

May 2015



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## North Dakota FSA eNews

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### North Dakota Farm Service Agency

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Aaron Krauter

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### From the State Executive Director

It is hard to believe, but one third of 2015 is behind us. Many producers across the state are experiencing some drier conditions than the most recent years. This has allowed for planted acres to be ahead of the five year average according to NASS reports. So with that being said, timely rains are a must for the bountiful harvest we all anticipate. County offices will soon begin 2015 acreage reporting and the annual signing of your ARC/PLC contract. So be on the lookout for that news.

Have a safe and productive spring time.

Aaron Krauter, State Executive Director

Find Your Local Office  
<http://offices.sc.egov.usda.gov/locator/app>

## USDA Proposes Changes to Actively Engaged Rule

USDA has announced a proposed rule to limit farm payments to non-farmers, consistent with requirements mandated by Congress in the 2014 Farm Bill. The proposed rule limits farm payments to individuals who may be designated as farm managers but are not actively engaged in farm management. In the Farm Bill, Congress gave USDA the authority to address this loophole for joint ventures and general partnerships, while exempting family farm operations from being impacted by the new rule USDA ultimately implements.

Under the proposed rule, non-family joint ventures and general partnerships must document that their managers are making significant contributions to the farming operation, defined as 500 hours of substantial management work per year, or 25 percent of the critical management time necessary for the success of the farming operation. Many operations will be limited to only one manager who can receive a safety-net payment. Operators that can demonstrate they are large and complex could be allowed payments for up to three managers only if they can show all three are actively and substantially engaged in farm operations. The changes specified in the rule would apply to payment eligibility for 2016 and subsequent years for ARCPLC, loan deficiency payments, and marketing loan gains.

Stakeholders interested in commenting on the proposed definition and changes are encouraged to provide written comments at [www.regulations.gov](http://www.regulations.gov) by May 26, 2015. The proposed rule is available at <http://go.usa.gov/3C6Kk>.

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## 2014 Crop Commodity Loan Deadline

Producers planning to use the commodity loan program for their 2014 crops are reminded that May 31, 2015, is the deadline for filing applications for the following 2014 crops: corn, dry peas, grain sorghum, lentils, mustard, safflower, chickpeas, soybeans and sunflowers. These loans carry a nine month maturity and can be repaid with cash at disbursement to loan maturity. To be eligible, producers must have produced an eligible loan commodity during for the applicable crop year, complied with annual program requirements, maintain beneficial interest (have title to the commodity and retain control of the commodity), request MAL on or before the final loan availability date for a specific commodity, and, if required, submit lien waivers for any liens existing on the crop for which MAL is being requested. Producers interested in a commodity loan on the above listed commodities should contact their local county FSA office staff prior to the May 31 deadline.

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## 2015 Acreage Reporting

Acreage reports must be filed for all cropland on the farm before any 2015 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 (LDPs). 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 for the 2015 crop year is July 15, 2015. 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.

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## **Fruit and Vegetable Planting Rules**

Producers who intend to participate in the 2015 Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables (FAV's ) or wild rice (WR) are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting FAVs on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARCPLC but are not enrolled for a particular year may plant unlimited FAVs for that year but will not receive ARCPLC payments for that year. Eligibility for succeeding years is not affected. Planting and harvesting fruits, vegetables and wild rice on ARCPLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

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## **Conservation Reserve Program**

The State Acres For wildlife Enhancement (SAFE) continuous CRP practice is very popular in North Dakota as it addresses various wildlife habitats, such as pheasant, sage grouse, waterfowl and a host of other species. SAFE projects receive an acreage allocation from the National Office and from time to time, the National Office will increase the allocation to allow more acres to be enrolled under this practice. In November 2014, 3 of the 4 SAFE projects received an increase in their respective allocation. They are the Coteau-Drift Prairie, Pheasant Habitat and Tallgrass Prairie SAFE projects. The Sagebrush Restoration SAFE project did not receive an increase of acres.

In April 2015, the Coteau-Drift Prairie and Tallgrass Prairie SAFE project allocations were exhausted. There are 69,150 acres currently enrolled under the Coteau-Drift Prairie SAFE project and 7,990 acres currently enrolled under the Tallgrass Prairie SAFE project. It is unknown at this time if North Dakota FSA will receive additional acres for either of these SAFE projects.

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## **Livestock Indemnity Program**

Producers who suffer livestock deaths due to adverse weather events from January 1, 2015 through December 31, 2015 may submit a notice of loss and application for payment with their local FSA County Office by the January 31, 2016 deadline.

Eligible livestock producers MUST file a notice of loss 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. After the notice of loss has been filed, the producer must also submit an application for payment. This can be done any time prior to the January 31, 2016 deadline.

Producers need to maintain inventory records, such as calving/lambing books, sales and purchases of livestock, veterinary records, etc. to document the number of livestock. In addition to the inventory records, producers also need to compile records documenting livestock losses due to eligible adverse weather events.

Eligible adverse weather events include, but are not limited to; earthquakes; hail; lightning; tornado; winter storm if the winter storm lasts for 3 consecutive days and is accompanied by high winds, freezing rain or sleet, heavy snowfall and extremely cold weather; floods; blizzards; wild fires;

extreme heat; extreme cold; anthrax; straight-line winds; blue-green algae poisoning and disease, if exacerbated by another adverse weather event. Livestock losses due to pneumonia are NOT an eligible adverse cause of loss.

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## Emergency Livestock Disaster Programs

Livestock producers, including Honeybee and Farm-raised Fish producers, are reminded that the 2015 Emergency Livestock Disaster Program (ELAP) program year began October 1, 2014 and continues through September 30, 2015.

Producers who suffer livestock losses not covered under LIP, or losses of eligible stored feed stocks, colony-collapse disorder, etc, are reminded to report these losses within 30 calendar days of when the loss is apparent. In addition to filing a notice of loss, a timely filed acreage report for the 2015 program year must also be submitted with the administrative FSA county office. For Honeybee producers who have become aware of colony collapse while in another state, the notice of loss can be filed with the local FSA office in that state.

After producers have timely filed their notice of loss and acreage report, the next step is to make the application for payment. This step must be completed no later than November 1, 2015. Since ELAP funds are limited to \$20 million per fiscal year, the national office must determine if the requested ELAP payments exceed the \$20 million allocation. If the requested 2015 ELAP benefits exceed \$20 million, all payments will be factored.

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## Commodity Loan Rates for 2015 – Wheat, Feed Grains, Pulse Crops and Oilseeds

County loan rates have been announced for the 2015 crops of wheat, corn, grain sorghum, barley, oats, soybeans, lentils, dry peas, 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/programs-and-services/price-support/Index>

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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 the FSFL program is continuous throughout the year. All requests for FSFL prior to loan approval require a site inspection for an environmental assessment in accordance to National Environmental Protection Agency (NEPA) requirements showing no adverse impacts. FSFL policy requires the following actions cannot occur at the proposed FSFL location prior to the environmental assessment being completed:

- accepting delivery of equipment and/or materials in previously undisturbed areas
- site preparation or foundation construction in previously undisturbed areas

- no alteration to any structures that are 50 years old or older or within a historic district

If any of the above are completed prior to FSA completing the on-site assessment may impede the completion of the environmental assessment and eligibility for the FSFL.

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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## Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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## May Loan and Interest Rates

Commodity Loans -1.250%  
Operating Loans - 2.500%  
Farm Ownership Loans -3.625%  
Farm Ownership - Down Payment Loans - 1.50%  
Emergency - Amount of Actual Loss - 3.500%  
Farm Storage Facility Loan, 7-Year - 1.750%  
Farm Storage Facility Loan, 10-Year - 1.875%  
Farm Storage Facility Loan, 12-Year - 2.000%

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## Important Dates and Deadlines

May 26 - Deadline to comment on Actively Engaged Rule

May 31 - Crop Year 2014 Commodity Loan Deadline

July 15 - Acreage Reporting Deadline for 2015 Crop Year spring planted crops

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USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: 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).