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Farm Service Agency **Electronic News Service**

NEWSLETTER

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North Dakota FSA e-News

North Dakota Farm Service Agency

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Eligibility for Nominations for the 2017 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process.

A county committee is composed of three to 11 elected members from local administrative areas (LAA). Each member serves a three-year term. To be eligible for nomination and hold office as a committee member or

Russell Bubach
Compliance/Payment Limitations
Wanda Braton
Conservation/Livestock
Brad Olson
ARC/PLC/NAP/Disaster
Laura Heinrich
Farm Loan Programs
Ryan Lindbom
Price Support
Brian Haugen

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alternate, a person must fulfill each of the following requirements: (1) be a producer with an interest in farming or ranching operations, (2) participate or cooperate in any FSA program provided for by law, (3) be a U.S. citizen, (4) be of legal voting age, (5) meet the basic eligibility requirements, and (6) reside in the county or multi-county jurisdiction in which they will be serving.

All nomination forms for the 2017 election must be postmarked or received in the local USDA service center by Aug. 1, 2017. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: Eligibility to Vote and Hold Office as a COC Member available online at: www.fsa.usda.gov/elections.

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2017 Crop – NAP Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent or 15 calendar days after the normal harvest date. 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.

Producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

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Conservation Reserve Program

Continuous Signup 50 – The 2014 Farm Bill established a 24 million acreage cap for CRP, meaning there cannot be more than 24 million acres enrolled during Fiscal Year 2017 or 2018. Currently, there are more than 23.5 million acres enrolled in CRP. Therefore, FSA has determined to suspend approvals of continuous CRP offers that have a start date of October 1, 2017 (beginning of FY2018). Producers can still submit offers under continuous signup provisions, however, FSA cannot approve the offer until authorized. There is one exception to this suspension, producers with land located in the ND Riparian Project area, may submit offers for enrollment in this CREP and have the offer approved immediately, if otherwise eligible.

CRP participants are reminded to notify their local FSA County Office when there are ownership or operator changes on an applicable CRP contract. If there is a change in ownership, whether it is the result of a sale of land or death of a CRP participant, the successor to the CRP contract has 60 calendar days in which to complete the succession to the contract. It is very important that current

CRP owners and/or operators inform their local FSA County Office timely of such changes so the County Office can update the CRP contract(s) so the annual rental payments can be issued to the correct participant.

Furthermore, CRP participants are to timely inform their local FSA County Office of any acreage that needs to be terminated from a CRP contract for activities such as oil well development, gravel pits, housing developments, and so on. CRP acreages that no longer provide approved vegetative cover must be terminated from the CRP contract and refunds of annual rental payments, SIP, PIP and cost-share payments may be required.

CRP participants are reminded that the period between April 15 and August 1 is the Primary Nesting Season (PNS). CRP acreages shall not be accessed during this time, as various types of wildlife are using the acreage to nest and/or raise their young. However, if weed control is necessary during this period, CRP participants must receive approval from the local FSA County Office prior to conducting spot-treatment. Only affected areas within the specific CRP field shall be accessed during the PNS to control weeds. All other maintenance activities shall take place outside of the PNS.

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Farm Storage Facility Loan Program

The Farm Storage Facility Loan Program (FSFL) allows producers of eligible commodities to obtain low-interest financing to build or upgrade on-farm storage and handling facilities. The maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the eligible net cost of the storage facility and permanent drying and handling equipment. FSA requires additional security for all loans exceeding \$100,000 or when the aggregate amount of FSFL loans exceeds \$100,000.

Loan terms of 3, 5, 7, 10 or 12 years are available depending on the amount of the loan and loan type. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department. Sign-up for the FSFL program is continuous throughout the year. All requests for FSFL prior to loan approval require a site inspection for an environmental assessment in accordance to National Environmental Protection Agency (NEPA) requirements showing no adverse impacts. FSFL policy requires the following actions cannot occur at the proposed FSFL location prior to the environmental assessment being completed:

- accepting delivery of equipment and/or materials in previously undisturbed areas
- site preparation or foundation construction in previously undisturbed areas
- no alteration to any structures that are 50 years old or older or within a historic district

If any of the above are completed prior to FSA completing the on-site assessment may impede the completion of the environmental assessment and eligibility for the FSFL.

Another financing option under the Farm Storage Facility Loan Program available to help farmers purchase portable storage and handling equipment. 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.

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

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Margin Protection Program- Dairy

The registration and cover election period for MPP-Dairy for calendar year 2018 will be held July 1 through September 30, 2017.

For dairy operations that registered and elected coverage in a previous year must select the level of coverage for 2018 during the aforementioned period, as MPP-Dairy is a multi-year obligation between CCC and the dairy operation. Dairy operations that have not participated in MPP-Dairy may register their production history and select coverage for 2018 during this same period.

MPP-Dairy offers protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. Catastrophic Coverage (CAT) of \$4.00 margin coverage level at 90 percent of the established production history requires no premium payment, but the dairy operation must pay the \$100 administrative fee.

For increased protection, dairy operations may annually select a percentage of coverage from 25 to 90 percent of the established production history in five percent increments and a coverage level threshold from \$4.50 to \$8.00 in \$.50 increments.

Coverage election must be made prior to the end of the annual election period. After the initial year of registration, failure to make an election results in the coverage level defaulting to the CAT level of 90 percent at \$4.00 margin. Dairy operations may only select one coverage level percentage and coverage level threshold for the applicable calendar year. All producers in the participating dairy operation with a share and risk in the milk marketing must agree to the coverage elected on the contract.

A web tool is available that will allow dairy producers to use data unique to their specific operation, combined with other variables, to test a variety of financial scenarios before eventually enrolling in the new MPP-Dairy. The web tool is located at: <http://www.fsa.usda.gov/mpptool>.

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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.

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LDP Applications

LDP's are available when the CCC-determined market repayment rate is below the commodity loan rate.

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.

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 2017 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. Producers are encouraged to file a CCC-633 EZ Page 1 for crop year 2017 when visiting the County Office to complete crop year 2017 acreage reports.

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Policy Updates for Acreage Reporting

The USDA Farm Service Agency (FSA) recently made several policy updates for acreage reporting for cover crops, revising intended use, late-filed provisions, grazing allotments as well as updated the definitions of “idle” and “fallow.”

Reporting Cover Crops: FSA made changes to the types of cover crops. Cover crop types can be chosen from the following four categories:

Cereals and other grasses - Any cover crop that is classified as a grass plant or cereal grain, and would include, but not be limited to, the following cover crops: cereal rye, wheat, barley, oats, black oats, triticale, annual ryegrass, pearl millet, foxtail millet (also called German, Italian or Hungarian millet), sorghum sudan grass, sorghum and other millets and grasses.

Legumes - Any cover crop that is classified as a legume, including, but not limited to, clovers, vetches, peas, sun hemp, cowpeas, lentils and other legumes.

Brassicas and other broadleaves - Any cover crop that is classified as a non-legume broadleaf, including, but not limited to, Brassicas such as radishes, turnips, canola, rapeseed, oilseed rape, and mustards, as well as other broadleaf plants such as phacelia, flax, sunflower, buckwheat, and safflower.

Mixtures - Mixes of two or more cover crop species planted at the same time, for example, oats and radishes.

If the cover crop is harvested for any use other than forage or grazing and is not terminated according to policy guidelines, then that crop will no longer be considered a cover crop and the acreage report must be revised to reflect the actual crop.

Permitted Revision of Intended use After Acreage Reporting Date:

New operators or owners who pick up a farm after the acreage reporting deadline has passed and the crop has already been reported on the farm, have 30 days to change the intended use. Producer share interest changes alone will not allow for revisions to intended use after the acreage reporting date. The revision must be performed by either the acreage reporting date or within 30 calendar days from the date when the new operator or owner acquired the lease on land, control of the land or ownership and new producer crop share interest in the previously reported crop acreage. Under this policy, appropriate documentation must be provided to the County Committee's satisfaction to determine that a legitimate operator or ownership and producer crop share interest change occurred to permit the revision.

Acreage Reports:

In order to maintain program eligibility and benefits, producers must timely file acreage reports. Failure to file an acreage report by the crop acreage reporting deadline may result in ineligibility for future program benefits. FSA will not accept acreage reports provided more than a year after the acreage reporting deadline.

Reporting Grazing Allotments:

FSA offices can now accept acreage reports for grazing allotments on non-cropland. Producers will use form "FSA-578" to report grazing allotments as animal unit months (AUMs) using the "Reporting Unit" field. The local FSA office will need the grazing period start and end date and the percent of public land.

Definitions of Terms:

FSA defines "idle" as cropland or a balance of cropland within a Common Land Unit (CLU) (field/subfield) which is not planted or considered not planted and does not meet the definition of fallow or skip row. For example, the balance of a field that could not be planted due to moisture or a turn area that is not planted would be reported as idle.

Fallow is considered unplanted cropland acres which are part of a crop/fallow rotation where cultivated land that is normally planted is purposely kept out of production during a regular growing season. Resting the ground in this manner allows it to recover its fertility and conserve moisture for crop production in the next growing season.

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Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018.

Below is an overview of payment limitations by program.

Commodity and Price Support Programs

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 total.

Conservation Programs

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event.

Disaster Assistance Programs

The annual limitation of \$125,000 applies to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP) and Livestock Indemnity Program (LIP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation of \$125,000 applies to Tree Assistance Program (TAP) payments. There is also a separate \$125,000 payment limit for the Noninsured Crop Disaster Assistance Program (NAP). Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

For more information on FSA payment limitations by program, visit

https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/payment_eligibility_payment_limitations.pdf.

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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.

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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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Calendar Deadlines

Important Upcoming Dates and Deadlines

April 15 through August 1, 2017 - Primary nesting season in North Dakota

July 1 through September 30, 2017 - MPP-Dairy registration and cover election period

July 17, 2017- 2016 ARC-IC Production

July 17, 2017 - Acreage reporting deadline for all spring-seeded crops, including Conservation Reserve Program (CRP) acreage, and all other crops for the 2017 crop year

August 1, 2017 - Enrollment period for ARC/PLC ends

August 1, 2017 -All County Committee nomination forms for the 2017 election must be postmarked or received in the local USDA service center

June 2017 Loan and Interest Rates

Commodity Loans –**2.125%**

Operating Loans – **2.875%**

Farm Ownership and Conservation Loans – **3.875%**

Farm Ownership-Joint Financing – **2.500%**

Emergency - Amount of Actual Loss - **3.750%**

Farm Ownership-Down Payment Loans – **1.500%**

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

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

Farm Storage Facility Loan, 7-Year – **2.125%**

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

Farm Storage Facility Loan, 12-Year – **2.375%**

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