

December 2014



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North Dakota FSA eNews

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From the State Executive Director

It is that time again where year end analyzing takes place and we really start our preparation for 2015. The 2014 growing season had its rewards and challenges and - as always - the weather and markets played a big part. FSA also had a new farm bill with many programs to implement; LFP, LIP, DMPP, ARC/PLC, new lending terms are just a few to mention. As of December 1, we have held over 85 public farm bill meetings with over 5,100 land owners/operators attending and we will have many more in January and February. There are many important deadlines for reallocating base acres, updating yields, electing a program and enrolling farms, so please mark those date listed below.

North Dakota FSA recently was allotted an additional 82,000 CRP acres in the area of wildlife habitat and farmable wetlands. If you have any questions please contact the local county office or visit our website listed on the left hand side of this newsletter.

Please contact your local FSA Office for questions specific to your operation or county.

Have a blessed December!

Aaron Krauter, State Executive Director

Livestock Indemnity Program – Deadlines Nearing

The deadline to file an application for 2011, 2012, 2013 or 2014 Livestock Indemnity Program (LIP) is January 30, 2015. Producers who suffered livestock deaths due to adverse weather from October 1, 2011 through December 30, 2014 may submit a notice of loss and application for payment with their local FSA County Office by the January 30, 2015 deadline. The late passage of the 2014 Farm Bill allowed FSA to take LIP applications retroactively from October 1, 2011.

For 2015 livestock deaths, the notice of loss MUST be filed within 30 calendar days from when the loss was apparent. Livestock producers suffering livestock losses may submit the notice of loss by phone, fax, email or in person.

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USDA Approves 82,800 More Acres in State for Wildlife Habitat

FSA has announced that 82,800 acres in North Dakota are now available for wildlife habitat improvement incentives.

FSA is accepting applications to enroll more acres in the State Acres for Wildlife Enhancement (SAFE) program and the Farmable Wetlands Program (FWP). Both programs are part of the Conservation Reserve Program (CRP) whereby FSA contracts with landowners so that environmentally sensitive land is not farmed or ranched, but instead used for conservation. Targeted wildlife species in North Dakota include pheasants, prairie chickens and waterfowl.

Of the new allocation, 50,000 acres are devoted to the Farmable Wetlands Program (FWP), and 32,800 acres are devoted to the State Acres for Wildlife Enhancement (SAFE) program.

Program participants establish long-term plant species to control soil erosion, improve water quality, or strengthen declining wildlife populations. In return, participants receive annual rental payments between 10 and 15 years.

The SAFE program allows state fish and wildlife agencies, non-profit organizations and other conservation partners to target the Conservation Reserve Program within distinct geographic areas to help wildlife. SAFE is limited to 1.35 million acres nationally, with 97 projects in 36 states and Puerto Rico.

The FWP program is a voluntary program to restore farmable wetlands and associated buffers by improving the land's hydrology and vegetation.

Interested landowners can enroll acres in a designated wildlife project in their state at any time. Participants and land must meet certain eligibility requirements. Other restrictions may apply. For additional details, contact your local Farm Service Agency office at offices.usda.gov or visit the website at www.fsa.usda.gov/conservation.

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2012 Livestock Forage Program

Livestock producers who graze eligible livestock in Divide, Burke, Golden Valley, Billings, Stark, Slope, Bowman, McIntosh, Logan, LaMoure, Dickey, Ransom, Sargent, Stutsman, Barnes, Cass, Foster, Eddy, Griggs, Steele, Traill, Grand Forks, Nelson, Benson or Ramsey Counties may be eligible for benefits under the 2012 Livestock Forage Program (LFP).

The deadline to complete the LFP application is January 30, 2015.

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FSA Announces Key Dates for New 2014 Farm Bill – ARC and PLC Programs

FSA announced key dates for farm owners and producers to keep in mind regarding the new 2014 Farm Bill established programs, Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). The new programs are designed to help producers better manage risk for price losses or revenue losses.

Dates associated with ARC and PLC that farm owners and producers need to know:

- **September 29, 2014 to February 27, 2015:** Land owners may visit their local Farm Service Agency office to update yield history and/or reallocate base acres.
- **November 17, 2014 to March 31, 2015:** Producers make a one-time election of either ARC or PLC for the 2014 through 2018 crop years.
- **Spring 2015 through Summer 2015:** Producers sign contracts for 2014 and 2015 crop years.
- **October 2015:** ARC or PLC payments for the 2014 crop year are issued, if triggered.

2015 Non-Insured Crop Disaster Assistance Program (NAP) Deadlines

FSA reminds producers interested in participating in the 2015 Non-Insured Crop Disaster Assistance Program (NAP) of the upcoming application deadline dates that must be met for NAP qualification. The NAP program is designed to cover losses caused by damaging weather conditions.

- **March 16, 2015:** Application closing date for 2015 spring seeded crops and 2015 forage crops.

The 2014 Farm Bill expanded NAP to include buy-up protection for 2015. Details regarding the buy up coverage options are still being developed.

Until these buy-up options are available, producers are encouraged to enroll in NAP under the basic coverage, 50 percent of the yield and 55 percent of the established price, by the applicable crop application deadlines. The NAP service fee for this coverage is \$250 per crop per county not to exceed \$750 per producer and not to exceed \$1875 nationally.

A waiver of the basic service fees for NAP coverage is available for limited resource farmers (income determination based on total household income and income from farming), beginning farmers (someone is considered a beginning farmer if they have not operated or not substantially participated in the operation of a farm for more than 10 years) and socially disadvantaged (SDA) farmers (someone is considered socially disadvantaged if they are a member of a group whose members have been subject to racial, ethnic, or gender prejudice because of their identities as members of a group without regard to their individual qualities). Females are considered SDA producers.

In addition, when available, the premiums for buy-up coverage will be reduced by 50 percent for limited resource, beginning farmers and SDA farmers.

Producers interested in NAP are encouraged to contact their local FSA office for additional information or to schedule an appointment to apply for coverage.

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Late-filed Acreage Reports for Base Reallocation

Owners and operators will be given an opportunity to request corrections to acreage history for crop years 2009 through 2012 providing supporting documentation is available. Further, producers will be given an opportunity to submit late-filed acreage reports of P&CP (planted and considered planted) or subsequently planted crop acreage.

Additionally, owners and operators will be able to submit a request for prevented planting credit for 2009 through 2012 providing the prevented planting request for the crop had not been previously processed and acted upon by FSA.

Since physical evidence will likely be absent, producers will be required to prove existence and disposition of the crop. However, if evidence accepted and approved by RMA or any other USDA agency is provided in support of crop existence, proof of crop disposition will not be required.

If a late-filed acreage report or revision changes what FSA will recognize as initial crop acreage for any program purpose, the revised acreage will be used for all program purposes without any exception and without regard to who requested the late-filed acreage report or revision.

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Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota for the 2014 program year was July 15, 2014. Acreage reports must be filed for all cropland on the farm before any 2014 ARC/PLC 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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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 (farm and nonfarm), the person or legal entity will be ineligible for payments and benefits as follows for the respective programs/years:

- 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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USDA Extends Application Deadline for Dairy Margin Protection Program to Dec. 19

The application deadline for the dairy Margin Protection Program (MPP) will be extended until Dec. 19, 2014. The program, established by the 2014 Farm Bill, protects participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below levels of protection selected by the applicant.

For just \$100, a farmer can cover 90 percent of production at \$4 margin swings, and with affordable incremental premiums, dairy farmers can cover up to \$8 margin swings. Those who apply this year will receive a slight increase in production protection that will not be available in the future. Farmers who do not sign up for the Margin Protection Program for 2015 will forfeit the 1 percent base production increase.

Producers can use the online Web resource at www.fsa.usda.gov/mpptool to calculate the best levels of coverage for their dairy operation. They can type in specific operation data and explore price projections and market scenarios to determine what level of coverage is best for them. The online resource is on a secure website that can be accessed from computers, mobile phones or tablets, 24 hours a day, seven days a week.

Farmers also have a chance to share comments and help shape the Margin Protection Program for the future. Last month, the U.S. Department of Agriculture (USDA) announced the extension of the opportunity for public comments on both the Margin Protection Program and the Dairy Product Donation Program until Dec. 15, 2014. Comments can be submitted to USDA via the [regulations.gov](http://www.regulations.gov) website at <http://go.usa.gov/GJSA> or send them by mail to: Danielle Cooke, Special Programs Manager, Price Support Division, FSA, USDA, STOP 0512, 1400 Independence Ave. SW, Washington, D.C., 20250-0512.

To learn more about the Margin Protection Program for dairy, contact your local USDA Farm Service Agency county office at offices.usda.gov or visit us on the Web at www.fsa.usda.gov.

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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 \$100,000 or when the aggregate amount of FSFL loans exceeds \$100,000. 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.

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Marketing Assistance Loans

Commodity Credit Corporation makes available through County FSA Offices nonrecourse marketing assistance loans (MALs) on certain crop year 2014 commodities. MALs are marketing tools available to producers beginning upon harvest. The MAL provides interim financing at harvest time for producers to meet cash flow needs without having to sell their commodities allowing the producer to delay the sale of the commodity until more favorable market conditions emerge.

To be eligible for loan the commodity must meet the applicable commodity definition in the Official United States Standards and specific commodity eligibility requirements for a nonrecourse loan. MALs for commodities which do not meet minimum quality requirements are considered low quality and eligible for a nonrecourse loan at 20 percent of the base county loan rate or a recourse loan.

Nonrecourse loans mature on the last day of the ninth calendar month following the month in which the MAL is approved. The MAL can either be redeemed by repayment or by delivering the pledged collateral to Commodity Credit Corporation (CCC) at maturity. Commodities forfeited or delivered to CCC at maturity are subject to premiums and discounts based on the quality and quantity of the commodity delivered/forfeited. Premiums and discount schedules vary by commodity and are applied to the loan rate for the commodity.

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Commodity Loan Rates

The 2014 crop commodity loan rates are available at any county FSA office, or online at: <http://www.fsa.usda.gov/FSA> and clicking on the "Price Support" link.

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Important Dates and Deadlines

December 16 - Dairy Margin Protection Program enrollment deadline
January 30 - 2011-2014 Livestock Indemnity Program Application Deadline
January 30 - 2012 Livestock Forage Program Application Deadline
February 27 - Base and Yield Update Deadline
March 16 - NAP Application Deadline - 2015 Spring Planted and Forage Crops
March 31 - PLC, ARC-CO, ARC-IC Election Deadline

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December Loan and Interest Rates

Commodity Loans - 1.125%
Operating Loans - 2.625%
Farm Ownership Loans - 4.000%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 3.625%
Farm Storage Facility Loan, 7-Year - 2.000%
Farm Storage Facility Loan, 10-Year - 2.375%
Farm Storage Facility Loan, 12-Year - 2.500%

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USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence
Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800)
877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).