

July 2012



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North Dakota FSA eNews

North Dakota State Office **2012 Acreage Reports**

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Acreage reports must be filed for all cropland on the farm before any 2012 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.

The deadline for submitting a timely filed acreage report is July 16, 2012, as July 15 falls on a Sunday this year. 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.

Producers who request prevented planting acreage credit must report the acreage and complete a CCC-576, Notice of Loss, within 15 calendar days after the final planting date for the respective crop as established by RMA or FSA. 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.

2011 ACRE Program – Farm Benchmark Yield Update

Producers who have a 2011 Average Crop Revenue Election (ACRE) program contract on one or more FSA farms, must complete the FSA-658 (Record of Production & Yield) for each ACRE farm and each covered commodity planted in 2011 by not later than July 16, 2012. Production evidence that can be used to support the certified yields 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

2012 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.

Change in Farming Operation

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

General Loan and LDP Requirements

To be eligible for a loan or LDP a producer must:

- have beneficial interest in the commodity
- complete an acreage report for the commodity
- be in compliance with highly erodible and wetlands provisions
- not have been convicted of a controlled substance violation
- not have a delinquent non-tax federal debt

Additional information on loans and LDPs is available on the FSA web site [here](#).

Beneficial Interest Requirements

Producers are required to maintain beneficial interest in the commodity tendered for loan or LDP. Beneficial interest includes having control and title in the commodity. Loss of any one element causes loss of beneficial interest.

Sales agreements, including options to purchase, priced later and contracts for future delivery can impact beneficial interest. Once beneficial interest is lost, the commodity remains ineligible for loan or LDP, even if the producer regains control or title at a later date. Some contracts may also have provisions, such as restrictions on ability to mortgage the commodity or storage earned prior to delivery, that impact when beneficial interest is lost even if no payment has been issued to the seller. Even without a sales contract, delivery location, such as a feed lot, ethanol plant, seed plant or licensed warehouse can also impact when beneficial interest is considered lost. Producers planning to use any of the various types of sales contracts can request to have the contract reviewed by the local county FSA office to determine how the contract would impact beneficial interest.

General Commodity Eligibility Requirements

To be eligible for loan or LDP, commodities must:

- have been produced by an eligible producer and harvested in the current crop year
- be in existence and in storable condition
- be merchantable for food, feed or other uses as determined by CCC
- not contain mercurial compounds, toxin-producing molds or other poisonous substances (vomitoxin and aflatoxin levels can affect wheat, barley and corn eligibility)
- meet the definition for the applicable commodity in the official U.S. Standards.

Commodities that are obtained through substitution, purchase or received as a gift are not eligible for loan or

LDP. Crop mixtures are not eligible for loan or LDP. Quantities requested for LDP are not eligible for loan. Commodity grades, class and eligibility for nonrecourse loan are based on the United States Standards for Grain. Unshorn pelts and commodities harvested as other than grain are eligible for LDP only.

July Loan and Interest Rates

Operating Loans - 1.25%
Farm Ownership Loans - 3.375%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 3.75%
Farm Storage Facility Loan, 7-Year - 1.125%
Farm Storage Facility Loan, 10-Year - 1.625%
Farm Storage Facility Loan, 12-Year - 1.875%

Important Dates and Deadlines

2012 Acreage Reporting Deadline - July 16, 2012
2011 ACRE Production Evidence – July 16, 2012
2012 Land and Ownership Changes – August 1, 2012

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