

January 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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North Dakota FSA eNews

North Dakota Farm Service Agency

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Brad Thykeson

From the State Executive Director- Brad Thykeson

I would like to take a moment to wish you all a Happy New Year. The start of a new year is energizing and brings optimism and excitement for us all.

This past weekend mother nature sure tested our North Dakota strength by delivering us record-breaking cold temperatures. A lot of people have the pleasure to escape the cold by staying indoors when bitter cold temps set in. Ranchers however, do not have that option, as they are out caring for their livestock, making

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sure their animals are warm and well fed with unfrozen water sources. Many are calving, or lambing and will go to any extreme to care for these animals even if it involves inviting a newborn calf into the entry way or the bath tub to warm them up.

When you think of all the dedication it takes -- 365 days a year-- in all sorts of extreme weather events and circumstances that are out of our control, it really is humbling to know what farmers and ranchers do to provide a safe and abundant food source to help feed the World.

Find Your Local Office:

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

On the bright and warm side, the days are getting longer with future forecast projections to include some potential double-digit above zero-degree temperatures, so this too shall pass!

A few items to highlight in this month's newsletter include:

- 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. The deadline to file a notice of loss for 2017 Livestock Indemnity Program (LIP) is January 30, 2018
- Continuous CRP sign-up might be of interest to some landowners
- During these winter months stop by your County FSA Office to sign-up for 2018 ARC/PLC, update records, record any changes in land that you will be farming, and to report any changes with your bank account
- Don't forget to fill out your census of Ag packets. The information collected matters and is used to determine important farm program data
- Producers who received 2017 program payments above \$600.00 will have a IRS-1099-G, mailed to them by the end of the month

Stay safe and warm out there everyone!

-Brad Thykeson

Livestock Indemnity Program – Deadline Nearing

The deadline to file a notice of loss for 2017 Livestock Indemnity Program (LIP) is **January 30, 2018.**

For 2017 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, 2017 through December 31, 2017 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, 2018.

Livestock producers must provide proof of death and inventory numbers of eligible livestock that died due to an eligible adverse weather event. The inventory numbers represent the number of eligible livestock before and after the adverse weather event(s) that cause the death of the livestock.

Beginning and ending inventory documents can include, veterinary records, balance sheets, inventory numbers used for tax purposes, loan records, sales and purchase records and other similar documents. Proof of death documentation may be rendering truck receipts, FEMA records, veterinary records, private insurance documents, contemporaneous records that existed at the time of the weather event(s), pictures with a date, and other similar documents.

Producers are encouraged to contact their local FSA Office for detailed information pertaining to LIP.

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2017 Livestock Forage Program Deadline Nears

Producers with land physically located in the following counties are eligible to apply for 2017 Livestock Forage Disaster Program (LFP) benefits on small grain for grazing, native pasture, improved pasture, forage sorghum for grazing:

Adams, Billings, Bottineau, Bowman, Burke, Burleigh, Dickey, Divide, Dunn, Emmons, Golden Valley, Grant, Hettinger, Kidder, LaMoure, Logan, McHenry, McIntosh, McKenzie, McLean, Mercer, Morton, Mountrail, Oliver, Pierce, Renville, Sheridan, Sioux, Slope, Stark, Ward and Williams.

LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land. Eligible livestock producers must complete a CCC-853 and the required supporting documentation no later than **January 30, 2018 for 2017 losses.**

Additional Information about LFP, including eligible livestock and fire criteria, is available at your local FSA office or online at: www.fsa.usda.gov.

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Emergency Livestock Disaster Programs

Livestock producers, including Honeybee and Farm-raised Fish producers, are reminded that the 2018 Emergency Livestock Disaster Program (ELAP) program year began October 1, 2017 and continues through September 30, 2018.

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 2018 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, 2018. 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 2018 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 2017, this acreage cap was close to being reached and the Secretary of Agriculture suspended all continuous CRP signups except for CRP Grasslands and CREP (Conservation Reserve Enhanced Program).

Currently, FSA County Offices can only accept offers to enroll land into CRP Grasslands or ND Riparian CREP II. All county offices can accept offers for CRP Grasslands, but only producers in the following counties can submit offers for CREP II: Adams, Billings, Bowman, Burleigh, Dunn, Emmons, Golden Valley, Grant, Hettinger, McKenzie, Mercer, Morton, Oliver, Sioux, Slope and Stark.

However, even though FSA cannot accept offers for other CRP practices, we encourage producers to visit with the local FSA Office to learn more about the various options/practices to address conservation resource concerns. At this time it is not known when FSA can begin accepting offers for enrollment into other CRP practices, so it would be prudent to gain some knowledge on what requirements must be met, what management activities must be conducted, etc, prior to being able to submit an offer. Producers and landowners should also visit with NRCS to see what options are available for certain parcels of land, such as whether or not a tree planting would meet the resource concern, or re-storing the hydrology of a wetland, or installing a sod water-way to control erosion. All these things can/should be discussed before an offer is submitted. Once it is learned that FSA can accept offers for the other CRP practices, it will be announced in this newsletter and other media sources.

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The Census of Agriculture is a Producer's Voice, Future, and Opportunity.

In December farmers and ranchers across the nation will receive the 2017 Census of Agriculture. Producers can mail in their completed census form, or respond online via the improved web questionnaire. The online questionnaire has been revised extensively to make it more convenient for producers.

Conducted once every five years, the census of agriculture is a complete count of all U.S. farms, ranches, and those who operate them; it is the only source of uniform, comprehensive, and impartial agriculture data for every state and county in the nation.

Farmers and ranchers, trade associations, government, extension educators, researchers, and many others rely on census of agriculture data when making decisions that shape American agriculture – from creating and funding farm programs to boosting services for communities and the industry. The census of agriculture is a producer's voice, future, and opportunity.

For more information about the 2017 Census of Agriculture, visit www.agcensus.usda.gov or call (800) 727-9540.

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Restrictions on Removing CCC Loan Collateral

Producers with grain under Commodity Credit Corporation (CCC) loan are reminded that 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 Service Agency – A Vital Source of Assistance to America’s Farmers and Ranchers

Through the work of dedicated staff in over 2,100 county and state offices, the U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) provides vital farm safety-net assistance to agricultural producers across America.

The ‘safety net’ provided in the 2014 Farm Bill has helped producers withstand economic losses as well as losses resulting from natural disasters. Loans for operating expenses, farm purchases and other purposes help current producers stay in business and allow a new generation of farmers and ranchers get their start.

Agriculture demands working capital. FSA provided credit, either directly or guaranteed through commercial lenders, to 120,000 family farmers across the country.

In fiscal year 2017, USDA Farm Loan Programs pumped \$6 billion in support to a diverse group of producers across America. That was the second highest total in FSA history. Over \$2.5 billion of that total was direct and guaranteed operating loans, and another \$3.5 billion was allocated for direct and guaranteed farm ownership loans. This additional financing enabled farmers and ranchers across the country to access capital to start their operations, or to expand their existing operations. The new lending continued the recent growth in FSA’s farm loan portfolio.

FSA highlights from the year include:

Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC) and Conservation Reserve Program (CRP)

- USDA is issuing approximately \$8 billion in payments under the ARC and PLC programs to agricultural producers who suffered market downturns in 2016.
- In 2017, FSA distributed \$1.6 billion in CRP payments to over 375,000 Americans for doing their part in improving water quality, reducing soil erosion and increasing wildlife habitat.

Disaster Assistance

In response to Hurricanes Harvey, Irma and Maria, USDA announced special procedures to assist producers in states and territories who lost crops or livestock or had other damage to their farms or ranches. Also, because of the severe and widespread damage caused by the hurricanes, USDA provided flexibility to assist farm loan borrowers. FSA dispatched additional staff to the affected areas and, in response to a request for assistance, rolled out a special program providing vouchers to dairy herd owners in Puerto Rico who used the assistance to purchase feed.

USDA also provided extensive assistance for a variety of other disasters throughout the country, including drought in the northern high plains, wildfires in the west and central plains, floods, tornados, freezes and other storms. For example, in July, USDA authorized the use of additional CRP lands for emergency grazing and haying in and around portions of Montana, North Dakota and South Dakota affected by severe drought. USDA also added the ability for farmers and ranchers in those areas to hay and graze CRP wetland and buffer practices. This followed a previous action in April and June to assist the area and provided livestock producers with an additional feed source. In October, FSA teamed with other USDA agencies to provide assistance to wildfire-damaged areas of northern California, including loans and other disaster assistance programs.

New Farmers

In August, Agriculture Secretary Sonny Perdue signed a Memorandum of Understanding with officials from SCORE, the nation’s largest volunteer network of expert business mentors, to support new and beginning farmers. The agreement provides new help and resources for beginning ranchers, veterans, women, socially disadvantaged Americans and others, providing new tools to help them both grow and thrive in agri-business.

These accomplishments are in line with Secretary Perdue's goals of maximizing the ability of the men and women of America's agriculture and agribusiness sector to create jobs, prioritizing customer service every day for American taxpayers and consumers and ensuring the food we produce meets the strict safety standards we've established while always remembering that America's agricultural bounty comes directly from the land.

For more information about FSA program, please visit www.fsa.usda.gov or contact your local FSA office. To find an FSA location near you, visit <http://offices.usda.gov>.

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IRS Reporting for Tax Year 2017

Producers which are recipients of program payments during calendar year 2017 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 2018.

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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Crop Year 2017 Wool

Wool and mohair producers are reminded that the deadline to apply for loans on wool and mohair shorn in calendar year **2017 is January 31, 2018.**

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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.

Producers are reminded that crops not covered by insurance may be eligible for 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.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2017/CropCriteria.aspx>.

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 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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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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USDA Announces Enrollment Period for Safety Net Coverage in 2018

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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Average Adjusted Gross Income Compliance Reviews

The AGI verification and compliance reviews for 2014, 2015, 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 701-239-5695. 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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Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

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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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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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Calendar Deadlines

Important Upcoming Dates and Deadlines

Now through August 1, 2018: 2018 ARC/PLC annual signup period

January 15, 2018 - FSA Offices closed for federal holiday

January 16, 2018 – 2017 NAP premium billing mailed

January 30, 2018: Last Day to apply for 2017 Livestock Forage Program (LFP)

January 31, 2018 – 2017 Marketing Assistance Loan availability deadline for mohair, unshorn pelts (LDP only), and wool

March 15, 2018 – 2018 NAP sales closing date for spring-seeded annual crops and sorghum forage. For additional crops with a March 15, 2018, sales closing date, contact your local FSA office.

January 2018 Loan and Interest Rates

Commodity Loans – **2.625%**

Operating Loans – **3.000%**

Farm Ownership and Conservation Loans – **3.750%**

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 – **1.875%**
Farm Storage Facility Loan, 5-Year – **2.125%**
Farm Storage Facility Loan, 7-Year – **2.250%**
Farm Storage Facility Loan, 10-Year – **2.375%**
Farm Storage Facility Loan, 12-Year – **2.375%**

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