



March 2008

State Executive Director Comments – Protect Your Privacy

Do you know what you are signing? It has become more and more common for producers to sign Power of Attorney (POA) forms and/or Privacy Release statements. The statements are usually provided to a family member, business partner, or farm manager/consultant. The intent is to give a third party the ability to do business for the producer. This can be very helpful to the producer, freeing up time to concentrate on the physical operation of farming and ranching without having to attend to the daily paperwork with FSA.



However, we caution individuals to be aware of what you are signing and what rights you are giving to the third party. A third party with a blanket POA has the ability to sign up for farm programs, and file appeals with the agency without your knowledge. You may limit the POA to certain program areas or actions. A POA form does not give the third party access to your farm file. A Privacy Release statement gives the third party access to your records but does not give the individual the ability to act on your behalf. A "blanket" Privacy Release statement gives the third party the access to all your FSA records. The third party can make requests for any information from your file without your knowledge. You may also limit a third party's access by specifying only specific information to be released.

We encourage all individuals contemplating use of either a POA or Privacy Release statement to understand the full implications of the document they are executing.

Gary J. Nelson, FSA State Executive Director

Crop Disaster Program

The sign-up date for the 2005/2006/2007 Crop Disaster Program (CDP) has been announced and started on October 15, 2007. Eligible farmers can sign-up for the CDP program if they have one or more insured crops that suffered quantity losses of 35% or greater to their insured crops in the years of 2005, 2006 or 2007. The sign-up for Quality Losses will be announced at a later date.

The CDP program provides benefits to farmers who suffered quantity and quality losses to 2005, 2006, or 2007 crops from natural disasters.

Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to apply for benefits. Producers may apply for benefits for losses to multiple commodities as long as the losses occurred in the same crop year.

Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits. Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP.

To determine an eligible payment under the quantity loss provision, FSA will use loss records from RMA or the NAP application loss record. In most instances producers should not have to provide production records to FSA.

To determine quality loss payments, producers will be required to provide verifiable production records which must clearly indicate the quantity of the crop harvested and the price received for the crop or the price available to the crop had it been sold.

2008 Wool/Mohair Program

The Consolidated Appropriations Act, 2008, authorized loans and LDP's for 2008 crop wool, mohair and unshorn lamb pelts. Eligible wool must have been sheared in calendar year 2008. Unshorn pelts are eligible for LDP only and the unshorn lambs must have been slaughtered in calendar year 2008. Applications will be accepted through March 15, 2008.

Producers are encouraged to file the CCC-633 EZ application for LDP, page 1, prior to loss of beneficial interest. However, through March 15, FSA office will accept both the page 1 and page 4 on the same date even if beneficial interest was lost prior to filing the page 1. This waiver is only applicable to wool, mohair and unshorn pelt LDP's through March 15, 2008.

Wool and mohair applications must specify if the request is for a "graded" LDP or "ungraded" LDP. Graded applications require a copy of the core test results from a CCC-approved testing facility before payment can be issued. Producers cannot change from a graded to ungraded application after submitting a payment request.

Interested producers should contact their local county FSA office for information on LDP application and eligibility requirements.

Commodity Loan and LDP Deadline

Producers planning to use the commodity loan program for their 2007 crops are reminded that March 31, 2008 is the deadline for filing applications for the following 2007 crops: wheat, barley, oats, canola, crambe, flaxseed, rapeseed, sesame seed and honey. March 31 is also the deadline for requesting a loan deficiency payment (LDP) for the crops earning an LDP.

To be eligible for a loan or LDP, a producer must have complied with the annual program requirements for the farm that produced the crop, maintain beneficial interest in the commodity, and not have a delinquent federal nontax debt.

Commodity loan and LDP applications must be filed with the county FSA office that maintains the farm program records for the farm that produced the crop. Producers interested in a commodity loan or LDP on the above listed commodities should contact their local county FSA office staff prior to the March 31 deadline.

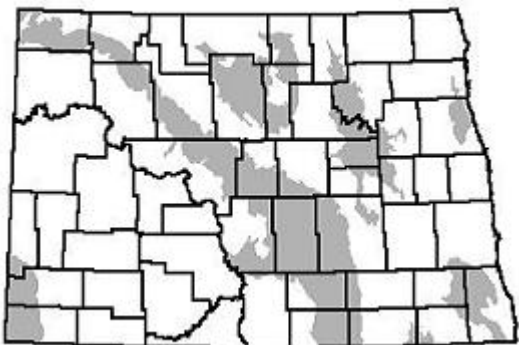
Eligible Commodities and Loan/LDP Final Availability Dates for the 2007 Crop:

Commodity	Final Availability Date
Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, Sesame Seed	March 31, 2008
Corn, Dry Peas, Grain Sorghum, Lentils, Mustard, Safflower, Small Chickpeas, Soybeans, Sunflowers	May 31, 2008

State Acres for Wildlife Enhancement

Land owners and operators will have an opportunity to enroll land into CRP starting later in March under the State Acres for Wildlife Enhancement Initiative (SAFE). There are three project areas in North Dakota. The areas are shown on the map below.

State Acres For Wildlife Enhancement Initiative



New cropland acreage enrolled in CRP under SAFE will be eligible for a signup incentive payment of \$100 per acre. FSA will reimburse the participants for up to 90 percent of the cost to establish the vegetative cover. Other incentives are available through North Dakota Game and Fish Department, Ducks Unlimited and Natural Resources Trust.

Farm Rescue Applications

Applications are now being accepted for planting assistance. Farm families that have experienced a major injury or illness may apply to have up to 1000 acres planted free of charge. Priority is given to applications received by March 15. For further information contact Farm Rescue at (701) 252-2017 or www.farmrescue.org

Conservation Compliance

All participants in USDA programs are required to have a conservation system in place on all the highly erodible land (HEL) that they operate. Several areas where problems can arise with complying with a conservation system are; renting new cropland, purchasing new land, breaking out additional cropland, planting different crops such as soybeans, and changing or removing existing conservation practices. It is very important that you contact the FSA office before doing any of the above. Also, it is very important that you contact our office before modifying - tilling, draining, dredging, filling or leveling - any wetland or drainage ditch. Failure to obtain advance approval for any of these situations can result in loss of all Federal payments and eligibility.

NAP Coverage

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to reduce financial losses that occur when natural disasters cause a catastrophic loss of production or prevented planting of an eligible crop by providing coverage equivalent to catastrophic (CAT) insurance. Statute limits NAP to each commercial crop or agricultural commodity, except livestock, for which CAT is not available.

The application deadline date for the 2008 NAP is March 15. Producers who already have coverage on prior year NAP crops may choose to continue coverage on the same crop or crops for 2008, if the applicable service fee is submitted by the application closing date. A new CCC-471, application for coverage is not required to be signed when applying for continuous coverage of the same crop or crops.

Producers who choose to add a new crop(s) or delete a crop(s) from previous year's coverage or changing crop shares must file a new CCC-471 with signatures and pay the applicable service fee.

Producers with NAP coverage must complete the following to qualify:

- Timely file acreage reports and keep track of harvested production using acceptable methods. For example, bale weights or other means of determining quantities of hay are required.
- File a "Notice of Loss" within 15 days of when a loss is apparent.

Farm Changes

To ensure accuracy of farm records, it is very important that you timely notify the FSA office of all land and address changes. A copy of the applicable recorded deed should be provided to complete land ownership changes. Failure to notify FSA of farm changes may result in refunds of program payments. Farm changes may include items such as:

- Address changes
- Change in bank accounts
- Land purchases or land sales
- Land leases
- Additional members added to an operation
- Changing from an individual to an entity
- Name changes
- Deaths of landowners
- Deaths of members in an operation

National Agricultural Statistics Service Survey

North Dakota NASS will be conducting a survey of farmers and ranchers in March and early April. All data collected are held strictly confidential and only statistical totals are published. Further information is available from the ND NASS Office at 1-800-626-3134.

Beehives on CRP

The Farm Service Agency reconsidered the policy change concerning the placement of beehives on CRP fields. CRP participants are not required to obtain authorization from FSA County Committees before placing the hives on CRP acreage.

FSA Loan Program to Socially Disadvantaged Farm Producers

USDA's Farm Service Agency wants Socially Disadvantaged Farm Producers to know more about its farm loan programs. A socially disadvantaged (SDA) farmer, rancher, or agricultural producer is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as member of the group without regard to his or her individual qualities. SDA groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. In Fiscal Year 2007, North Dakota made a total of 68 Farm Ownership and Farm Operating loans totaling \$4.29 million to socially disadvantaged applicants.

The FSA farm loan program assistance is available to eligible applicants who:

- Are unable to obtain conventional credit,
- Will be the owner or renter of a not larger than a family sized farm.
- Have sufficient training and/or experience in managing and operating a farm,
- Are citizens or lawfully admitted Aliens,
- Show repayment ability for the requested loan,
- Show sufficient security for the requested loan.
- Other eligibility requirements apply to certain loan types.

FSA loans to family sized farmers can be used to purchase land, livestock, equipment, feed, seed, and supplies. FSA loans can be used to construct buildings or make farm improvements. FSA also provides emergency loans to help producers recover from production and physical losses due to drought, flooding, and other natural disasters.

Direct Farm Ownership loans are limited to \$200 thousand with a maximum term up to 40 years. The loans can be used for land purchase, construction of buildings and corrals, plus other improvements, and for soil and water conservation. Interest rates are based on Agency borrowing costs. There are special rates available on temporary basis for limited resource producers who are unable to repay at regular rates.

Direct Operating loans are limited to \$200 thousand with terms usually from 1 to 7 years. Direct Operating funds can be used to purchase livestock, poultry, equipment, feed, seed, farm chemicals and supplies, soil and water conservation, and for refinancing indebtedness with certain limitations. Interest rates are based on Agency borrowing costs. There are special rates available on a temporary basis for limited resource producers who are unable to repay at regular rates.

Emergency Loans may be made to farmers or ranchers who:

- Own or operate land located in a county declared by the president as a disaster area or designated by the Secretary of Agriculture as a disaster or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance).
- Are established family farmer operators and have sufficient farming or ranching experience.
- Are citizens or permanent residents of the United States
- Have suffered at least a 30-percent loss in crop production or a physical loss to livestock, livestock products, real estate, or chattel property.
- Have an acceptable credit history.
- Are unable to receive credit from commercial sources.
- Can provide collateral to secure the loan.
- Have repayment ability.

Producers can borrow up to 100% of actual production or physical losses, to a maximum EM loan amount of \$500,000. Repayment terms and interest rates vary according to the type of loan made, the collateral securing the loans, and the applicant's ability to repay.

FSA also offers Guaranteed Farm Ownership or Guaranteed Farm Operating loans. FSA "Guaranteed" Farm loans provide lenders (e.g., banks, credit unions, Farm Credit institutions) with a guarantee of up to 95% of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. FSA can guarantee Operating Loans or Farm Ownership up to \$949,000 (amount adjusted annually based on inflation)

In addition, the FSA also has Beginning Farmer Down Payment Farm Ownership Program in which FSA loan funds may be used to partially finance the purchase of a family farm or ranch by an eligible beginning farmer. The maximum loan amount for a Beginning Farmers Down Payment Farm Ownership loan is the lesser of 40 percent of the purchase price, or appraised value. The purchase price or appraised value of the farm, whichever is lower, must not exceed \$250,000. Interest rate and terms are 15 years with an interest rate of 4 percent.

FSA encourages you to contact your county Farm Service Agency Office to learn about our Farm Loan programs and the information you will need for a complete application. The local FSA office is also willing to discuss your certain circumstances to determine if you may be eligible. Many FSA loan application forms are available on website at www.fsa.usda.gov

POA for Incapacitated Individuals

If an individual is declared incompetent and a conservator has been appointed by the court to act on behalf of the incompetent individual, the conservator may sign FSA and CCC documents by providing a copy of the court order.

If a conservator has not been appointed, a non-FSA power of attorney (POA) form for the incapacitated individual will be acceptable when all of the following apply:

- The grantor can not complete FSA-211 due to the incapacitation
- The individual appointed as an attorney-in-fact on the non-FSA POA form signs and dates a certification form at FSA
- A copy of the non-FSA POA form is provided to FSA
- The Regional Attorney for FSA approves the non-FSA POA form

Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. Foreign persons who have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties of up to 25% of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

FSA Assists RMA

FSA county office staff will be assisting Risk Management Agency and insurance providers in monitoring crop conditions throughout the growing season. FSA staff will be making two inspections; one during the growing season and one during the time harvest is normal for the crop.

The staff will be checking to see if reported crops have been planted and cared for in a workmanlike manner. All suspected cases of fraud, waste, and abuse of the Federal Crop Insurance Program will be referred to RMA.

Producers may report suspected cases of fraud, waste, and abuse to the county office staff, RMA office or Office of Inspector General. FSA will also assist RMA with auditing claims.

County Committee Elections

The County Committee elections which were held in December are now complete. Results of the election for your county may be obtained by contacting your local county office.

Beware of Crop Insurance Rebating Schemes

With the spring sales closing date for many Federal crop insurance policies right around the corner, crop insurance agents have stepped up their marketing efforts. The Risk Management Agency (RMA) has received reports from producers and agents that some aggressive marketers have been approaching producers with rebating offers. These schemes promise lower insurance premiums, refunds, dividends, or items of value tied to crop insurance purchases. Most of these activities are illegal. RMA reminds all Federal crop insurance program participants that it is now coordinating with state regulators to take appropriate regulatory action against all those who are found to promote or participate in such schemes. **Producers who are found to participate in illegal rebating activities will not only lose their crop insurance coverage but will also lose eligibility in all USDA programs.** Producers and agents can report suspicions of illegal rebating to the OIG Hotline: 1-800-424-9121.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's Target Center at (202) 720-2600 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW., Washington, DC 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

Selected Interest Rates for March 2008	
90-Day Treasury Bill	3.125%
Farm Operating - Direct	3.750%
Farm Ownership - Direct	4.875%
Limited Resource	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	4.000%
Emergency	3.750%
Farm Storage Facility	3.125%
Sugar Storage Facility	4.250%
Commodity Loans	3.125%