May 2016

Having trouble viewing this email? [View it as a Web page](#).

North Dakota FSA eNews

North Dakota Farm Service Agency

1025 28th St S
Fargo, ND 58103
Phone: 701-239-5224
Fax: 855-813-6644

State Executive Director:
Aaron Krauter

State Committee (STC)
Marcy Svenningsen, Chairperson
Todd Hall, Member
Lynn Jacobson, Member
Marie Marshall, Member
Lucy Matejcek, Member

State Office Staff
Administrative Officer
Russell Bubach
Compliance/Payment Limitations
Bryan Olschlager
Conservation/Livestock
Brad Olson
ARC/PLC/NAP/Disaster
Laura Heinrich
Farm Loan Programs
Curt Thoreson
Price Support
Brian Haugen

Find Your Local Office
http://offices.sc.egov.usda.gov/locator/app

From the State Executive Director

Secretary Vilsack recently announced the results from the 49th General CRP signup. Nationwide, 800,000 acres were enrolled and in North Dakota we had 5,944 acres (about 8% of the offered acres) accepted in the general signup and 11,736.6 acres (about 25% of the offered acres) accepted in the Grasslands signup for a total of 17,680.6 acres. The 2014 Farm Bill capped the total CRP enrollment at 24 million acres nationwide for fiscal years 2017 and 2018. As of March 2016, 23.8 million acres are enrolled.

On a local level, many producers are busy planting this year's crop and I want to remind everyone that if you want to participate in the 2016 ARC/PLC program, you must sign a contract. If you have not done so, next time you are in town stop by the FSA office and get signed up. It will take less than five minutes!

Have a great spring and be safe out there.

Aaron Krauter, State Executive Director

USDA Announces Conservation Reserve Program Results

USDA announced the enrollment of more than 800,000 acres in the Conservation Reserve Program (CRP). Through CRP, the U.S. Department of Agriculture (USDA) helps farmers offset the costs of restoring, enhancing and protecting certain grasses, shrubs and trees that improve water quality, prevent soil erosion and strengthen wildlife habitat. Farmers' and ranchers' participation in CRP continues to provide numerous benefits to our nation, including helping reduce emissions of harmful greenhouse gases and providing resiliency to future weather changes.

A nationwide acreage limit was established for this program in the 2014 Farm Bill, capping the total number of acres that may be enrolled at 24 million for fiscal years 2017 and 2018. At the same time, USDA has experienced a record demand from farmers and ranchers interested in participating in the voluntary program. As of March 2016, 23.8 million acres were enrolled in CRP, with 1.7 million acres set to expire this fall.

Over three million acres have been offered for enrollment this year across the three main categories within CRP, with USDA's Farm Service Agency (FSA) receiving over 26,000 offers to enroll more than 1.8 million acres during the general enrollment period, and over 4,600 offers to enroll more than one million acres in the new CRP Grasslands program. Coming off a record-setting 2015 continuous enrollment of over 860,000 acres, more than 364,000 acres already have been accepted for 2016 in the CRP continuous enrollment, triple the pace of last year.

FSA will accept 411,000 acres in general enrollment, the most competitive selection in the history of the program, with the acreage providing record high conservation benefits. USDA selected offers by weighing environmental factors plus cost, including wildlife enhancement, water quality, soil erosion, enduring benefits, and air quality.

The results of the first-ever enrollment period for CRP Grasslands, FSA will also accept 101,000 acres in the program, providing participants with financial assistance for establishing approved grasses, trees and shrubs on pasture and rangeland that can continue to be grazed. More than 70 percent of these acres are diverse native grasslands under threat of conversion, and more than 97 percent of the acres have a new, veteran or underserved farmer or rancher as a primary producer. FSA continues to accept CRP Grasslands offers and will conduct another ranking period later this year.

Participants in CRP establish long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation or contact a local FSA county office. To find your local FSA county office, visit http://offices.usda.gov.

Back to top

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.

Earlier this year, FSA significantly expanded the list of commodities eligible for Farm Storage Facility Loan. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

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

Back to top

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

[Back to top](#)

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.

[Back to top](#)

Changing Administrative Counties

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.

Back to top

Fruit, Vegetable and Wild Rice Planting Rules

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.

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

2015 Crop Commodity Loan Deadline

Producers planning to use the commodity loan program for their 2015 crops are reminded that May 31, 2016, is the deadline for filing applications for the following 2015 crops: corn, dry peas, grain sorghum, lentils, mustard, safflower, chickpeas, soybeans and sunflowers. These loans carry a nine month maturity and can be repaid with cash at disbursement to loan maturity. To be eligible, producers must have produced an eligible loan commodity during for the applicable crop year, complied with annual program requirements, maintain beneficial interest (have title to the commodity and retain control of the commodity), request MAL on or before the final loan availability date for a specific commodity, and, if required, submit lien waivers for any liens existing on the crop for which MAL is being requested. Producers interested in a commodity loan on the above listed commodities should contact their local county FSA office staff prior to the May 31 deadline.

Back to top

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.

Back to top

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

Producer's 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.

Back to top

Conservation Reserve Program – Changes to CRP Haying/Grazing Frequencies

The 2014 Farm Bill allowed FSA State Committees to review the haying and/or grazing frequency of CRP under managed or routine provisions. The State Technical Committee conducted a review of possible changes and made a recommendation to the FSA State Committee. The FSA State Committee adopted those recommendations and they are as follows:

1. Managed Haying – for CRP contracts currently restricted to managed haying only once every five years, the CRP participant may modify the Conservation Plan of Operations to allow for managed haying once every three years. The participant must contact their local NRCS office to complete the CPO modification.
2. Managed Grazing - for CRP contracts currently restricted to managed grazing only once every five years, the CRP participant may modify the Conservation Plan of Operations to allow for managed grazing once every three years. The participant must contact their local NRCS office to complete the CPO modification.
3. Routine Grazing – for CRP contract approved on or after July 28, 2010, the CRP participant may modify the CPO to allow routine grazing every other year. The participant must contact their local NRCS office to complete the CPO modification.

However, no managed haying/grazing or routine grazing can be conducted during the Primary Nesting Season, which is April 15 through August 1. CRP Participants must complete paperwork at their local FSA office prior to doing any managed haying/grazing or routine grazing and receive written approval prior to starting the operation. Please contact your local FSA office to determine eligibility for these activities.

Back to top

Conservation Reserve Program – Changes to Acreage Limitations of Mid-Contract Management Activities

CRP participants are required to conduct mid-contract management provisions, in which the CRP cover is manipulated in a way to rejuvenate/stimulate new growth of the existing cover. Mid-contract management provisions only allow for such activities in years 5 and/or 6 of the contract period. Furthermore, if the field is larger than 20 acres in size, the mid-contract management activity can only be completed on 50% of the field in a given year. If the CRP field is less than 20 acres, the entire field could have the activity completed on it. These provisions made it difficult to be in compliance, especially if weather affected the amount of acreage that could accessed, etc.
The State Technical Committee reviewed the mid-contract management activity acreage limitations and submitted a recommendation to the FSA State Committee to remove the acreage limitation and allow 100% of the acreage to have mid-contract management activities conducted in years 5 or 6 of the contract period.
The FSA State Committee adopted that recommendation. CRP participants that wish to modify their Conservation Plan of Operations, to allow up to 100% of the acreage to have mid-contract management activities conducted on in year 5 or 6, must contact their local NRCS office.
Mid-contract management activities must be conducted outside of the Primary Nesting Season, which is April 15 through August 1.

Back to top

Conservation Reserve Program – Vertical Tillage Implements for Mid-Contract Management

One of the activities authorized for CRP mid-contract management activities is to lightly disk the acreage. This activity disturbed the sod increased weed growth in the following year and most

tandem disks are long gone from the farm yard. Today, there are other types of disks available, and they do not disturb the soil in the way a tandem disk would.
The State Technical Committee submitted a recommendation to the FSA State Committee to allow “vertical tillage implements” for mid-contract management of CRP. The vertical tillage implement has a fairly flat or fluted disc, which basically slices the sod, slightly lifts the soil as it leaves the sod and the metal roller basket that follows, breaks down the old forage residue. This implement does not expose the soil to weeds and rejuvenates the cover.
The FSA State Committee adopted this recommendation, therefore if a CRP participant has selected disking as a mid-contract management activity, they may now use a vertical tillage implement.
Mid-contract management activities must be conducted outside of the Primary Nesting Season, which is April 15 through August 1.

Back to top

May Loan and Interest Rates

Commodity Loans -1.625%
Operating Loans - 2.375%
Farm Ownership Loans - 3.500%
Farm Ownership - Down Payment Loans - 1.50%
Emergency - Amount of Actual Loss - 3.375%
Farm Storage Facility Loan, 7-Year - 1.625%
Farm Storage Facility Loan, 10-Year - 1.750%
Farm Storage Facility Loan, 12-Year - 1.875%

Back to top

Important Dates and Deadlines

May 31 - Application Deadline for 2015 Crop Commodity Loans
July 15 - 2015 ARC-IC Production Evidence
July 15 - Acreage Reporting Deadline for 2016 Crop Year Spring Planted Crops
August 1 - 2016 ARCPLC Signup Deadline
August 1 - 2016 Farm Transfer and Land/Ownership Changes

Back to top
