



July 2009

## COC Election Informational Meetings

Significant emphasis has been placed upon improving diversity on COC's as stressed in current and past Farm Bills. FSA is working diligently to increase the number of socially disadvantaged farmers and ranchers nominated for COC seats. Counties are actively attempting to place many more socially disadvantaged candidates' names on ballots. These efforts are continuing and expanded to ensure that socially disadvantaged farmers and ranchers have every opportunity to be elected to FSA COC's. As FSA strives for increased diversity on COC's, FSA is also conducting efforts to encourage voters to look toward beginning farmers and ranchers as a resource for nominees for COC elections. This year and in all subsequent years, COC's and County Office employees are reaching out to beginning farmers and ranchers with information and encouragement to run for a seat on COC. As part of this outreach effort, each County Office is holding an informational meeting regarding the COC election process, and information regarding the duties of the COC members. These meetings are being held in every office the 1<sup>st</sup> Wednesday of every month. Mark your calendar and plan to attend!

## 2009 DCP and ACRE Program Signup Deadline is August 14

The sign-up deadline for both the 2009 Direct and Counter-cyclical Program (DCP) and the forthcoming Average Crop Revenue Election (ACRE) Program is August 14, 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 Act.

One issue that has been clarified on the ACRE program is how prevent plant acres affect the ACRE calculations. The prevent plant acres of a crop will only be used at the farm level to calculate the current year yield, revenue and payment acres, if an ACRE payment is triggered for the crop. The farm benchmark yield (which is based on the 5 previous crop years of yield data) is calculated based on only planted acres. Therefore, when the benchmark yield

is calculated for 2010, for example, the 2009 yield will be calculated with planted acres, as are the years, 2005 through 2008.

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

## Acres Reporting Deadline Extended

For 2009, the final crop reporting date is being extended to August 14, 2009. Late fees will not be assessed if acreage reports are filed by August 14 and all other reporting requirements are met.

Filing an accurate and timely report for all crops and land uses, including failed acreage, can prevent loss of benefits for a variety of Farm Service Agency programs. All cropland on the farm must be reported to receive benefits from the Direct and Counter-cyclical Program, Marketing Assistance Loans, and Loan Deficiency Payments. The report of acreage must account for all cropland on a farm, whether idle or planted.

## CRP & NAP Certification

Conservation Reserve Program acreage must be reported to receive annual rental payments. And, crop acreage for Non-insured Crop Disaster Assistance Program (NAP) must also be reported. For NAP purposes, producers are still required to file an acreage report by the extended acreage reporting deadline but no later 15 calendar days before the onset of harvest if that is earlier than August 14.

## Prevented Planting and/or Failed Acreage

For 2009, County Committees may accept requests for prevented planting and/or failed acreage if timely filed by August 14. Farm visits will not be required if claims can be verified by other methods and all other requirements are met.

## 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.

### **Livestock Indemnity Program**

The Livestock Indemnity Program (LIP) compensates to livestock owners for livestock deaths due to adverse weather events. This includes losses from January 1, 2008, through September 30, 2011. The losses must be in excess of the normal mortality for the kind and type of livestock.

The signup for LIP began on July 13, 2009. LIP applications involve two parts. They are the "Notice of Loss" and the "Application for Payment." The Notice of Loss may be completed by telephone, email, fax or in-person. When filing a Notice of Loss the producer reports that livestock died from an adverse weather event and when the event occurred.

Producers who had losses in 2008 must file the Notice of Loss and the Application for Payment by September 13, 2009.

Producers that had livestock die from adverse weather events in 2009 before July 13, must file a Notice of Loss by September 13, 2009. The application for payment for 2009 losses must be completed by January 30, 2010.

Producers must provide Notice of Loss for future deaths within 30 days of the loss.

Applicants must provide proof of the deaths with verifiable records, producer records or a certification from a third party. If producer records or a third party certification are used as proof of death, evidence of beginning and ending livestock inventories must also be provided.

The rates for beef cattle are in the following table:

<b>Weight Range</b>	<b>2008 Rate</b>	<b>2009 Rate</b>
Less than 400 lbs	\$262.50	\$262.50
Non-adult >400lbs	\$343.83	\$319.44
Cow	\$681.62	\$694.98

### **Measurement Service Rates**

A measurement service request is a request for any farm visit or acreage determination including visits to determine exact areas designated for specific crop land or land use, to determine quantity of farm-stored commodities, or to re-determine measurements of farm-stored production. The mandatory rate for conducting measurement service in North Dakota is a \$30 basic farm fee plus \$16 for the first hour and \$8 for every 30 minutes after the first hour. Measurement service fees are collected from the producer

making the request before the service is performed based on an estimate of the time it will take to complete the service.

### **LDP Applications**

The CCC-633 EZ is a multi-part form. Page 1 is the intention form to request an LDP. It must be filed each crop year. It will cover all farms and commodities in which a producer has an interest for the 2009 crop year. Page 1 must be filed before beneficial interest is lost in the commodity and before a request for payment is completed on pages 2 – 4. The completion of page 1 does not cause a producer to lose loan eligibility for the commodity.

Wool and mohair are currently earning LDP's. Barley, oats and durum market repayment rates are close to loan rates.

Completion of the CCC-633 EZ page 1 does not cause a producer to lose loan eligibility. However, when the CCC-633 EZ page 2 payment request is filed, the requested quantity on the page 2 is no longer eligible for loan. A loan and LDP cannot be obtained on the same quantity. Additional information may be obtained at the local county FSA office.

### **Loan Grain Removal**

Producers are reminded that grain under CCC loan cannot be removed without prior authorization or repayment. Unauthorized removal and unauthorized disposition of loan collateral is considered a violation and is subject to monetary and administrative penalties.

Producers who are removing 2008 crop CCC loan grain in preparation for harvest of the 2009 crop must obtain approval from the county FSA office prior to moving the grain if the commodity is under CCC loan. That includes movement from bin to bin, or movement off the farm to a warehouse or any other location.

The 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 may apply. Producers planning to remove CCC loan grain should contact their local county FSA office for additional information.

### **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 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.

The following table provides the preliminary estimates as of July, 2009, 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 (7/09)				
Crop	Yield	Prelim. Price	State Benchmark Factor	Preliminary State Revenue
Wheat	35.3 bu.	\$6.63 bu.	90%	\$210.64/ac.
Barley (Feed)	55.0 bu.	\$4.09 bu.	90%	\$202.46/ac.
Oats	56.0 bu.	\$2.89 bu.	90%	\$145.66/ac.
Corn	117.0 bu.	\$4.13 bu.	90%	\$434.89/ac.
Grain Sorghum	40.0 bu.	\$3.64 bu.	90%	\$131.04/ac.
Soybean	31.5 bu.	\$10.05 bu.	90%	\$284.92/ac.
Sunflowers	1330.0 lbs.	\$0.2215 lbs.	90%	\$265.14/ac.
Canola	1400.0 lbs.	\$0.1853 lbs.	90%	\$233.48/ac.
Flax	18.0 bu.	\$13.00 bu.	90%	\$210.60/ac.
Safflower	720.0 lbs.	\$0.1965 lbs.	90%	\$127.33/ac.
Rapeseed	1280.0 lbs.	\$0.1823 lbs.	90%	\$210.01/ac.
Mustard	670.0 lbs.	\$0.2788 lbs.	90%	\$168.12/ac.
Crambe	1390.0 lbs.	\$0.1854 lbs.	90%	\$231.94/ac.
Dry Peas	1820.0 lbs.	\$0.1325 lbs.	90%	\$217.04/ac.
Lentils	1120.0 lbs.	\$0.2990 lbs.	90%	\$301.39/ac.
Chickpeas (Large)	1420.0 lbs.	\$0.3175 lbs.	90%	\$405.77/ac.
Chickpeas (Small)	1090.0 lbs.	\$0.2545 lbs.	90%	\$249.66/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/farmmgmt.htm>.

## New CRP Practice Available

Flooded prairie wetlands may be enrolled in CRP under the Farmable Wetland Program. Cropland eligible for enrollment in CRP practice CP41, includes wet areas that were physically cropped in three of ten years during a period from 1990 through 2002.

Each wetland and surrounding overflow area must be 20 acres or less in size. No more than 40 acres of wetland and flooded overflow area may be enrolled per tract. A surrounding buffer area must also be enrolled with each flooded prairie wetland.

The flooded area and surrounding buffer may be enrolled in CRP for a period of 10 to 15 years. Annual rental payments include a 20 percent incentive. There is also a one-time signup incentive payment of \$100 per acre.

## Managed Haying of CRP

Certain CRP contracts are eligible for managed haying or grazing beginning August 2. Written approval must be obtained from the county FSA office before haying or grazing begins.

Eligibility and frequency for managed haying or grazing depends on the practice and date of enrollment.

There is a 25 percent reduction in the annual CRP payment for each acre hayed or grazed under the provision.

## Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

## Emergency Loans Available

Low interest emergency farm loans are available to eligible applicants with qualifying physical and/or production losses. Eligible producers in counties that have presidential disaster declarations, secretarial disaster designations, administrator's physical loss notifications or contiguous counties may borrow up to 100 percent of actual production or physical losses not to exceed \$500,000. Operators who do not qualify for emergency loans may be eligible for an FSA operating loan (OL).

### **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.

### **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.

### **2009 Important Dates to Remember**

Farm Reconstitution Deadline	August 1
Acreage Reporting Deadline	August 14
DCP or ACRE Signup Deadline	August 14

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