

January 2017



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## North Dakota FSA eNews

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### North Dakota Farm Service Agency

North Dakota State Office  
1025 28th St S  
Fargo, ND 58103

### A Farewell Message from the State Executive Director- Aaron Krauter

2017 will be another great year for production agriculture in North Dakota. After experiencing rather mild winters the past couple of years, Mother Nature has reminded us she is still in control. The reports of

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Lynn Jacobson, Member  
Marie Marshall, Member  
Lucy Matejcek, Member

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Ryan Lindbom  
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Brian Haugen

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

snow fall around the state of North Dakota are quite amazing. The upside is that it is moisture for the next growing season but the downside is that it creates a lot of extra work. County farm to market roads are getting blocked because of constant ground drifting, ice storms have caused many power outages for the local electrical coops, and the livestock producers are constantly having to move snow to keep the cows fed, and the waters from freezing up. These are all just some of the challenges we and our parents and grandparents have dealt with many times before. It makes us North Dakotans a tough bunch!

***This brings me to some of the items in this month's newsletter:***

- The Livestock Indemnity Program (LIP) is a great safety net for livestock losses above the normal mortality rate. So keep good records and file your losses timely.
- Continuous CRP sign-up and some additional acreage for new SAFE practices might be of interest to some landowners
- During these winter months stop by your County FSA Office to sign-up for 2017 ARC/PLC, update records, record any changes in land that you will be farming, and to report any changes with your bank account.

This will be the last newsletter you will be receiving from me as your FSA State Executive Director. It has been a special honor to serve the farmers, ranchers and land owners of this great state of North Dakota. Every day I came to work with the excitement of making production agriculture stronger than the day before.

***God bless and have a great 2017!***

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## **Livestock Indemnity Program – Deadline Nearing**

The deadline to file an application for 2016 Livestock Indemnity Program (LIP) is **January 30, 2017.**

For 2016 livestock deaths, the notice of loss MUST have been filed within 30 calendar days from when the loss was apparent. Livestock producers suffering livestock losses may submit the notice of loss by phone, fax, email and/or in person.

Producers who suffered livestock deaths due to adverse weather from January 1, 2016 through December 31, 2016 may submit an application for payment at any time during the program year, however the final date to submit an application for payment is March 30, 2017.

Producers who suffered eligible livestock deaths are also required to submit supporting documentation, such as inventory records, proof of death, etc at the time they submit the application for payment. Producers are encouraged to contact their local FSA Office for detailed information pertaining to LIP.

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## Emergency Livestock Disaster Programs

Livestock producers, including Honeybee and Farm-raised Fish producers, are reminded that the 2016 Emergency Livestock Disaster Program (ELAP) program year began October 1, 2016 and continues through September 30, 2017.

Producers who suffer livestock losses not covered under LIP, or losses of eligible stored feed stocks, colony-collapse disorder, etc, are reminded to report these losses within 30 calendar days of when the loss is apparent. In addition to filing a notice of loss, a timely filed acreage report for the 2017 program year must also be submitted with the administrative FSA county office (Please contact local FSA Office for applicable deadline). For Honeybee producers who have become aware of colony collapse while in another state, the notice of loss can be filed with the local FSA office in that state.

After producers have timely filed their notice of loss and acreage report, the next step is to make the application for payment. This step must be completed no later than November 1, 2017. Since ELAP funds are limited to \$20 million per fiscal year, the national office must determine if the requested ELAP payments exceed the \$20 million allocation. If the requested 2017 ELAP benefits exceed \$20 million, all payments will be factored.

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## Continuous CRP Signup Options

The 2014 Farm Bill limited enrollment in CRP to 24 million acres for Fiscal Years 2017 and 2018. At the end of Fiscal Year 2016, this acreage cap was close to being reached. Since the Farm Bill prohibits FSA from enrolling more than 24 million acres at any time during FY2017 and/or 2018, the National FSA Office has been closely monitoring and controlling all enrollments of CRP, including continuous CRP practices.

Under this system, producers wishing to enroll land into CRP have 2 options, 1) Delay the effective start date to October 1, 2017 or, 2) have an effective start date in FY2017, however, the National FSA Office must first determine which offer, on a national basis, will begin in this fiscal year.

Producers can complete offers to enroll land into continuous CRP as they have in the past, however they must make a decision on when they would like the contract to become effective.

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## USDA Makes it Easier to Transfer Land to the Next Generation of Farmers and Ranchers

Allows for Transfer of Certain Conservation Reserve Program Land to New Farmers; Provides Priority Enrollment in Working Lands Conservation Programs

Beginning Jan. 9, 2017, the U.S. Department of Agriculture (USDA) will offer an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.

This change to the CRP program is just one of many that USDA has implemented based on recommendations from the Land Tenure Advisory Subcommittee formed by Agriculture Secretary Tom Vilsack in 2015.

Normally if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible for priority enrollment consideration into the CRP Grasslands, if eligible; or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. Details on the early termination opportunity will be available starting on Jan. 9, 2017, at local USDA service centers. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at [www.fsa.usda.gov/crp](http://www.fsa.usda.gov/crp). To locate your local FSA office, visit <http://offices.usda.gov>.

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## State Acres for Wildlife Enhancement (SAFE)

The North Dakota State FSA Committee submitted a request for additional SAFE acres for the existing projects, Coteau-Drift Prairie, Pheasant Habitat and Eastern Tallgrass Prairie, because the total acreage allocation for these projects had been exhausted.

In December 2016, the National FSA Office allocated additional acres to these SAFE projects. Producer can begin submitting offers under these SAFE projects beginning January 9, 2017, with an effective date of October 1, 2017.

***The additional acres are as follows:***

Coteau Drift Prairie – 15,000

Pheasant Habitat – 10,000

Eastern Tallgrass Prairie – 5,000

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## Organic Certification Cost Share Program

The U.S. Department of Agriculture (USDA) today announced that starting **March 20, 2017**, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, but only about half of the nation's organic operations currently participate in the program. Starting March 20, USDA will provide a uniform, streamlined process for organic producers and handlers to apply for organic cost share assistance either by mail or in person.

USDA is making changes to increase participation in the National Organic Certification Cost Share Program (NOCCSP) and the Agricultural Management Assistance Organic Certification Cost Share Program, and at the same time provide more opportunities for organic producers to access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Historically, many state departments of agriculture have obtained grants to disburse reimbursements to those producers and handlers qualifying for cost share assistance. FSA will continue to partner with states to administer the programs. For states that want to continue to directly administer the programs, applications will be due Feb. 17, 2017.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a USDA-accredited certifying agent. Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope—crops, livestock, wild crops and handling. Today's announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) or contact a local FSA office by visiting <http://offices.usda.gov>.

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## Crop Year 2016 Wool

Wool and mohair producers are reminded that the deadline to apply for loans on wool and mohair shorn in calendar year 2016 is **January 31, 2017**.

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## USDA Announces Enrollment Period for Safety Net Coverage in 2017

Producers on farms with base acres under the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, can begin visiting FSA county offices starting Nov. 1, 2016, to sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

The ARC and PLC 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](http://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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## Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse.

There are exceptions to the rule. Spouses may not sign FSA-211s on behalf of each other or sign on behalf of the other as an authorized signatory for partnerships, joint ventures, corporations or other similar entities. Spouses must have a power of attorney on file or sign personally for claim settlements, such as promissory notes, and on security documents for price support loans.

Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents.

A spouse's authority to sign documents on behalf of the other spouse does not entitle the spouse to review or receive agency records of the other spouse.

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## Preventing Crop Insurance Fraud, Waste, & Abuse

The Farm Service Agency and Risk Management Agency are partners in preventing fraud, waste and abuse in the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. In addition, FSA will refer all suspected cases of fraud, waste and abuse to RMA.

Producers can report suspected cases to the county office staff, RMA or the Office of the Inspector General.

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## Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2014, 2015, 2016 and 2017 are conducted on producers who the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the average AGI limitation of \$900,000, receivables will be established for payments earned directly or indirectly by the producer subject to the \$900,000 limitation. The North Dakota State FSA Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the North Dakota State FSA Office at 701-239-5695. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Payment eligibility adverse determinations become administratively final 30 days from the date of the payment eligibility adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

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## IRS Reporting for Tax Year 2016

Producers which are recipients of program payments during calendar year 2016 will receive form IRS-1099-G detailing payments received from the Commodity Credit Corporation. The annual report of program payments on IRS-1099-G is a service intended to help our customers report taxable income. It is not intended to replace producer's responsibilities to report income to IRS. The mailing of form IRS-1099-G will occur in late January 2017.

CCC will not issue form IRS 1099-G when CCC program payments total less than \$600 for the calendar year. In addition, producers which receive program payments from multiple counties will receive only one IRS Form 1099-G showing all payments from all counties.

FSA staff will not attempt to interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

Although refund information is not shown on the IRS 1099-G, a Customer's financial data including refund information, program payment amounts, and prior year CCC-1099 information is conveniently available via the internet through the FSA "Financial Inquiries" database (FSA-FI). Instructions for obtaining a FSA-FI user ID and password are available on the FSA web site at: <http://www.eauth.egov.usda.gov/eauthWhatIsAccount.html>

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## Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify your county FSA 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.

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## Restrictions on Removing CCC Loan Collateral

Producers with grain under Commodity Credit Corporation (CCC) loan are reminded the loan collateral cannot be removed without prior authorization or repayment. Unauthorized removal, which includes removal for cleaning for seed is considered a violation and is subject to monetary and administrative penalties. CCC loans are subject to spot check. Determined shortages must be repaid with principal plus interest and additional monetary penalties plus loss of future loan eligibility and restrictions on LDP's may apply. Producers planning to remove CCC loan grain must contact their local county FSA office staff for additional information.

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## Farm Storage Facility Loans

In addition to grain storage bins and drying/handling equipment, the Farm Service Agency also provides financing 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 remain eligible for loans on portable handling equipment or handling trucks, the equipment must not have been purchased before the FSFL application is submitted to the County Office.

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

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## Update Your Records

If you have any unreported changes of address or zip code or an incorrect name or business name on file they need to be reported to your local FSA office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

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

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline. The NAP deadline for spring planted crops is **March 15, 2017**.

Producers are reminded that crops not covered by insurance may be eligible for the Noninsured Crop Disaster Assistance Program (NAP). The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection." Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at [www.fsa.usda.gov/nap](http://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.

Deadlines for coverage vary by state and crop. To learn more about NAP visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap) or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

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## ND FSA Employment Opportunities

The Farm Service Agency (FSA) is an exciting and rewarding place to start, build, and/or continue your career. Potential applicants interested in learning more about open positions with the North Dakota Farm Service Agency and/or applying for this position should click on the link below:

**Farm Program Technician (PT):**

**Trail County PT:** <https://www.usajobs.gov/GetJob/ViewDetails/461345500/>

**Location:** Hillsboro, North Dakota

**Dates Open:** 1/4/2017 to 1/18/2017

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## Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

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## January 2017 Loan and Interest Rates

Commodity Loans - **1.875%**

Operating Loans - **2.375%**

Farm Ownership Loans - **2.500%**

Farm Ownership - Down Payment Loans - **1.50%**

Emergency - Amount of Actual Loss - **3.375%**

Farm Storage Facility Loan, 3-Year - **1.500%**

Farm Storage Facility Loan, 5-Year - **1.875%**

Farm Storage Facility Loan, 7-Year - **2.250%**

Farm Storage Facility Loan, 10-Year - **2.375%**

Farm Storage Facility Loan, 12-Year - **2.500%**

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## Calendar Deadlines

***Important Upcoming Dates and Deadlines***

January 30 - Deadline to file an application for 2016 Livestock Indemnity Program (LIP)

January 31 - Deadline to apply for loans on wool and mohair shorn in calendar year 2016.

March 15 - 2017 NAP Deadline - Spring Planted Crops

August 1 - 2017 ARCPLC Sign up deadline

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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).

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