

August 2013



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## North Dakota FSA eNews

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## From the State Executive Director

We suddenly find ourselves in August. The second cutting alfalfa is not ready yet; bulls are out to pasture but are in the neighbor's field; fungicide has been applied; grain bins are ready for small grain harvest; corn is tasseling; prevent plant acres are sprayed; we're constantly checking the markets and weather; T-ball season for kids is already over; the family reunion last week was a blast and you wonder where the summer went? Production agriculture and family farming in North Dakota is a very busy life and really, we would not trade it for anything else.

As busy as family life is, so is life at our county FSA offices. We are busy finishing up DCP sign-up and acreage reports, completing CRP-45 sign-ups, transitioning to a new data management software, preparing for county committee elections and waiting for a new farm bill. It is busy but we really want to thank producers for their patience working with our staff. As always there is a lot of information in this newsletter. Take the time to read it and don't miss any important dates or the current interest rates.

Have a safe harvest,

Aaron Krauter, SED

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## Results Announced for 45th CRP General Signup

The U.S. Department of Agriculture (USDA) will accept 1.7 million acres into CRP, nationwide as offered under the 45th Conservation Reserve Program (CRP) general sign-up that ended in June. In North Dakota, 722 offers were accepted on more than 48,500 acres of land, demonstrating CRP's continuing appeal as one of our nation's most successful voluntary programs for soil, water, and wildlife conservation. Since 2009, USDA has enrolled nearly 12 million acres in new CRP. Currently, there are more than 26.9 million acres enrolled on 700,000 contracts nationwide.

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## Fall Acreage Reporting Deadline

Producers with the following crops have a reporting deadline of November 15 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 2013 for harvest in 2014, for example, will be required to report the acreage to FSA and RMA by November 15, 2013, to be considered timely filed.

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## Beehives Can Be Located on CRP

FSA and NRCS have clarified that storage of beehives on Conservation Reserve Program acreage is a permissible practice consistent with the soil, water and wildlife goals of CRP. Enrolling eligible land in CRP pollinator habitat practices ensures the long-term viability of honey beekeeping by providing habitat for foraging bees. Landowners with acres enrolled in CRP are encouraged to provide access and space for beekeepers to place their hives.

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## Managed Haying or Grazing of Certain CRP Acreage

CRP participants may hay or graze certain CRP acreages under Managed Haying/Grazing provisions. The haying and grazing period begins August 2nd. The haying operation must end on September 1, 2013, whereas the grazing activity could be authorized as late as September 30, 2013, depending on the approved stocking rate for the acreage. Interested CRP participants must complete the applicable application process and receive approval from their local FSA Office prior to any harvesting or grazing of CRP.

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## Maintaining DCP/ACRE Base Acres

DCP/ACRE 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.

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## Foreign Owners 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 percent 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.

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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 (OIG).

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## Crop Year 2013 Commodity Loan Rates

County loan rates for the 2013 crops of wheat, corn, grain sorghum, barley, oats, soybeans, dry peas, lentils, chickpeas and other oilseeds (sunflower seed, flaxseed, canola, rapeseed, safflower, mustard seed, crambe and sesame seed). The rates are posted on the Farm Service Agency (FSA) website at <http://www.fsa.usda.gov/pricesupport>.

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## 2013 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.

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## Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFL) allows producers of eligible commodities to obtain low-interest financing to build or upgrade on-farm storage and handling facilities. The maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the eligible net cost of the storage facility and permanent drying and handling equipment. FSA requires additional security for all loans exceeding \$50,000 or when the aggregate amount of FSFL loans exceeds \$50,000. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department. Sign-up for FSFL program is continuous as long as CCC funding is available. An FSFL loan must be approved before authorizing delivery of equipment or materials, site preparation, or construction. For more information about FSFL please visit your FSA county office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Marketing Assistance Loans

USDA's Commodity Credit Corporation makes available nonrecourse marketing assistance loans on certain crop year 2013 commodities. These loans can be requested by mail, via fax, or in person by properly completing the loan application (CCC-666). Loan applications are available at all county FSA offices and online at: <http://forms.sc.egov.usda.gov/eForms/>

A commodity loan application must be filed at the county office that maintains the farm records for the farm that produced the commodity for the loan. Filing the application at a different office will delay the loan processing.

Lien searches are required for all applicants and spouses to identify prior lien holders. County Offices will be updating CCC-10's by verifying an individual's name according to their driver's license. Lien waivers are required from all lien holders before the loan can be disbursed.

Farm-stored loans are available in approved storage structures that provide safe storage for the commodity through the maturity date of the loan.

Warehouse-stored loans are available at CCC-approved storage warehouses or State licensed warehouses which have been assigned a CCC warehouse code. Proof of storage paid through the loan maturity date and proof of payment of in-charges must be provided with the warehouse receipt for the warehouse stored loan.

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

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## Microloan Program

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and small family farm operations.

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact the local FSA office to setup an appointment with a Loan Approval Official.

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## Rural Youth Loans

The Farm Service Agency makes loans to rural youth to establish and operate agriculture income-producing projects in connection with 4-H Clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000. For more information you can stop by your FSA county office. Our staff can help with preparing and processing the application forms.

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## Important Dates and Deadlines

September 30 - 2014 Rye NAP Coverage

November 4 - County Committee Election ballots mailed to eligible voters

November 15 - 2014 Crop Year Acreage Reporting deadline for fall seeded crops and perennial forage

December 2 - Last day to return county committee ballots to FSA County Office

December 2 - 2014 Honey NAP Coverage

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## August Loan and Interest Rates

Commodity Loans -1.125%  
Operating Loans - 1.500%  
Farm Ownership Loans - 3.625%  
Farm Ownership - Down Payment Loans - 1.50%  
Emergency - Amount of Actual Loss - 2.500%  
Farm Storage Facility Loan, 7-Year - 2.000%  
Farm Storage Facility Loan, 10-Year - 2.625%  
Farm Storage Facility Loan, 12-Year - 2.750%

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