

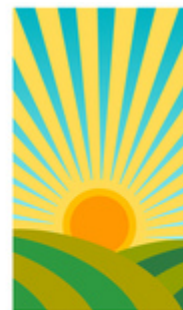
March 2017



Farm Service Agency

# GovDelivery Electronic News Service

## NEWSLETTER



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## North Dakota FSA eNews

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### North Dakota Farm Service Agency

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Brian Haugen

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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*  
Wanda Braton

### 2016 Crop Year Commodity Loan Deadline

Producers planning to use the commodity loan program for their 2016 crops are reminded that March 31, 2017, is the deadline for filing applications for the following 2016 crops: wheat, barley, oats, canola, crambe, flaxseed, rapeseed, sesame seed and honey.

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 the applicable crop year, complied with annual program requirements, maintain beneficial interest (have title to the commodity and retain control of the commodity), request marketing assistance loan (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

*Conservation/Livestock*  
Brad Olson  
*ARC/PLC/NAP/Disaster*  
Laura Heinrich  
*Farm Loan Programs*  
Ryan Lindbom  
*Price Support*  
Brian Haugen

**Find Your Local Office:**

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

FSA office staff prior to the March 31 deadline. The 2016 crop commodity loan rates are available at any county FSA office, or online at: <http://www.fsa.usda.gov/FSA> and clicking on the "Price Support" link.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior FSA authorization and providing an incorrect quantity certification.

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## Approval of 2016 COC Elections

The ND State FSA Committee has approved the results of the 2016 COC Election. Please contact your county office for election results.

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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, there are no grain, oilseed or pulse crop commodities with 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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## New Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be "actively engaged in farming". This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

The 2014 Farm Bill established additional payment eligibility provisions relating to the farm management component of meeting "actively engaged in farming". These new provisions apply to joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation. Effective for 2016 and subsequent crop years, non-family joint operations are afforded to one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming". The person or member will be defined as the Farm Manager for the purposes of administering these new management provisions.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of Farm Manager may also be allowed to use such a contribution of active

personal management to meet the eligibility requirements. However, under no circumstances may the number of Farm Managers in a non-family joint operation exceed a total of three in any given crop and program year.

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## Highly Erodible Land (HEL) and Wetland Conservation Compliance

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded of tillage, crop residue, and rotation requirements as specified per their conservation plan. Producers are to notify the USDA Farm Service Agency prior to conducting land clearing or drainage projects to insure compliance. Failure to obtain advance approval for any of these situations can result in the loss of eligibility and all Federal payments.

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## Producers are encouraged to Report Prevented Planting and Failed Acres

USDA Farm Service Agency (FSA) reminds producers to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

Producers should report crop acreage they intended to plant, but due to natural disaster, were prevented from planting. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA). Contact your local FSA office for a list of final planting dates by crop.

If a producer is unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Additionally, producers with failed acres should also use form CCC-576, Notice of Loss, to report failed acres.

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.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), producers must file a Notice of Loss within 15 days of the occurrence of the disaster or when losses become apparent. Producers must timely file a Notice of Loss for failed acres on all crops including grasses.

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## Conservation Reserve Program

FSA is conducting a continuous enrollment period for the Conservation Reserve Program (CRP) whereby landowners can submit offers through their local FSA Office. Under the 2014 Farm Bill, a nation-wide acreage limit of 24 million acres was established for program years 2017 and 2018. Due to the increased interest in CRP, the total enrolled acres in CRP is very near the 24 million acre limit. Therefore, to ensure FSA does not enroll more than 24 million acres, landowners have two options when submitting offers: 1) to have the effective start date of the CRP contract start on October 1, 2017 or 2) if a Fiscal Year 2017 start date is desired, wait for the National FSA Office to conduct a batching period to determine when a contract could begin.

CRP is a federally funded program that assists agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat.

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## **CRP Land Tenure**

USDA is offering 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.

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.

To find out more about this new provision, contact your local FSA County Office.

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## **2016 Livestock Indemnity Program**

Producers who suffered livestock deaths due to eligible adverse weather events from January 1, 2016 through December 31, 2016 may submit an application for payment with their local FSA County Office by the March 31, 2017 deadline.

Eligible livestock producers MUST have filed a notice of loss within 30 calendar days from when the loss was apparent. After the notice of loss has been filed, the producer must also submit an application for payment. This can be done any time prior to the March 31, 2017 deadline. In addition to the application for payment, producers must submit inventory records, such as calving/lambing books, sales records, purchase records, veterinary records, etc, to document the number of eligible livestock. In addition to the inventory records, livestock producers must compile records to document livestock deaths due to eligible weather events.

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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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## Change in Farming Operation

If you have bought or sold land, or if you have picked up or dropped rented land from your operation, make sure you report the changes to your county FSA office as soon as possible. When making ownership changes please provide a copy of the land deed or recorded land contract for purchased property. A reminder that the failure to maintain accurate farm records with FSA on all land you have an interest in can cause potential loss of program eligibility.

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## Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## USDA offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants as well as beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women,

African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA now offers Microloans through the direct loan program. The focus of Microloans is on the financing needs of small, beginning farmer, niche and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans).

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Additionally, individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, visit [www.fsa.usda.gov/farmloans](http://www.fsa.usda.gov/farmloans).

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## March 2017 Loan and Interest Rates

**Commodity Loans** – 1.875%

**Operating Loans** – 3.000%

**Farm Ownership and Conservation Loans** – 4.000%

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

**Emergency - Amount of Actual Loss** - 4.000%

**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** – 2.250%

**Farm Storage Facility Loan, 10-Year** – 2.500%

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

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## Calendar Deadlines

*Important Upcoming Dates and Deadlines*

**March 15 - 2017 NAP Deadline - Spring Planted Crops**

**March 31 - Deadline to file an application for 2016 Livestock deaths that occurred from 1/1/2016-12/31/2016 due to eligible adverse weather events**

**March 31- Commodity Loan application filing deadline for the following 2016 crops: wheat, barley, oats, canola, crambe, flaxseed, rapeseed, sesame seed and honey**

**August 1 - 2017 ARCPLC Sign up deadline**

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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).