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North Dakota Farm Service Agency

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Marcy Svenningsen, Chairperson Todd Hall, Member Lynn Jacobson, Member

From the State Executive Director

Wow! What can happen in 30 days to affect production agriculture in North Dakota is pretty profound. Some corners of the state have not received much rainfall with wheat fields actually being rolled up in bales while other areas have received their average annual amounts in one month. But on the average small grain and row crops are progressing quite well.

In this month's FSA eNews please take note of some very important deadlines. **July 15** is the final date to report acres for the spring planted crops. **August 1** is the last date to actually signup for the 2016 ARC/PLC program and the deadline for submitting nominations to

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serve on the County Committee. Also if you are planning on doing any mid-contract management or haying or grazing of CRP acres you must contact your county FSA office first.

Have a great July!!!

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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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2016 Acreage Reporting

Acreage reports must be filed for all cropland on the farm before any 2016 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 2016 crop year is July 15, 2016. 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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FSA County Committee Nomination Period is Now Open

The nomination period for the all FSA county committees begins on June 15, 2016. Nomination forms must be postmarked or received in the County FSA Office by close of business on Aug. 1, 2016.

County Committees are unique to FSA and allow producers to have a voice on federal farm program implementation at the local level.

To be eligible to serve on the FSA county committee, a person must participate or cooperate in an agency administered program, be eligible to vote in a county committee election and reside in the Local Administrative Area (LAA) where they are nominated. All producers, including women, minority and beginning farmers and ranchers are encouraged to participate in the nomination and election process.

Producers may nominate themselves or others as candidates. Organizations representing minority and women farmers and ranchers may also nominate candidates. To become a nominee, eligible individuals must sign form FSA-669A. The form and more information about county committee elections is available online at: www.fsa.usda.gov/elections.

Elected county committee members serve a three-year term and are responsible for making decisions on FSA disaster, conservation, commodity and price support programs, as well as other important federal farm program issues. County committees consist of three to 11 members.

FSA will mail election ballots to eligible voters beginning Nov. 7. Ballots are due back in the County Office by mail or in person no later than Dec. 5, 2016. All newly elected county committee members and alternates will take office January 1, 2017.

For more information about county committees, please contact your local County FSA office or visit www.fsa.usda.gov/elections.

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USDA Hosts County Committee Webinar

The USDA Farm Service Agency (FSA) is co-hosting a **County Committee webinar** with the Agriculture Marketing Service (AMS) and Know Your Farmer, Know Your Food on **Tuesday**, **July 12 at 2:00 p.m. EST.**

The webinar will explain how county committees work and cover how to submit a nomination. Webinar attendees will hear current county committee members in New York, Nevada and Illinois talk about their personal experience serving on their local committee.

Producers who want to learn more about county committees are encouraged to attend the webinar.

To join the webinar, visit https://cc.readytalk.com/cc/schedule/participantLogin.do?er=keiisil1xv90&eom. For audio, dial 866-740-1260 and enter the code 7206000 when prompted.

Persons with disabilities who require accommodations to attend or participate in this webinar should contact Cynthia Cuellar at (202) 690-4727 or Federal Relay Service at 1-800-877-8339.

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Acreage Crop Reporting Streamlining Initiative (ACRSI)

Acreage crop reporting is an important part of the U.S. Department of Agriculture's (USDA) delivery of programs and services to farmers and ranchers. The USDA Acreage Crop Reporting Streamlining Initiative (ACRSI) has established a common framework for agricultural producers to submit acreage reports to USDA.

Farmers and ranchers can now choose to report their common crop acreage information either to their Farm Service Agency (FSA) local county office or their participating crop insurance agent on behalf of the Risk Management Agency (RMA). The common information from that acreage report will be shared electronically and securely between FSA, RMA, and the producer's Approved Insurance Provider (AIP).

Although producers must still contact both their county office and their crop insurance agent as they normally would to complete program-specific information, validate the common information, complete maps and sign acreage reports, the common data from the first-filed acreage report will now be available to pre-populate and accelerate completion of the second report, elimination redundant reporting.

This new capability reduces the reporting burden on farmers and ranchers by eliminating the need to report the same information multiple times to multiple locations, while supporting efficient, secure, and more accurate data sharing across participating USDA agencies.

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

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.

2016 ARCPLC payments will be based on administrative county and not physical location. Producers who wish to transfer their farm records to a different administrative county for Fiscal Year (FY) 2016 must file a request no later than August 1, 2016. Restrictions do apply when transferring to an office other than the county in which the land is physically located. Contact your local FSA office for more information.

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.

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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Margin Protection Program - Dairy

The registration and cover election period for MPP-Dairy for calendar year 2017 will be held July 1 through September 30, 2016.

For dairy operations that that registered and elected coverage for 2016, they must select the level of coverage for 2017 during the aforementioned period, as MPP-Dairy is a multi-year obligation between CCC and the dairy operation. Dairy operations that did not participate in MPP-Dairy may register their production history and select coverage for 2017 during this same period.

MPP-Dairy offers protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.

Catastrophic Coverage (CAT) of \$4.00 margin coverage level at 90 percent of the established production history requires no premium payment, but the dairy operation must pay the \$100 administrative fee.

For increased protection, dairy operations may annually select a percentage of coverage from 25 to 90 percent of the established production history in five percent increments and a coverage level threshold from \$4.50 to \$8.00 in \$.50 increments.

Coverage election must be made prior to the end of the annual election period. After the initial year of registration, failure to make an election results in the coverage level defaulting to the CAT level of 90 percent at \$4.00 margin. Dairy operations may only select one coverage level percentage and coverage level threshold for the applicable calendar year. All producers in the participating dairy operation with a share and risk in the milk marketing must agree to the coverage elected on the contract.

A web tool is available that will allow dairy producers to use data unique to their specific operation, combined with other variables, to test a variety of financial scenarios before eventually enrolling in the new MPP-Dairy. The web tool is located at: http://www.fsa.usda.gov/mpptool

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Management of CRP Acreages

CRP participants should be checking their Conservation Plan of Operations (CPO) to see if 2016 is a scheduled year to perform a mid-contract management activity on their contract acreages. Land under a CRP contract must have a management activity performed on the acreage at least once during the life of the contract.

Examples of eligible management activities include, but are not limited to: litter removal, light disking, heavy harrow, aeration, burning. Each CRP practice has specific management activities that may be performed, so CRP participants are encouraged to review their CPO to be certain which activity may be performed. As a reminder, recent changes implemented by FSA will allow the entire contract acreage to receive management activities in a given year, however the CPO must be modified to incorporate this change. As always, if there are any questions, please contact your local FSA and/or NRCS Office.

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CRP Managed Haying and Grazing

Certain CRP practices are eligible for managed haying or grazing. The 2014 Farm Bill allowed North Dakota FSA to change the haying/grazing frequency from once every five years to once every three years. To take advantage of this change, CRP participants must modify their NRCS Conservation Plan of Operations. Please keep in mind that completing this change does not authorize managed haying or grazing. CRP participants must complete the applicable managed haying/grazing authorization forms and receive written notification from FSA prior to beginning the activity. Managed haying or grazing may not begin prior to August 2nd, and may only be conducted on acreages that have been approved for this activity. If managed haying or grazing is conducted on eligible CRP acreage, a 25% payment reduction will be applied to the annual rental payment on the acres that were managed hayed or grazed. Please contact your local FSA office for more information.

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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/

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.

Lien searches are required for all applicants and spouses, to identify prior lien holders. County Offices update CCC-10's by verifying an individual's name according to their driver's license. Lien waivers are required from all lien holders before the commodity loan can be disbursed.

Producer's applying for a Marketing Assistance Loan (MAL) 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 then files a UCC-1 financing statement. When FSA determines a UCC-1 is required, County FSA Offices will 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 Central Indexing System, FSA will reimburse the loan applicant their \$40 UCC filing fee previously collected.

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.

Producers requesting commodity loans are required to maintain beneficial interest in the commodity tendered for loan. Beneficial interest includes having control and title in the commodity. Loss of any one element causes loss of beneficial interest.

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Commodity Loan Repayments

Outstanding commodity loans from crop year 2015 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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Loan Deficiency Payment Applications

LDP's are available when the CCC-determined market repayment rate is below the commodity loan rate. Currently, there are no crop year 2016 commodities earning an LDP.

LDP's are only available on a commodity after the commodity is harvested, or sheared if wool or mohair, or extracted if honey. Approved storage is not required for commodities to be eligible for LDP. If an LDP payment is requested, a producer agrees to forego obtaining a loan on the same quantity.

The CCC-633 EZ is a multi-part form. Page 1 is filed as an intention to request LDP benefits. It must be filed each crop year and will cover all farms and commodities in which a producer has an interest for the 2016 crop year. Page 1 must be filed before beneficial interest is lost in the commodity and before a request for payment is completed on pages 2-4. The current version of the form and the only one accepted by CCC is dated March 28, 2014. The completion of page 1 does not cause a producer to lose loan eligibility for the commodity. The option of obtaining a loan is maintained until a quantity is requested on the page 2 or 4 payment request.

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July 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, 3-Year - 1.00%
Farm Storage Facility Loan, 5-Year - 1.250%
Farm Storage Facility Loan, 7-Year - 1.500%
Farm Storage Facility Loan, 10-Year - 1.750%
Farm Storage Facility Loan, 12-Year - 1.875%

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Calendar Deadlines

July 15 - 2015 ARC-IC Production Evidence

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

August 1- ARCPLC Sign up deadline

August 1 - Farm Transfer and Land/Ownership Changes

August 1 - County Committee Nomination forms must be postmarked or received in the County FSA Office

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