

December 2016



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North Dakota FSA eNews

North Dakota Farm Service Agency

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Russell Bubach
Compliance/Payment Limitations

From the State Executive Director- Aaron Krauter

I hope that everyone had a happy Thanksgiving and spent time with family and friends giving thanks for all of the bountiful things we have in America.

Winter snow has blanketed most of North Dakota and has really brought a stop to outdoor field work and the many series of farm show meetings will start.

There are a number of items I would like to remind FSA customers:

- The deadline for submitting your FSA County Committee Election ballot is **December 13, 2016.**

- Signup for the 2017 ARC/PLC safety net program has started, so stop in your county office to get that done.

- If you receive a NASS Crop survey, it is very important to take the time to complete and return!

Bryan Olschlager
Conservation/Livestock
Brad Olson
ARC/PLC/NAP/Disaster
Laura Heinrich
Farm Loan Programs
Curt Thoreson
Price Support
Brian Haugen

- If you have any changes in your banking account information, please update that information at your county FSA office.

- Check out the interest rates and the important dates at the end of this electronic newsletter.

Have a safe and warm December.

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Find Your Local Office

<http://offices.sc.egov.usda.gov/locator/app>

Update Your Records

If you have any unreported changes of address or zip code or an incorrect name or business name on file they need to be reported to your local FSA office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

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Producers are reminded to Complete NASS Crop Surveys

The National Agricultural Statistics Service (NASS) Field Offices are currently completing 2016 small grain yield surveys and will contact growers in December to complete row crop yield surveys. If you are one of the producers contacted to complete a 2016 yield survey, we encourage your participation and cooperation as many USDA agencies including the Farm Service Agency (FSA) and Risk Management Agency (RMA) use the NASS yield data for their programs.

FSA uses NASS county yield data for farm credit, conservation, disaster programs, loan and commodity programs. Under the 2014 Farm Bill, FSA uses the NASS county yield data to calculate Agriculture Risk Coverage – County (ARC-CO) benchmark revenues and current year county revenues. For example, the 2016 NASS county yield, along with the crop's marketing year average price (MYA), are used to determine the county's current year revenue to determine if the county will trigger an ARC-CO payment. An ARC-CO payment is triggered for a county when the current year revenue falls below the guarantee revenue for the crop and crop year. In cases where NASS county yield data is not available, the FSA State Committee must determine a county yield using RMA yield data or the best available yield data, including assigning a county yield using neighboring county yields from NASS or RMA.

Any information that producers provide to NASS is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. All reports will be available at www.nass.usda.gov.

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Marketing Assistance Loans

USDA's Commodity Credit Corporation makes available nonrecourse marketing assistance loans on certain crop year 2016 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/>

Producer's intending to receive a commodity loan disbursement prior to calendar year-end must contact your local County Office in early December to schedule an appointment.

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. The 2016 crop commodity loan rates are available at any county FSA office, or online at: <http://www.fsa.usda.gov> and clicking on the "Price Support" link.

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.

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 also 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.

Loans mature on demand, but no later than the last day of the ninth calendar month after the month in which the loan was disbursed.

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Commodity Loan Repayments

Outstanding commodity loans can be repaid at any time at principal plus interest. Market rate loan repayments can be made on nonrecourse loans prior to loan maturity, when the market repayment rate is less than principal plus interest. Currently, wheat (HRW) has had a market repayment rate less than principal plus interest. Matured loans cannot be repaid at the market repayment rate.

If the sales proceeds are needed to repay the loan, a marketing authorization (CCC-681-1) can be requested. The request can either be made in person or by telephone. The terms of the marketing authorization can be either 15 or 30 calendar days. All parties who signed the note are responsible for repaying the loan. If the buyer does not repay the loan as required by the marketing authorization, CCC will make demand for repayment on the producers who signed the note. If a market repayment option is available, the option cannot be used after loan maturity or when the buyer does not remit repayment within 15 days of the expiration date of the marketing authorization.

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Bank Account Changes

Current FSA policy mandates that payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your

account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

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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.

A new financing option under the Farm Storage Facility Loan Program to help farmers purchase portable storage and handling equipment. The program also offers a new “microloan” option, which allows applicants seeking less than \$50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history. Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales, grain carts, grain baggers or handling trucks that can move or store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

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Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota for the 2016 program year was July 15, 2016. In addition, November 15, 2016 was the deadline for submitting acreage reports for fall-seeded small grains, PRF, and perennial forage for the 2017 crop year. Acreage reports must be filed for all cropland on the farm before any ARC or PLC payments can be issued. For marketing assistance loans and LDP's, all cropland on the farm on which the crop pledged as loan collateral must be reported. 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 aforementioned reporting deadlines have passed, county offices will accept late-filed acreage reports providing certain criteria are met, including the assessment of late-filed fees.

Contact your local county office for additional information relative to late-filed acreage reports.

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Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

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USDA Climate Hub Building Block: Nitrogen Stewardship

USDA Climate Hubs are working with farmers, livestock producers, pasture and forest landowners to effectively partner in ways to help mitigate and adapt to a changing climate. Next in our series on the 10 Building Blocks for Climate Smart Agriculture and Forestry is Nitrogen Stewardship.

Within the United States, agriculture is a significant source of nitrous oxide (N₂O) emissions—a greenhouse gas (GHG) that has a global warming potential 250 times more than carbon dioxide (CO₂). In 2013, cropland agriculture released approximately 136 MMTCO₂e (Million Metric Tons of Carbon Dioxide-Equivalent) in direct N₂O emissions. More than half of these N₂O emissions are from synthetic fertilizers and organic amendments. Improved nitrogen management practices can reduce emissions from these sources.

The primary practice used in the Nitrogen Stewardship Building Block to reduce GHG emissions involves the 4Rs: right source, right rate, right time, and right place. The 4Rs come from the NRCS Conservation Practice Standard (CPS) Nutrient Management (590). To read more about Nitrogen

Stewardship click the following link or copy and paste the link into your web browser:
http://www.usda.gov/oce/climate_change/building_blocks/2_NitrogenStewardship.pdf

For more information about the USDA Climate Hubs click here:
<http://www.climatehubs.oce.usda.gov/>.

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USDA Expands Working-Lands Conservation Opportunities through CRP

USDA will offer a new Conservation Reserve Program (CRP) Grasslands practice specifically tailored for small-scale livestock grazing operations. Small livestock operations with 100 or fewer head of grazing dairy cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. USDA's goal is to enroll up to 200,000 acres.

The current CRP Grassland ranking period will end on Nov. 10, 2016. To date, the USDA's Farm Service Agency (FSA) has received nearly 5,000 offers covering over 1 million acres for this CRP working-lands conservation program. These offers are predominantly larger acreage ranchland in Western states.

The new practice for small-scale livestock grazers aims, in part, to encourage greater diversity geographically and in types of livestock operation. This opportunity will close on Dec. 16, 2016. Offers selected this fiscal year will be enrolled into CRP Grasslands beginning Oct. 1, 2017.

Participants in CRP Grasslands establish or maintain long-term, resource-conserving grasses and other plant species to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. CRP Grasslands participants can use the land for livestock production (e.g. grazing or producing hay), while following their conservation and grazing plans in order to maintain the cover. A goal of CRP Grasslands is to minimize conversion of grasslands either to row crops or to non-agricultural uses. Participants can receive annual payments of up to 75 percent of the grazing value of the land and up to 50 percent to fund cover or practices like cross-fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife.

USDA will select offers for enrollment based on six ranking factors: (1) current and future use, (2) new farmer/rancher or underserved producer involvement, (3) maximum grassland preservation, (4) vegetative cover, (5) environmental factors and (6) pollinator habitat. Offers for the second ranking period also will be considered from producers who submitted offers for the first ranking period but were not accepted, as well as from new offers submitted through Dec. 16.

Small livestock operations or other farming and ranching operations interested in participating in CRP Grasslands should contact their local FSA office. To find your local FSA office, visit <http://offices.usda.gov>. To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation.

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USDA Announces Enrollment Period for Safety Net Coverage in 2017

Producers on farms with base acres under the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, can begin visiting FSA county offices starting Nov. 1, 2016, to sign contracts and enroll for the 2017 crop

year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. 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 and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

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December Loan and Interest Rates

Commodity Loans - **1.750%**
Operating Loans - **2.250%**
Farm Ownership and Conservation Loans - **3.250%**
Farm Ownership- Joint Financing - **2.500%**
Farm Ownership - Down Payment Loans - **1.50%**
Emergency - Amount of Actual Loss - **3.250%**
Farm Storage Facility Loan, 3-Year - **1.125%**
Farm Storage Facility Loan, 5-Year - **1.375%**
Farm Storage Facility Loan, 7-Year - **1.750%**
Farm Storage Facility Loan, 10-Year - **2.000%**
Farm Storage Facility Loan, 12-Year - **2.000%**

Calendar Deadlines

Important Upcoming Dates and Deadlines

***December 13, 2016-** Voting Deadline for County Committee Elections

January 1, 2017- Newly elected County Committee Members will take Office

August 1, 2017- 2017- ARCPLC Sign up deadline

USDA is an equal opportunity provider, employer and lender. 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).
