

April 2015



NEWSLETTER

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North Dakota FSA eNews

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From the State Executive Director

I want to extend a thank you to all the land owners and operators for attending one of the many Farm Bill informational meetings that were held these past few months. The information that you learned at these meetings helped you make an informed decision on base reallocations, yield updates and program elections. Our goal at the Farm Service Agency is to always provide the best customer service to the land owners and operators of North Dakota. April 7, 2015 is the final date for all this to happen. After April 7, bases cannot be reallocated, yields cannot be updated and for farms that did not complete program election, the ARC/PLC election will default all crops to PLC for the life of the farm bill. This summer, FSA will start the final phase of the ARC/PLC program process and that is the annual program enrollment for both the 2014 and 2015 crop years.

April has finally brought us spring weather with field work starting and those baby calves jumping around, so be safe out there.

Have a great 2015 agricultural production year!

Aaron Krauter
State Executive Director

USDA Provides an Extension of Deadline to Update Base Acres or Yield History for ARC/PLC Programs

Agriculture Secretary Tom Vilsack announced that an extension will be provided to producers for the new safety-net programs established by the 2014 Farm Bill, known as Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC). The final day to update yield history or reallocate base acres or to choose ARC or PLC coverage has been extended one additional week, from March 31, 2015 until April 7, 2015.

If no changes are made to yield history or base acres by April 7, 2015, the farm's current yield and base will be used. A program choice of ARC or PLC coverage also must be made by April 7, 2015, or there will be no 2014 payments for the farm and the farm will have all crop bases defaulted to PLC coverage for 2015 through the 2018 crop year.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain rice), safflower seed, sesame, soybeans, sunflower seed and wheat.

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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:
Now through April 7, 2015: Current land owners must complete their farm's base reallocation and yield update decision.
- Now through April 7, 2015: Current producers with risk in cropland acres on the farm make a one-time election of either ARC-CO or PLC on a crop by crop basis or elect ARC-IC for the farm, for the 2014 through 2018 crop years.
- Spring of 2015 through summer 2015: Producers sign contracts for 2014 and 2015 crop years.
- October of 2015: ARC or PLC payments for the 2014 crop year are issued, if triggered.

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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 by May 26, 2015. The proposed rule is available at <http://go.usa.gov/3C6Kk>.

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Commodity Loan Rates for 2015 – Pulse Crops

Regional loan rates for the crop year 2015 pulse crops have been announced, lentils \$10.40 per cwt, dry peas \$5.31 per cwt, large chickpeas \$11.28 per cwt and small chickpeas \$7.43 per cwt. These rates are posted on the Farm Service Agency (FSA) website at <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=lor>.

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Sorghum Referendum

The U.S. Department of Agriculture (USDA) is announcing procedures for a referendum regarding the continuation of the Sorghum Checkoff Program. The Sorghum Promotion, Research, and Information Order requires that a referendum be conducted no later than seven years after the start of assessments, which began on July 1, 2008. For the program to continue, a majority of those voting must favor the continuation of the order. USDA will conduct the referendum beginning on March 23, 2015, through April 21, 2015, at county USDA Farm Service Agency (FSA) offices for producers and the Agricultural Marketing Service office for importers. Ballots may be obtained in person, by mail or facsimile at county FSA offices, or via the Internet. Any eligible person engaged in the production or importation of sorghum from January 1, 2011, to December 31, 2014, is eligible to participate. Individuals are required to provide documentation such as a sales receipt or remittance form that shows they engaged in the production or importation of sorghum.

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Farm Storage Facility Loan Program (FSFL)

The FSFL program provides low-interest financing for producers to build, install, or upgrade permanently affixed farm storage and handling facilities to store eligible commodities they produce. 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 changes now require 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.

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Microloan Program

FSA developed the Microloan program to better serve the unique financial operating needs of beginning, niche and the smallest of family farm operations by modifying its Operating Loan application, eligibility and security requirements. The program offers flexibility in access to credit for smaller traditional farm loans, but is also an attractive loan alternative for smaller farming operations like specialty crop producers and operators of community supported agriculture.

The 2014 Farm Bill made a major change in the program that increased the maximum amount available under the Microloan program to \$50,000. Microloan repayment terms may vary and will not exceed 7 years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold. The interest rates are based on the regular operating loan rates that are in effect at the time of the microloan approval or closing, whichever is less.

If you are interested in the Microloan Program please contact your local Farm Loan Program Service Center for more information or an application.

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April Loan and Interest Rates

Commodity Loans -1.250%
Operating Loans - 2.375%
Farm Ownership Loans - 3.375%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 3.375%
Farm Storage Facility Loan, 7-Year - 1.875%
Farm Storage Facility Loan, 10-Year - 2.125%
Farm Storage Facility Loan, 12-Year - 2.250%

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Important Dates and Deadlines

April 7 - ARC/PLC Base and Yield Update
April 7 - ARC-CO,ARC-IC and PLC Election Deadline
April 21 - Sorghum Referendum ends
May 26 - Actively Engaged Rule Comment Period closes
July 15 - Acreage Reporting Deadline for 2015 Crop Year spring planted crops

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