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NEWSLETTER

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North Dakota FSA eNews

North Dakota
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From the State Executive Director- Brad Thykeson

As frustrating as the spring snow and cold temperatures are, as we watch the U.S. Drought monitor, I am thankful for the much needed moisture we have received in March and this early part of April. We are hopeful that this cool and wet spring we are having will pull us out of any drought categories, so when spring like weather does show up, we can hit the ground running, with a good moisture base to kick off a successful growing season.

Our thoughts are with the ranchers out there, who are spring lambing and calving when it would have been more “spring like” to do so this year in February. Long

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hours are spent making sure all are tended for, and for that, we thank you for all that you do.

Be sure to check in with your local FSA office to make sure your operation information is current in our records, to sign up for applicable programs, and to apply for loans or have a conversation with our loan personnel, if interested. With what looks like it may be a short planting window this year, it will be helpful to tie up all loose ends with FSA so that you can solely focus on getting the seed in the ground when that time comes.

Besides providing us with meals three times a day, North Dakota Farmers and Ranchers are a vital part of our economy. Your success is good for us all, and that is why the ND Farm Service Agency is here to assist and is proud to deliver federal programming intended to help you do just that. Please take time to look through these important articles below that are relevant to helping your ag operations thrive.

- Brad Thykeson

USDA to Immediately Assist Producers for Qualifying Livestock, Honeybee and Farm-raised Fish Program Losses

$34 Million in Payments for 2017 Losses Part of Broad Suite of Programs Aiding Ag Operations

USDA will issue $34 million to help agricultural producers recover from 2017 natural disasters through the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP), which covers losses not covered by certain other USDA disaster assistance programs. These payments are being made available today, and they are part of a broader USDA effort to help producers recover from hurricanes Harvey, Irma and Maria, wildfires and drought. A large portion of this assistance will be made available in federally designated disaster areas.

ELAP aims to help eligible producers of livestock, honeybees and farm-raised fish for losses due to disease, certain adverse weather events or loss conditions, including blizzards and wildfires, as determined by the Secretary. ELAP assistance is provided for losses not covered by other disaster assistance programs such as the Livestock Forage Disaster Program (LFP) and the Livestock Indemnity Program (LIP).

The increased amount of assistance through ELAP was made possible by the Bipartisan Budget Act of 2018, signed earlier this year. The Act amended the 2014 Farm Bill to enable USDA's Farm Service Agency (FSA) to provide assistance to producers without an annual funding cap and immediately for 2017. It also enables FSA to pay ELAP applications as they are filed for 2018 and subsequent program years.

Other USDA Disaster Assistance Programs
The Act removed program year payment limitations and increased the acreage cap for the Tree Assistance Program (TAP), a nationwide program that provides owners of orchards, vineyards and nurseries with cost share assistance to replant eligible trees, bushes, and vines following a natural disaster. For example, the program will help owners of citrus groves in Florida, avocado trees in California, coffee plantations in Puerto Rico and vineyards reduce the cost of replanting, and speed recovery from the loss of fruit and nut trees, bushes, and vines.

Prior to the Act, there was a combined program year payment limitation of $125,000 for ELAP, LIP and LFP per person or legal entity. The Tree Assistance Program (TAP) had its own $125,000 payment limitation. The Act removed the program year per person and legal entity payment limitation for LIP and TAP. As a result of the Act, a $125,000 per person and legal entity single payment limitation applies to the total amount of program year payments received under both ELAP and the Livestock Forage Disaster Program (LFP) and program payments under LIP and TAP no longer have payment limits.

Under the updated program, as amended by the Act, growers are eligible to be partly reimbursed for losses on up to 1,000 acres per program year, double the previous acreage limit of 500 acres.

In total, it is estimated that the Act will enable USDA to provide more than $3 billion in disaster assistance, including the $2.36 billion announced last week to be made available through FSA's new 2017 Wildfires and Hurricanes Indemnity Program. This includes $400 million made available for the Emergency Conservation Program, which helps farmers and ranchers repair damage to farmlands caused by natural disasters. As signups across the country are completed, additional applications will be funded.

According to the U.S. National Oceanic and Atmospheric Administration (NOAA), the United States was impacted by 16 separate billion-dollar disaster events in 2017 including: three tropical cyclones, eight severe storms, two inland floods, a crop freeze, drought and wildfire. More than 25 million people – almost eight percent of the population – were affected by major disasters. From severe flooding in Puerto Rico and Texas to mudslides and wildfires in California, major natural disasters caused catastrophic damages, with an economic impact totaling more than $300 billion.

For Assistance
Producers with operations impacted by natural disasters and diseases in 2018 are encouraged to contact their local USDA service center to apply for assistance through ELAP, TAP, LIP and LFP. Producers with 2017 ELAP claims need to take no action as FSA will begin paying those claims today.

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USDA Reopens Enrollment for Improved Dairy Safety Net Tool

USDA's Farm Service Agency encourages dairy producers to consider enrolling in the new and improved Margin Protection Program for Dairy (MPP-Dairy), which will provide better protections for dairy producers from shifting milk and feed prices. With changes authorized under the Bipartisan Budget Act of 2018, the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) has set the enrollment period to run from **April 9, 2018 to June 1, 2018.**

About the Program:

The program protects dairy producers by paying them when the difference between the national all-milk price and the national average feed cost (the margin) falls below a certain dollar amount elected by the producer.

Changes include:

- Calculations of the margin period is monthly rather than bi-monthly.
- Covered production is increased to 5 million pounds on the Tier 1 premium schedule, and premium rates for Tier 1 are substantially lowered.
- An exemption from paying an administrative fee for limited resource, beginning, veteran, and disadvantaged producers. Dairy operators enrolled in the previous 2018 enrollment period that qualify for this exemption under the new provisions may request a refund.

Dairy operations must make a new coverage election for 2018, even if you enrolled during the previous 2018 signup period. Coverage elections made for 2018 will be retroactive to January 1, 2018. All dairy operations desiring coverage must sign up during the enrollment period and submit an appropriate form (CCC-782) and dairy operations may still “opt out” by not submitting a form. All outstanding balances for 2017 and prior years must be paid in full before 2018 coverage is approved.

Dairy producers can participate in FSA’s MPP-Dairy or the Risk Management Agency’s Livestock Gross Margin Insurance Plan for Dairy Cattle (LGM-Dairy), but not both**.** During the 2018 enrollment period, only producers with an active LGM-Dairy policy who have targeted marketings insured in 2018 months will be allowed to enroll in MPP-Dairy by June 1, 2018; however, their coverage will start only after active target marketings conclude under LGM-Dairy.

USDA has a web tool to help producers determine the level of coverage under the MPP-Dairy that will provide them with the strongest safety net under a variety of conditions. The online resource, which will be updated and available by April 9 at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage based on data projections. The secure site can be accessed via computer, smartphone, tablet or any other platform.

USDA is mailing postcards advising dairy producers of the changes. For more information, visit www.fsa.usda.gov/dairy or contact your local USDA service center.

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Loans for Targeted Underserved Producers

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating purposes and/or to purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for underserved applicants. An underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. If producers or their spouses believe they would qualify as underserved, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all eligibility requirements and are unable to obtain the needed credit elsewhere.

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Cover Crop Guidelines

The Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA) worked together to develop consistent, simple and a flexible policy for cover crop practices.

The termination and reporting guidelines were updated for cover crops.

Termination:

The cover crop termination guidelines provide the timeline for terminating cover crops, are based on zones and apply to non-irrigated cropland. To view the zones and additional guidelines visit https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/ and click “Cover Crop Termination Guidelines.”

Reporting:

The intended use of cover only will be used to report cover crops. This includes crops that were terminated by tillage and reported with an intended use code of green manure. An FSA policy change will allow cover crops to be hayed and grazed. Program eligibility for the cover crop that is being hayed or grazed will be determined by each specific program.

If the crop reported as cover only is harvested for any use other than forage or grazing and is not terminated properly, then that crop will no longer be considered a cover crop.

Crops reported with an intended use of cover only will not count toward the total cropland on the farm. In these situations a subsequent crop will be reported to account for all cropland on the farm.

Cover crops include grasses, legumes, and forbs, for seasonal cover and other conservation purposes. Cover crops are primarily used for erosion control, soil health Improvement, and water quality improvement. The cover crop may be terminated by natural causes, such as frost, or intentionally terminated through chemical application, crimping, rolling, tillage or cutting. A cover crop managed and terminated according to NRCS Cover Crop Termination Guidelines is **not** considered a crop for crop insurance purposes.

Cover crops can be planted: with no subsequent crop planted, before a subsequent crop, after prevented planting acreage, after a planted crop, or into a standing crop.

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Filing CCC-941 Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. LDPs will not be paid until all eligible producers, including landowners who share in the crop, have filed a valid CCC-941.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2015, 2016, 2017 and 2018. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

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2016, 2017 and 2018 Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2016, 2017 and 2018 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 701-893-2231. 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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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 and to purchase portable (new or used) structures, equipment and storage and handling trucks.

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.

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

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Crop Year 2018 Commodity Loan Rates

USDA's Commodity Credit Corporation has announced the 2018 marketing assistance loan rates for wheat, corn, grain sorghum, barley, oats, soybeans and each "other oilseed" (canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed) and pulse crops.

The rates are posted on the Farm Service Agency (FSA) website at www.fsa.usda.gov/programs-and-services/price-support/commodity-loan-rates/index.

Marketing assistance loans provide interim financing to producers so that commodities can be stored after harvest when market prices are typically low, to be sold later when price conditions are more favorable.

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USDA Announces Enrollment Period for Safety Net Coverage in 2018

FSA today announced that starting Nov. 1, 2017, farmers and ranchers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net program may enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018.

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

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 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 previous years must still enroll during the 2018 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.

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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Fruit, Vegetable and Wild Rice Planting Rules

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA’s Commodity Credit Corporation.

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2017 ARC-IC – Farm Benchmark and Actual Yield Certification

Producers, who have a 2017 ARC-IC program contract on one or more FSA farms, must complete the certification of ARC-IC yields for each ARC-IC farm and each covered commodity planted in 2017 by not later than **July 16, 2018.**

Production evidence that can be used to support the certified yields can be from the following sources:

- Crop Insurance loss records
- Crop Insurance APH data base records
- Sales records (buyer specific)
- Farm stored production records, appraisals

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Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our 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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Calendar Deadlines

Important Upcoming Dates and Deadlines
Now through **August 1, 2018-** 2018 ARC/PLC annual signup period
April 15 - August 1, 2018 – Primary nesting season in North Dakota
May 28, 2018 – All USDA Service Centers will be closed in observance of Memorial Day
May 31, 2018 – Final day to obtain FSA/CCC grain loans for 2017 corn, soybeans and oilseeds
July 4, 2018- All USDA Service Centers will be closed in observance of Independence Day
July 16, 2018 – Deadline to report your 2018 spring planted acreage

April 2018 Loan and Interest Rates

Commodity Loans –**3.000%**
Operating Loans – **3.500%**
Farm Ownership and Conservation Loans – **4.000%**
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 – **2.375%**
Farm Storage Facility Loan, 5-Year – **2.625%**
Farm Storage Facility Loan, 7-Year – **2.750%**
Farm Storage Facility Loan, 10-Year – **2.875%**
Farm Storage Facility Loan, 12-Year – **2.875%**