed, safflower, sesame, wool, mohair and honey. An alternative repayment rate will also be announced using the current methodology each week. The effective repayment rate will be the lower of either the 30-day average or the alternative repayment rate. No alternative rate is available for honey.

Preventing Crop Insurance Fraud, Waste, and Abuse

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.

Conservation Compliance

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices. It is very important that you contact the FSA office before doing any of the above. Also, it is very important that you contact our office 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 loss of all Federal payments and eligibility.

2009 ACRE Program – State ACRE Guarantees

Producers electing ACRE should be aware of the 2009 Preliminary State Price and Yields to calculate the potential revenue guarantees for the 2009 Average Crop Revenue Election (ACRE) Program.

Through ACRE, USDA offers producers an alternative to Direct and Counter-cyclical (DCP) payments beginning with the 2009 crop year. The ACRE alternative provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national average price. ACRE payments are made when both state- and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. ACRE

sign-up dates will be announced soon, or a producer can choose to stay with DCP. A decision to elect ACRE binds the producer to the program through the 2012 crop year, the last crop year covered by the 2008 Farm Bill. Lastly, ACRE's revenue-based approach makes payments based on price and yield movements relative to the guarantee.

The following table provides the preliminary estimates on the program revenue guarantee for the new ACRE Program for farms located in North Dakota. The price data below will be updated each month on approximately the 15th of the month until the end of the marketing year for each respective crop.

2009 ACRE State Benchmark Yields and Preliminary Prices (5/09)				
Crop	Yield	Prelim. Price	State Benchmark Factor	Preliminary State Revenue
Wheat	35.30 bu.	\$6.67 bu.	90%	\$211.91/ac.
Barley (Feed)	55.00 bu.	\$4.10 bu.	90%	\$202.95/ac.
Oats	56.00 bu.	\$2.89 bu.	90%	\$145.66/ac.
Corn	117.00 bu.	\$4.20 bu.	90%	\$442.26/ac.
Grain Sorghum	40.00 bu.	\$3.69 bu.	90%	\$132.84/ac.
Soybean	31.50 bu.	\$9.98 bu.	90%	\$282.93/ac.
Sunflowers	1,330.0 lbs.	0.2218 lbs.	90%	\$265.49/ac.
Canola	1,400.0 lbs.	0.1865 lbs.	90%	\$234.99/ac.
Flax	18.00 bu.	\$13.08 bu.	90%	\$211.90/ac.
Safflower	720.0 lbs.	0.1965 lbs.	90%	\$127.33/ac.
Rapeseed	1,280.0 lbs.	0.1835 lbs.	90%	\$211.39/ac.
Mustard	670.0 lbs.	0.2788 lbs.	90%	\$168.12/ac.
Crambe	1,390.0 lbs.	0.1867 lbs.	90%	\$233.56/ac.
Dry Peas	1,820.0 lbs.	0.1330 lbs.	90%	\$217.85/ac.
Lentils	1,120.0 lbs.	0.2975 lbs.	90%	\$299.88/ac.
Chickpeas (Large)	1,420.0 lbs.	0.3175 lbs.	90%	\$405.77/ac.
Chickpeas (Small)	1,090.0 lbs.	0.2520 lbs.	90%	\$247.21/ac.

Because of tradeoffs with electing ACRE over DCP and the irrevocable commitment to ACRE, producers are encouraged to review the ACRE decision tool from NDSU Extension to help evaluate the choices. The website for the ACRE Analyzer is at <http://www.ag.ndsu.nodak.edu/aginfo/farmmgmt/farmmgt.htm>.

County Loan Rates Announced

Commodity Credit Corporation has announced county loan rates for crop year 2009 commodities. The county rates are available at local county FSA offices and the FSA website at: <http://www.fsa.usda.gov/FSA> and clicking on the "Price Support" link.

CRP Weed Control

CRP contract participants are responsible for controlling weeds on CRP acreage to the extent they do not impact surrounding landowners or the required cover.

Continue to monitor weeds on your CRP acreage throughout the growing season. If possible, limit control to spot treatments in order to reduce disturbance during the nesting season and damage to legumes and forbs in the cover. Notify FSA of action to control weeds prior to disturbing the CRP cover.

Maintaining DCP Acres

DCP participants are required to protect all base acres from erosion and weeds. Fields designated as "base acres" must have an eligible cover such as crop residue or volunteer grasses. Weeds are not an acceptable cover and must be maintained. Failure to control weeds on base acres may result in a reduction of program benefits if the County Committee determines that a good faith effort to control weeds and/or erosion was not made

2009 Important Dates to Remember

2008 LDP Deadline	May 31
CRP Contract Extension Deadline	June 30
Acreage Reporting Deadline	July 15
Farm Reconstitution Deadline	August 1
DCP or ACRE Signup Deadline	August 14

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