

June 2016



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North Dakota FSA eNews

North Dakota Farm Service Agency

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- [From the State Executive Director](#)
- [USDA Offers New Loans for Portable Farm Storage and Handling Equipment](#)
- [2016 Acreage Reporting](#)
- [Average AGI Limitation](#)
- [Payment Limitations](#)
- [Payment Eligibility](#)
- [2016 Crop – NAP Notice of Loss](#)
- [USDA's Building Blocks for Climate Smart Agriculture & Forestry](#)
- [FSA Youth Loans](#)
- [Farmers to Receive Documentation of USDA Services](#)
- [Bank Account Changes](#)
- [June Loan and Interest Rates](#)
- [Calendar Deadlines](#)

From the State Executive Director

June has started out with moisture in most parts of North Dakota and the forecast is for the temperatures to start to heat up. That will really make our crops grow fast. I actually saw some alfalfa cut down the other day thinking that was unusually early but I think it had some frost damage so it makes sense to get that regrowth going asap.

Here is a couple of reminders to producers. If you are going to participate in the 2016 ARC/PLC program you must sign-up and that can be done at the same time you report your acres. Spring 2016 crop acres need to be reported to FSA. Many offices have set up appointments for producers to come in with their completed maps and that has been working well. The deadline for reporting those acres is **July 15**. Also if you are planning on doing some mid-contract management on Conservation Reserve Program acres please check with your county FSA office first.

USDA Offers New Loans for Portable Farm Storage and Handling Equipment

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets.

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 or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

To learn more about Farm Storage Facility Loans, visit www.fsa.usda.gov/pricesupport or contact a local FSA county office.

[Back to top](#)

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.

[Back to top](#)

Average AGI Limitation

With the passage of the 2014 Farm Bill, a new AGI limitation has been established for program eligibility purposes. If the participant's average AGI exceeds \$900,000 (farm and nonfarm), the

person or legal entity will be ineligible for payments and benefits as follows for the respective programs/years:

- October 2, 2011, and subsequent years – LIP, LFP, ELAP, and TAP
- 2014 and subsequent years – NAP
- 2014 through 2018 – ARC, PLC, LDP, and MLG
- 2015 and subsequent years – Conservation-related programs.

The average AGI is based on the average of adjusted gross income for the 3 taxable years preceding the most immediately preceding complete taxable year. For the 2016 program year, for example, the 3 taxable years for AGI purposes would include 2012, 2013, and 2014.

[Back to top](#)

Payment Limitations

The method in which FSA limits payments for program years 2014 through 2018 will continue to be via direct attribution. Direct attribution means that payments to legal entities, such as corporations, limited partnerships, limited liability companies, and other similar entities, are limited by attributing the payment to an individual based on his/her direct and indirect interest in the entity.

The following are program limitations for the 2014 through 2018 program years:

- Price Loss Coverage (PLC), Agricultural Risk Coverage (ARC), LDP's & MLG's: \$125,000;
- CRP: \$50,000;
- LIP, LFP, & ELAP: \$125,000;
- NAP: \$125,000.

[Back to top](#)

Payment Eligibility

Individuals and entities must be "actively engaged in farming" with respect to a farming operation in order to be eligible for specified payments and benefits. To be "actively engaged in farming," the individual or entity must make significant contributions to the farming operation of: (1) capital, equipment, and/or land; and (2) active personal labor and/or active personal management. In addition, cash-rent tenant provisions must be met, if applicable.

Program benefits will not be provided until all required forms are provided and necessary determinations have been made. A determination of not actively engaged in farming will result in the producer being determined ineligible for any payment or benefit requiring a determination of actively engaged in farming.

A new farm operating plan (CCC-902) is not required to be filed if the farming operation continues to be conducted as reflected on the existing farm operating plan and supporting documents on file in the county office. If any changes occur that could affect an actively engaged in farming, cash-rent tenant, or foreign person, producers must timely notify the county office by filing a revised farm operating plan. Failure to timely notify the county office may adversely affect payment eligibility.

All entities earning program benefits subject to payment limitation are required to provide the names, addresses, and tax ID numbers of the entities' members to the county office. Additionally, all applicable payment eligibility and payment limitation forms submitted by producers are subject to spot check through the end-of-year review process.

[Back to top](#)

2016 Crop – NAP Notice of Loss

Producers with a NAP policy should file a notice of loss if they believe their crops have suffered a yield loss. In addition, if a producer is going to abandon a crop with NAP coverage, the crop must be appraised prior to destruction of the acreage to ensure coverage. Producers with NAP coverage on grazing land should also file a notice of loss if they have suffered a loss in grazing capacity on pastures.

[Back to top](#)

USDA's Building Blocks for Climate Smart Agriculture & Forestry

The U.S. Department of Agriculture announced a comprehensive and detailed approach to support farmers, ranchers, and forest land owners in their response to address the causes of climate change in April 2015. The framework consists of 10 building blocks that span a range of technologies and practices to reduce greenhouse gas emissions, increase carbon storage, and generate clean renewable energy through mitigation.

USDA's strategy focuses on climate-smart practices designed for working production systems that provide multiple economic and environmental benefits in addition to supporting resilience to extreme weather, reduced emissions and increased carbon storage.

Through this comprehensive set of voluntary programs and initiatives spanning its programs, USDA expects to reduce net emissions and enhance carbon sequestration by over 120 million metric tons of CO₂ equivalent (MMTCO₂e) per year – about 2% of economy-wide net greenhouse emissions – by 2025. That's the equivalent of taking 25 million cars off the road, or offsetting the emissions produced by powering nearly 11 million homes last year.

For more information on the Building Blocks for Climate Smart Agriculture and Forestry click the following link: <http://www.usda.gov/documents/climate-smart-fact-sheet.pdf> . For additional information on ways to consider greenhouse gases when managing land, refer to the USDA Climate Hub webpage: <http://www.climatehubs.oce.usda.gov/>.

[Back to top](#)

FSA Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

[Back to top](#)

Farmers to Receive Documentation of USDA Services

Farm Service Agency (FSA) reminds agricultural producers that FSA provides a receipt to customers who request or receive assistance or information on FSA programs.

The 2014 Farm Bill requires a customer receipt to be issued for any agricultural program assistance requested from FSA, the National Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity. Electronic receipts for acreage reports will begin on August 1, 2016.

A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

[Back to top](#)

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.

[Back to top](#)

June Loan and Interest Rates

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 - 1.000%
Farm Storage Facility Loan, 5-Year - 1.250%
Farm Storage Facility Loan, 7-Year - 1.625%
Farm Storage Facility Loan, 10-Year - 1.875%
Farm Storage Facility Loan, 12-Year - 1.875%

[Back to top](#)

Calendar Deadlines

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

[Back to top](#)

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).
