

April 2016



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## North Dakota FSA eNews

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### From the State Executive Director

As the spring season is here, Conservation Reserve Program (CRP) participants need to think about maintenance and/or management activities required on CRP contact acres that follow the conservation plan that was developed for the contract. These maintenance and/or management activities must be planned and completed to maintain the required practice cover as specified in the contract. Failure to maintain the

CRP cover can result in contract violations and loss of annual payments. An example of failure to maintain cover would be allowing volunteer trees or brush in grassland practices where trees are not included as part of the approved Conservation Plan. All noxious weeds must be controlled. In addition to maintaining proper cover, producers must also perform a management activity, such as light disking, heavy harrowing, etc. These activities are designed to rejuvenate the grass stand and break down or remove old vegetative residue. Producers need to review their Conservation Plans as a guide to determine what is required of them. If a management activity that you want to perform is not in the Conservation Plan, please contact your NRCS office to modify the plan. If you have any questions or concerns contact your local FSA office. Remember the Conservation Reserve Program is a voluntary program which has provided so many environmental benefits to sensitive land and it is also a signed contract that has responsibilities of the landowner to maintain.

Have a productive spring and be safe out in the field.

Aaron Krauter, State Executive  
Director

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## **2015 ARC-IC – Farm Benchmark and Actual Yield Certification**

Producers, who have a 2015 ARC-IC program contract on one or more FSA farms, must complete the certification of ARC-IC yields for each ARC-IC farm and each covered commodity planted in 2015 by not later than July 15, 2016.

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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## **Enrollment Period for 2016 USDA Safety Net Coverage Ends Aug. 1**

USDA's Farm Service Agency (FSA) has announced that producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can visit FSA county offices through Aug. 1, 2016, to sign contracts to enroll in coverage for 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

The two 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](http://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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## Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC 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.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

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## Commodity Loan Repayments

Outstanding commodity loans can be repaid at any time at principal plus interest. 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 marketing authorization allow for the selection of a delivery period to the buyer of 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. Repayment of quantities delivered to the buyer are required within 15 days of the expiration date of the marketing authorization.

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## Commodity Loan Rates for 2016

County Commodity loan rates for 2016 wheat, feed grains, oilseeds and pulse crops have been announced. Crop year 2016 loan rates are posted on the Farm Service Agency (FSA) website at <http://www.fsa.usda.gov/programs-and-services/price-support/commodity-loan-rates/index>.

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## Financing Statements for Marketing Assistance Loans and the Farm Storage Facility Loan Program

Producers applying for a Marketing Assistance Loan (MAL) or Farm Storage Facility Loan (FSFL) acknowledge that USDA's Commodity Credit Corporation (CCC) will take a security interest in the collateral to secure payment of any loan being made or to be made. CCC files a UCC-1 financing statement to perfect its security interest in such collateral.

The ND Secretary of State launched a new Central Indexing System (CIS) on March 1, 2016, which allows lien searches and lien filings to be conducted electronically by FSA when processing a CCC loan request.

When FSA determines a UCC-1 is required, County FSA Offices will now be requiring loan applicants to submit payment of \$40 payable to the ND Secretary of State at the time of loan application. Once the UCC has been recorded in CIS, FSA will later reimburse the loan applicant their \$40 UCC filing fee previously collected.

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## Farm Storage Facility Loan Program

Producers are reminded that 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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## Important Dates and Deadlines

July 15 - 2015 ARC-IC Production Evidence Deadline

July 15 - Acreage Reporting Deadline for 2016 Crop Year Spring Planted Crops

August 1 - 2016 ARC/PLC Signup Deadline

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## April Loan and Interest Rates

Commodity Loans - 1.625%

Operating Loans - 2.250%

Farm Ownership Loans - 3.500%

Farm Ownership - Down Payment Loans - 1.50%

Emergency - Amount of Actual Loss - 3.250%

Farm Storage Facility Loan, 7-Year - 1.625%

Farm Storage Facility Loan, 10-Year - 1.875%

Farm Storage Facility Loan, 12-Year - 2.000%

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