

October 2016



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North Dakota FSA eNews

North Dakota Farm Service Agency

North Dakota State Office
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
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Marie Marshall, Member
Lucy Matejcek, Member

State Office Staff
Administrative Officer
Russell Bubach

From The State Executive Director- Aaron Krauter

October starts the beginning of the fiscal year in the federal government and at the Farm Service Agency it is the start of our annual payment cycle. These payments include annual CRP contracts and the safety net program of ARC and PLC. The 2015 ARC/PLC payments have been of great interest because of the lower commodity prices. If you have had any recent changes to your bank account or bank routing numbers please notify your local FSA office as soon as possible to ensure timely payment.

Please take time to read through this newsletter. There is some valuable information on Loan Deficiency Payments (LDP), Marketing Assistance Loans (MAL), Noninsured Crop Disaster Assistance Program (NAP) and our interest rates.

Compliance/Payment Limitations
Bryan Olschlager
Conservation/Livestock
Brad Olson
ARC/PLC/NAP/Disaster
Laura Heinrich
Farm Loan Programs
Curt Thoreson
Price Support
Brian Haugen

As we get the fall harvest of beans, beets, flowers and corn going, be safe out there!

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Fall Acreage Reporting Deadline

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** to be considered timely filed.

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2015 ARC and PLC Payments

The final payments for the 2015 ARC and PLC program, if payments are triggered, are scheduled to be made in October for wheat, barley, oats, corn, grain sorghum, soybeans, canola, dry peas and lentils. 2015 ARC and PLC payments, if triggered, are scheduled to be paid in December for garbanzo beans and minor oilseeds, including sunflowers.

The final payment rates for crops triggering PLC payments are dependent on the 2015 marketing year average price. The final payments rates for crops triggering ARC-CO payments are dependent upon each crops county average yield and the 2015 marketing year average price.

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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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2016 CRP Annual Rental Payments

North Dakota producers have more than 23,000 CRP contracts that cover over 1.5 million acres of land. The voluntary program helps farmers and ranchers safeguard environmentally sensitive land and provides habitat for game and non-game species of wildlife. Beginning the first week of October, North Dakota CRP participants will receive nearly \$68 million in annual rental payments.

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Margin Protection Program – Dairy Registration and Coverage Election Deadline

The registration and coverage election deadline for MPP-Dairy has been extended to **December 16, 2016**. The administrative of \$100 must be paid by this deadline. Furthermore, if a dairy operation has chosen to buy-up coverage, 100% of the total premium due must be paid by **September 1, 2017**.

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Loans for Portable Handling Equipment

Farm Service Agency is providing a new financing option under the Farm Storage Facility Loan Program 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, grain carts, grain baggers or handling trucks that can move or 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.

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USDA Encourages Producers to Consider Risk Protection Coverage before Fall Crop Sales Deadlines

Greater protection is now available from the Noninsured Crop Disaster Assistance Program (NAP) for crops that traditionally have been ineligible for federal crop insurance. The new options, created by the 2014 Farm Bill, provide greater coverage for losses when natural disasters affect specialty crops such as vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, and energy crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

To learn more about NAP visit www.fsa.usda.gov/nap or contact your local FSA office.

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Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program

The 2014 Farm Bill authorized ELAP to help producers with disaster losses for livestock, honeybees and farm-raised fish that are not covered by other livestock disaster programs, such as the Livestock Indemnity Program (LIP), Non-Insured Assistance Program (NAP) and others.

The deadline for producers to make a 2016 application for ELAP benefits is November 1, 2016. Producers must submit all supporting documentation to substantiate losses, beginning and ending inventory, and other such documentation, as applicable.

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Conservation Reserve Program Updates

The 2014 Farm Bill reduced the acreage limit of CRP to 24 million acres beginning with Fiscal Year 2017 (October 1, 2016). Currently there are more than 23 million acres enrolled in CRP. To be assured that FSA does not exceed the 24 million acre cap, the approval authority of new CRP offers has been suspended until the national office can determine the exact number of acres enrolled in CRP.

Producers can still submit offers under continuous or CRP Grasslands signups and those offers will be acted upon after the approval authority has been restored. If the offer becomes more than 180 days old, the offer will need to be re-submitted by the producer.

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Late-Filed Acreage Reports

The deadline for timely filing an acreage report in North Dakota for the 2016 program year was July 16, 2015. Acreage reports must be filed for all cropland on the farm before any 2016 ARC or PLC payments can be issued.

For marketing assistance loans and LDP's, all cropland on the farm on which the crop pledged as loan collateral must be reported. Additionally, 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.

Although the reporting deadline has passed for program year 2016, county offices will accept late-filed acreage reports providing certain criteria are met, including the assessment of late-filed fees. Contact your local county office for additional information relative to late-filed acreage reports.

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LDP Applications

LDP's are available when the CCC-determined market repayment rate is below the commodity loan rate. Crop year 2016 wheat (hard red winter) has reached LDP levels. LDP rates for wheat and feed grain commodities are announced daily.

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. LDP applications can be filed in person, by fax or electronically through the eLDP process.

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 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.

Page 2 of the form is used to request the LDP payment for wheat, feed grains, oilseeds, pulse crops and honey. Page 4 is used to request mohair, wool and unshorn pelt LDP payments. Page 2 and page 4 of the application must be filed in the county FSA office that maintains the farm records for the farm that produced the requested commodity.

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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.

MAL repayment provisions specify that, under certain circumstances producers may repay at less than loan rate (principal) plus accrued interest. When repayment rates are announced at a level less than loan rate, producers may purchase certificates and exchange the certificate for their

outstanding loan collateral. Commodity certificates can only be purchased for immediate exchange of outstanding nonrecourse loan collateral.

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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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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October 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 - **0.875%**
Farm Storage Facility Loan, 5-Year - **1.125%**
Farm Storage Facility Loan, 7-Year - **1.500%**
Farm Storage Facility Loan, 10-Year - **1.625%**
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).
