

November 2016



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North Dakota FSA eNews

North Dakota Farm Service Agency

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Compliance/Payment Limitations
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Conservation/Livestock

From The State Executive Director- Aaron Krauter

Your local FSA office has had a busy October making ARC/PLC safety net payments for the 2015 crop year. Nationwide over \$7 billion was paid out to producers and in North Dakota we will have paid out over \$439 million.

These safety net payments are needed when compared to commodity prices that are almost half of what they were in 2012. Please read through this newsletter and mark your calendar for some important dates such as 2017 ARC/PLC sign-up or NAP.

Have a great November!

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Fall Acreage Reporting Deadline

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

Producers with the following crops have a reporting deadline of November 15 for both FSA and RMA purposes: apiculture, perennial forage, PRF, rye, and all other fall-seeded small grains.

Therefore, the aforementioned crops must be reported by **November 15, 2016** to be considered timely filed.

Find Your Local Office:

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

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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 2014 program year, for example, the 3 taxable years for AGI purposes would include 2010, 2011, and 2012.

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USDA Invests \$1.7 Billion to Protect Sensitive Agricultural Lands through Conservation Reserve Program

More than Half a Million Americans Involved with Protecting 24 Million Acres

USDA will issue nearly \$1.7 billion in payments to more than half of a million Americans who have contracts with the government to protect sensitive agricultural lands. The investment, part of the voluntary USDA Conservation Reserve Program (CRP), will allow producers to protect almost 24 million acres of wetlands, grasslands and wildlife habitat in 2016.

CRP provides financial assistance to farmers and ranchers who remove environmentally sensitive land from production to be planted with certain grasses, shrubs and trees that improve water quality, prevent soil erosion, and increase wildlife habitat. In return for enrolling in CRP, USDA, through the Farm Service Agency (FSA), provides participants with rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years.

More than 1.3 million acres were newly enrolled in CRP in fiscal year 2016 using the continuous enrollment authority, double the pace of the previous year. In fiscal year 2016, FSA also accepted 411,000 acres through its general enrollment authority, plus 101,000 acres in the new CRP-Grasslands program, which balances conservation with working lands. More than 70 percent of the acres enrolled in CRP-Grasslands are diverse native grasslands under threat of conversion, with more than 97 percent of the acres having a new, veteran or underserved farmer or rancher as a primary producer.

CRP has sequestered an annual average of 49 million tons of greenhouse gases, equal to taking nine million cars off the road, and prevented nine billion tons of soil from erosion, enough to fill 600 million dump trucks.

For more information about CRP, contact your local FSA office or online at www.fsa.usda.gov/crp. Visit www.fsa.usda.gov/crpis30 or follow Twitter at #CRPis30 for program anniversary background and success stories. To locate your local FSA office, visit <http://offices.usda.gov>.

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USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

The U.S. Department of Agriculture (USDA) today announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA today also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit www.regulations.gov, reference RIN 0560-AI34 and follow the instructions to submit comments.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to \$5,000 to young farmers and ranchers through the Youth Loan Program. Loans are made to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office. To find your nearest office location, visit <http://offices.usda.gov>

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2017 NAP Sales Closing Date Change –Forage and Grazing – November 15, 2016

The NAP sales closing date for perennial and other forages has been changed to November 15th, crops affected include but are not limited to:

- Oats/Peas and Legume/Small Grain for hay and grazing
- Native Grass and IGS Mixed Forage for hay and grazing

The sales closing date has been moved up 4 months to coincide with the acreage reporting deadline for perennial forage. Producers wishing to purchase a 2017 Perennial Forage NAP Policy need to do so by November 15, 2016.

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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

Limit: \$125,000.00

CRP

Limit: \$50,000.00

LIP, LFP, & ELAP

Limit: \$125,000.00

NAP

Limit: \$125,000.00

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Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

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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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Enrollment Period for 2017 USDA Safety Net Coverage Begins Nov. 1

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 begin visiting FSA county offices starting Nov. 1, 2016, to sign contracts to enroll in coverage for 2017. The enrollment period will continue until Aug. 1, 2017.

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.

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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Maturing Crop Year 2015 Commodity Loans

A matured farm-stored loan can be delivered to CCC at a CCC approved warehouse location. Discounts will apply based on grade and quality factors. Any deficiency in quantity and quality must be repaid by the parties who signed the note and security agreement. Interest applies to all settlement deficiencies.

Producers should explore all available settlement options before deciding to deliver to CCC at loan maturity. Situation can occur where CCC takes all the grain, but the producer still owes nearly all of the loan principal plus interest due to loan settlement discounts for poor quality. Commodity discount schedules are available at all county FSA offices.

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November Loan and Interest Rates

Commodity Loans - **1.625%**
Operating Loans - **2.125%**
Farm Ownership Loans - **2.50%**
Farm Ownership - Down Payment Loans - **1.50%**
Emergency - Amount of Actual Loss - **3.125%**
Farm Storage Facility Loan, 3-Year - **1.000%**
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 - **1.750%**

Calendar Deadlines

Important Upcoming Dates and Deadlines

November 15 - 2017 Perennial and Other Forage NAP Coverage

November 15 - Acreage Reporting Deadline for 2016 Fall-Seeded Small Grains, Apiculture, and PRF/Perennial Forage

December 1 - 2017 Honey NAP Coverage

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).