

September 2012



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## North Dakota FSA eNews

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### North Dakota State Office **From the State Executive Director**

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By the time many of you read this September newsletter small grain harvest in North Dakota will be pretty much wrapped up and the row crop harvest has started. Ranchers are busy moving hay bales into the hay yards as mother nature is signaling to the trees to prepare for winter. All of this is happening about thirty days ahead of what many consider normal. But then again, what is normal? In this newsletter, please take special interest in FSA's many reporting dates. Have a great September!

--Aaron Krauter

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### **Emergency Grazing of CRP Extended**

To assist producers, USDA is permitting farmers and ranchers in drought stricken states that have been approved for emergency grazing to extend grazing on CRP land through Nov. 30, 2012, without incurring an additional CRP rental payment reduction. The period normally allowed for emergency grazing lasts through Sept. 30. The extension applies to general CRP practices and producers must submit a request to their Farm Service Agency county office indicating the acreage to be grazed.

The Secretary's extension does NOT apply to emergency haying of CRP.

The extension of emergency grazing on CRP acres does not apply to these practices: CP8A – Grass Waterway-Non-easement; CP23 – Wetland Restoration; CP23A – Wetland Restoration-Non-Floodplain; CP27 – Farmable Wetlands Pilot Wetland; CP28 – Farmable Wetlands Pilot Buffer; CP37 – Duck Nesting Habitat; and CP41 – FWP Flooded Prairie Wetlands.

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### **Reporting Managed/Emergency Haying and Grazing Acreages**

CRP participants are reminded of the requirement to report the actual number of acres that were hayed or grazed under managed and emergency provisions. Acreages need to be reported within 10 days after the haying operation is completed or livestock have been removed from the acreage. CRP annual rental payments cannot be issued on contracts that received this authorization until the acreage report has been filed. Failure to report the acres hayed or grazed under this authority could result in termination of the CRP contract.

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## **Livestock Producers Affected by Disasters Urged to Keep**

## Good Records

USDA Farm Service Agency (FSA) Administrator Juan M. Garcia urged livestock producers affected by natural disasters such as Hurricane Isaac to keep thorough records of their livestock and feed losses, including additional expenses for such things as feed purchases because of lost supplies.

"There are extraordinary circumstances caused by a variety of disasters from fires in the west, floods in Florida, Hurricane Isaac in the Gulf region, storms in the Mid-Atlantic and drought and heat affecting the heartland," Garcia said. "Each of these events is causing economic consequences for ranchers and producers including cattle, sheep and dairy operations, bee keepers and farm-raised fish, and poultry producers."

FSA recommends that owners and producers record all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by photographs or video records of ownership and losses;
- Dates of death supported by birth recordings or purchase receipts;
- Costs of transporting livestock to safer grounds or to move animals to new pastures; and
- Feed purchases if supplies or grazing pastures are destroyed.

Secretary Vilsack also reminds producers that the department's authority to operate the five disaster assistance programs authorized by the 2008 Farm Bill expired on Sept. 30, 2011. This includes SURE; the Livestock Indemnity Program (LIP); the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP); the Livestock Forage Disaster Program (LFP); and the Tree Assistance Program (TAP). Production losses due to disasters occurring after Sept. 30, 2011, are not eligible for disaster program

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## Early Seedbed Preparation

CRP participants may receive authorization to begin seedbed preparation for a fall or spring-seeded crops during the final year of the CRP contract. This provision applies to acreage enrolled in certain CRP practices. Participants should contact the County FSA Office to determine eligibility.

Participants who are preparing for a fall-seeded crop may physically destroy cover beginning July 1 of the final year without a payment reduction. The fall-seeded crop must be planted, in a normal workmanlike manner, if the cover is destroyed. Participants who are preparing for a spring-seeded crop may destroy cover chemically beginning August 2 of the final contract year.

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## New Common Acreage Reporting Dates for FSA and RMA

For 2012 and subsequent crop years, the acreage reporting deadline for both FSA and RMA will be July 15 for the following crops: barley, buckwheat, canola, corn, dry beans, dry peas, flax, forage seeding, grain sorghum, grass seed, millet, mustard, oats potatoes, safflower, soybeans, sugar beets, sunflowers, spring wheat, and all other crops not listed with a November 15 deadline.

Beginning with the 2013 crop year, the following crops will have a November 15 reporting deadline for both FSA and RMA purposes: apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains. Therefore, a producer planting winter wheat in the fall of 2012 for harvest in 2013, for example, will have to report that acreage to FSA and RMA by November 15, 2012 for the report to be considered timely filed.

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## Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers

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## 2012 Crop – NAP Notice of Loss

Producers with a 2012 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.

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## **2013 NAP**

The Noninsured Assistance Program (NAP) provides financial assistance to eligible producers affected by a natural disaster. The program covers crops for which Federal Crop Insurance is not available. NAP covers losses greater than 50% of your expected production, based upon your approved yield and reported acreage. To apply for 2013 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 by October 1, 2012, honey by December 3, 2012 and for all spring planted crops, including grass for hay and grazing, by the 2013 sales closing date of March 15, 2013.

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## **Converting Paper Checks into Electronic Debits**

FSA/CCC is moving toward OTCnet, an electronic method of processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. The check will be scanned into the system and voided. As a customer, you will not receive your check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check. The transfer of funds from your account can occur within 24 hours. The transfer of funds will be reflected on your account statement received from your financial institution and may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions". You have protections under Federal law for an unauthorized electronic fund transfer from your account. Please contact your financial institution immediately if you believe a transaction on your account statement was not properly authorized or is otherwise incorrect.

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## **Restrictions on Removing CCC Loan Collateral**

Producers with grain under Commodity Credit Corporation (CCC) loan cannot be removed without prior authorization or repayment. Unauthorized removal, which includes removal for cleaning for seed or planting, is considered a violation and is subject to monetary and administrative penalties. CCC 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 and restrictions on LDP's may apply. Producers planning to remove CCC loan grain must contact their local county FSA office staff for additional information.

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## **Receiving FSA/CCC Payments by Treasury Check**

FSA/CCC makes payments electronically through a program called Direct Deposit. Direct Deposit is a safe, convenient, and reliable way to receive your FSA/CCC payment through a financial institution. A financial institution can be a bank, credit union, or thrift account. Many financial institutions offer basic, low-cost accounts in addition to full-service checking or savings accounts. If you currently receive your FSA/CCC payments by Treasury check, please contact your local county FSA office to complete a form SF-3881.

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## **Late-Filed Acreage Reports**

The deadline for timely filing an acreage report in North Dakota for the 2012 program year was July 15. Acreage reports must be filed for all cropland on the farm before any 2012 DCP/ACRE 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.

Although the reporting deadline has passed, county offices will accept late-filed acreage reports providing certain criteria are met. Contact your local county office for additional information relative to late-filed acreage reports.

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## 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.

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## Preventing Crop Insurance Fraud, Waste, and Abuse

The Farm Service Agency and Risk Management Agency are partners in preventing fraud, waste and abuse in the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. In addition, FSA will refer all suspected cases of fraud, waste and abuse to RMA.

Producers can report suspected cases to the county office staff, RMA or the Office of the Inspector General.

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## Changes for IRS Reporting in Calendar Year 2012

In prior calendar years, CCC provided producers receiving program payments an IRS Form 1099-G. Separate forms were provided from each County Office where CCC program payments were earned in the calendar year. Beginning in calendar year 2012, CCC will no longer be issuing IRS Form 1099-G when CCC program payments total less than \$600. In addition, producers which receive program payments from multiple counties will now receive one IRS Form 1099-G showing all payments from all counties.

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## September Loan and Interest Rates

Operating Loans - 1.125%  
Farm Ownership Loans - 3.000%  
Farm Ownership - Down Payment Loans - 1.50%  
Emergency - Amount of Actual Loss - 2.125%  
Farm Storage Facility Loan, 7-Year - 1.125%  
Farm Storage Facility Loan, 10-Year - 1.625%  
Farm Storage Facility Loan, 12-Year - 1.875%

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## Important Dates and Deadlines

2013 NAP - Rye Insurance - October 1, 2012

2013 Acreage Reporting Deadline -apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains - November 15, 2012

2013 NAP - Honey Insurance - December 3, 2012

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9450, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).