



August 2010

From the State Executive Director



2010 is turning into another great year for production agriculture in North Dakota.

While there were some acres that had too much water for planting or hail that took away this year's dream, we are seeing pastures that are lush and crops that are bountiful.

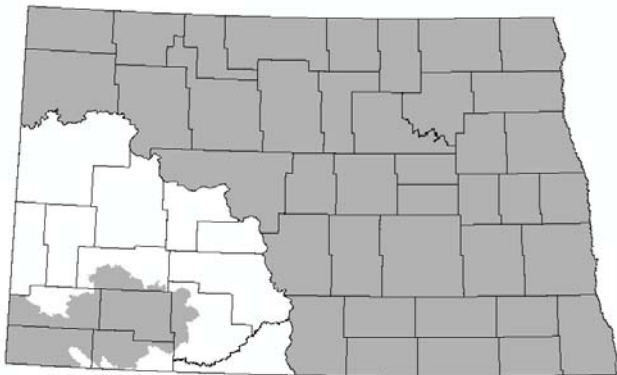
In this newsletter you will find details about the general CRP signup, this year's commodity loan rates and many important program deadlines. If you have any questions, please contact your local FSA office. Have a safe harvest!

Aaron Krauter, FSA State Executive Director

Conservation Reserve Program Signup

FSA will conduct a general CRP signup August 2 through August 27, 2010. During the signup period, landowners or operators may re-offer acreage that expires from CRP on September 30, 2010. Cropland not previously enrolled may also be offered.

Cropland that was not previously enrolled must be in a conservation priority area or have an erodibility index of 8 or greater. The conservation priority areas in North Dakota include all land north and east of the Missouri River and the area west of the Missouri River as shown below.



Eligible cropland includes cropland that was planted or considered planted to a crop in four of the six years from 2002 to 2007. The cropland must also be physically and legally capable of being cropped.

All applications are ranked based on a national ranking system called the Environmental Benefits Index. The index scores wildlife benefits, erosion, water and air quality and cost. Acreage with native plants will score higher than acreage with introduced species. Additional points are also given to applications that will have areas of pollinator-friendly habitat of flowering plants.

Managed Haying Frequency Changes

New Conservation Reserve Program (CRP) contracts may be hayed or grazed once every five years.

A lawsuit filed by the National Wildlife Federation resulted in the managed haying frequency for CRP contracts approved after September 26, 2006, to be restricted to once every ten years. An environmental assessment has been completed as part of the lawsuit settlement. A frequency of once every five years was determined acceptable based on the analysis.

The CRP participants on those contracts previously restricted to haying once every ten years now may request that the contract terms be revised to allow managed haying once every five years. The revision is completed by contacting the local FSA office that administers the CRP contract. Contracts that allowed managed haying and grazing once every three years are not impacted by this change.

Managed haying is not allowed before August 2 of each year. Managed haying is only allowed on certain CRP practices and is not allowed within 120 feet of a stream or other permanent water body. Written authorization from FSA is required before haying begins.

CRP Transition Incentive Program

CRP participants who are retiring or retired from active crop production may be eligible for two additional CRP annual rental payments after the CRP contract expires.

In order to be eligible for the additional payments, the land must be sold or leased to a beginning or socially disadvantaged farmer. The CRP participant may enroll in the Transition Incentive Program (TIP) during the final year of the CRP contract and before the land is sold or leased. Conversion of the CRP to sustainable agriculture or grazing may begin after enrollment in TIP. Contact your local county office for details.

2010 Crop – NAP Notice of Loss

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.

Anthrax Losses Eligible for LIP

Livestock deaths that are caused by anthrax are eligible for compensation under the Livestock Indemnity Program (LIP).

LIP provides monetary assistance to livestock owners for livestock deaths that are in excess of normal mortality. Eligible livestock deaths are those caused by adverse weather events and include deaths due to anthrax. It has been determined that the outbreak of anthrax is related to adverse weather events, thus making associated losses eligible for benefits.

Livestock owners that experience livestock deaths should file a notice of loss within 30 days of the loss. Owners should also maintain proof of loss such as veterinary records or dated photographs. If those types of records are not available, a certification from an unaffiliated third party may be accepted.

2008 SURE Program

Applications under the 2008 Supplemental Revenue Assistance Payment Program (SURE) program can now be filed. Producers who had either low yields or loss of revenue on their entire farming operation in 2008 may be eligible for a SURE program payment. Producers are encouraged to contact their county office for an appointment to determine eligibility.

USDA's authorization to use Recovery Act stimulus funds for 2008 SURE program payments ends on September 30, 2010. Therefore, FSA must close the application period for 2008 SURE program payments on September 30, 2010.

For the 2008 crop year, producers in all 53 counties in North Dakota are eligible to file an application for SURE. If the producer's farm revenue is less than the farm guarantee and at least one crop of economic significance suffered a 10% loss in yield a SURE payment will be based on 60% of the difference.

To calculate a SURE program payment, FSA will compile production, revenue and loss records from RMA and FSA data and compare the actual revenue to the guaranteed

revenue. Actual revenue is determined from national average market prices; therefore producers are not required to provide sales documentation, unless requested by the county committee. Guaranteed revenue is determined by multiplying the planted or considered planted acreage times the higher of the crop's APH, adjusted APH or Counter-cyclical yield times the insurance price election times the level of coverage.

For more information on the new SURE program, please visit your local FSA county office or <http://www.fsa.usda.gov>. A new SURE calculator specifically for the 2008 SURE program has been posted to this website.

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 2010 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.

Durum and wool are currently earning LDP's.

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 Rates

The 2010 crop commodity loan rates are available at any county FSA office, or go online to <http://www.fsa.usda.gov/FSA> and click on the "Price Support" link.

Producers in an ACRE-enrolled farm will have a 30 percent reduction in the commodity loan rate.

Durum Wheat Quality Program

Durum growers who used certain fungicides to control fusarium head blight, also called wheat scab, can now be compensated for up to half of the application cost. Applications are being accepted in USDA Farm Service Agency offices between July 21 and September 15, 2010.

Producers who used EPA-registered fungicides that are compliant with state regulations for a single treatment to control fusarium head blight in 2010 are eligible for the Durum Wheat Quality Program (DWQP). The fungicide must have been applied during the flowering stage, after head emergence has completed and before milk development in the kernel. The program allows for cost

share assistance of up to 50% of the cost of the fungicide and application of the fungicide.

Durum program payments are not subject to a payment limitation, and producers do not need to meet Adjusted Gross Income (AGI) provisions.

Producers should contact their local FSA office for details of the program or go online at www.fsa.usda.gov.

2009 ACRE Program – Farm Benchmark Yields

Producers who elected the 2009 Average Crop Revenue Election (ACRE) program on one or more FSA farms, have until September 1, 2010, to complete the FSA-658 (Record of Production & Yield) for each ACRE farm and each covered commodity planted in 2009. The ACRE program requires a yield be established for each covered commodity planted or considered planted in 2009, for each of the years 2004 – 2009.

Production evidence that can be used to support the certified yields for 2004-2009 can be from the following sources:

- Crop Insurance loss records
- Sales records (buyer specific)
- Crop Insurance APH data base records
- Farm stored production records, appraisals

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 2010 DCP 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.

FSA Assists RMA

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

Federal regulations discourage the production of crops on highly erodible cropland unless the land is protected from erosion by an approved conservation system. Status reviews are conducted to ensure producers follow a conservation plan on highly erodible land.

In addition to the highly erodible land provisions, a person may not plant an agricultural commodity on a wetland converted after Dec. 23, 1985, or convert a wetland to make agricultural production possible after Nov. 28, 1990. Failure to comply with these provisions will cause a person to be ineligible for USDA benefits. County Committees may review noncompliance situations for good faith and provide relief in approved cases.

Farm Loan Program Funding

Funding of direct operating loans through FSA has been a problem this year. As a nation we received a record number of dollars to fund farm loan program loans in fiscal year 2010, but the usage has been much higher than the funding. This results in a number of loans that are not being funded at this time, but are being stockpiled for funding when additional funds are allocated for this purpose from Congress.

In North Dakota we are seeing the same problems as nationally. As of July 22, 2010, in North Dakota, we are stockpiling 53 direct operating loans, totaling \$5,271,540 that represent funding to 48 farmers and ranchers in the state. At this point we are hopeful that supplemental funding will be made available. We are monitoring the status of attempts to secure that funding.

If you are one of the applicants with a stockpiled application, your county office will contact you as soon as we are made aware that funding has taken place.

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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.

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.

Important Dates and Deadlines

CRP General Signup Begins	Aug 2, 2010
CRP General Signup Ends	Aug 27, 2010
2009 ACRE Farm Benchmark Yield	Sept 1, 2010
2008 SURE Application Period Closes	Sept 30, 2010
County Committee Ballots mailed to eligible voters	Nov 5, 2010
Last day to return voted ballots to USDA Service Center	Dec 6, 2010

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