

July 2014



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North Dakota FSA eNews

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From the State Executive Director

As I'm writing this the sun is shining at last. Hopefully it stays that way so spraying and haying can get done. We have been busy in our county offices certifying crop acres ahead of the July 15 acreage reporting deadline. Many farms are left to certify, so try to keep your appointments. If you are unable to come in for your appointment, give the county office a call to reschedule. If you have a CRP contract, now is the time to be checking for weeds. Stop by the office if you need to clip any fields as this is the primary nesting season.

Have a safe and dryer summer!

Aaron Krauter, State Executive Director

County Committee Nomination Deadline

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to farmers and ranchers. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

FSA county committees operate within official regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

The COC nomination period runs through August 1, 2014. The nomination form is available at USDA Service Centers and online. For more information contact your local FSA office.

2013 ACRE Program – Farm Benchmark Yield Update

Producers who have a 2013 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 2013 by not later than July 15, 2014.

In the event a farm bill is enacted in the upcoming months, producers are encouraged to complete the 2013 production certification as soon as possible.

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

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2014 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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Restarting CRP Continuous Signup

Beginning June 9, 2014, FSA County Offices are authorized to begin accepting new offers under all CRP continuous, CREP, FWP and SAFE signup types. The authority for accepting Signup 46 offers expires on September 30, 2014.

Producers interested in offering land for enrollment in CRP should contact their local FSA Office.

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CRP 1-Year Contract Extensions

Beginning June 9, 2014, certain CRP participants with CRP contracts that are scheduled to expire on September 30, 2014, may extend all or part of the contract acreage for a 1-year period at the same payment rate. Contract extensions are only available for general signup contracts.

No general signup is scheduled for Fiscal Year 2014.

The signup period for the 1-year extension ends August 8, 2014.

Contracts ineligible to be extended for 1-year are those contracts that will exceed a total of 15 years. Therefore, contracts that were approved for contract lengths of 14 years and 1 month up to 15 years will NOT be eligible for the 1-year extension.

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Restart of Transition Incentive Program (TIP)

The 2014 Farm Bill authorized \$33 million (nationwide) for the voluntary transition of land enrolled under an expiring CRP contract from a retired or retiring owner or operator to a veteran or beginning farmer or rancher, or Socially Disadvantaged farmer or rancher to return the land to production for sustainable grazing or crop production.

Retired or retiring owners and operators who qualify under TIP may be eligible to receive annual rental payments for up to 2 additional years after the CRP-1 expiration date provided the transition is not to a family member.

Eligible retired or retiring owners and operators and veteran, beginning, or SDA farmers or ranchers may enroll in TIP on a continuous basis beginning June 9, 2014. To be considered eligible, enrollment in TIP must occur during the final year of the CRP contract.

North Dakota received an allotment of \$2.2 million in TIP funds. When this allotment has been reached, TIP enrollment will cease.

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FSA Offers Farm Bill Website and Online Overview of Farm Bill Programs

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized

and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at www.fsa.usda.gov/farmbill and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, What's in the 2014 Farm Bill for Farm Service Agency Customers?

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2014 Acreage Reporting

Acreage reports must be filed for all cropland on the farm before any 2014 Price Loss Coverage (PLC) or Agricultural Risk Coverage (ARC) payments can be made or before eligibility can be established for marketing assistance loans and Loan Deficiency Payments (LDP's). Participants in 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 for the 2014 crop year is July 15, 2014. 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, by July 15 as well following an extension approved by the National Office. 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.

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New Average AGI Limitation

With the passage of the 2014 Farm Bill, a new AGI limitation has been established for program eligibility purposes. If the participant's average AGI exceeds \$900,000, the person or legal entity will be ineligible for payments and benefits as follows for the respective years/programs:

- October 2, 2011, and subsequent years – LIP, LFP, ELAP, and TAP
- 2014 and subsequent years – NAP
- 2014 through 2018 – ARC, PLC, LDP, and MLG
- 2015 and subsequent years – Conservation-related programs.

The average AGI is based on the average of adjusted gross income for the 3 taxable years preceding the most immediately preceding complete taxable year. For the 2014 program year, for example, the 3 taxable years for AGI purposes would include 2010, 2011, and 2012.

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Highly Erodible Land and Wetland Compliance

Landowners and operators are reminded that in order to receive payments from USDA, they must be compliant with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions. Farmers with HEL determined soils must apply tillage, crop residue and rotation requirements as specified in their conservation plan.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure compliance. If you intend to clear any trees to create new cropland, these areas will need to be reviewed to ensure any work will not jeopardize your eligibility for benefits.

Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HELCS) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a FSA County Office or visit the FSA website at www.fsa.usda.gov.

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Livestock Disaster Assistance Signup Underway

Livestock disaster program enrollment opened on April 15, 2014. These disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive authority to cover losses that occurred on or after Oct. 1, 2011.

To expedite applications, all producers who experienced losses are encouraged to bring records documenting those losses to their local FSA Office. Producers should 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
- Feed purchases if supplies or grazing pastures are destroyed
- Crop records, including seed and fertilizer purchases, planting and production records

Eligible producers can sign-up for the following livestock disaster assistance programs:

Livestock Forage Disaster Program (LFP)

LFP provides compensation to eligible livestock producers that have suffered grazing losses due to drought on privately owned or cash leased land or fire on federally managed land. Eligible producers must physically be located in a county affected by a qualifying drought during the normal grazing period for the county. Producers who suffered eligible grazing losses should submit a completed CCC-853 and supporting documentation by January 30, 2015.

Livestock Indemnity Program (LIP)

LIP provides compensation to eligible livestock producers that have suffered livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. Producers who suffered livestock death losses should submit a notice of loss and an application for payment to their local FSA office by January 30, 2015.

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires. ELAP assistance is provided for losses not covered by LFP and LIP. Producers who suffered eligible livestock,

honeybee or farm-raised fish losses during 2012 and 2013 program years must submit a notice of loss and application for payment to their local FSA office by August 1, 2014. For 2014 program year losses, the notice of loss and an application for payment must be submitted by November 1, 2014.

For more information, producers can review the LFP, LIP and ELAP Fact Sheets on the Farm Bill webpage. Producers are encouraged to make an appointment with their local FSA office to apply for these programs.

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New Farm Bill Offers Increased Opportunities for Producers

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available [here](#).

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

- Elimination of the 15 year term limit for guaranteed operating loans.
- Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.
- Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.
- Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from \$225,000 to \$300,000.
- Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.
- Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.
- Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.
- Microloans will not count toward direct operating loan term limits for veterans and beginning farmers.

Additional modifications must be implemented through the rulemaking processes. Visit the FSA Farm Bill website for detailed information and updates to farm loan programs.

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Important Dates and Deadlines

July 15 - Production Evidence Deadline for 2013 ACRE and NAP APH

July 15 - Acreage Reporting Deadline for 2014 Crop Year spring planted crops

August 1 - 2014 Land and Ownership Changes

August 1 - County Committee Nomination Period Ends

July Loan and Interest Rates

Commodity Loans - 1.125%
Operating Loans - 2.125%
Farm Ownership Loans - 3.875%
Farm Ownership - Down Payment Loans - 1.500%
Emergency - Amount of Actual Loss - 3.125%
Farm Storage Facility Loan, 7-Year - 2.125%
Farm Storage Facility Loan, 10-Year - 2.625%
Farm Storage Facility Loan, 12-Year - 2.750%

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