



News Release



For Immediate Release

USDA Farm Service Agency
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2010 Direct and Counter-cyclical Program and ACRE Signup Begins

Bozeman, MT – The USDA Farm Service Agency (FSA) has started signup for the 2010 Direct and Counter-cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program and will continue through June 1, 2010. No late-filed applications will be accepted.

Direct payments under both DCP and ACRE are computed using base acres and payment yields established for each farm. For 2010, eligible producers may request to receive advance direct payments based on 22 percent of the direct payment. Advance direct payments will be issued beginning Dec. 1, 2009. Counter-cyclical payment rates vary depending on market prices. Counter-cyclical payments are issued only when the effective price for a commodity is below its target price. The effective price is the higher of the national average market price received during the 12-month marketing year for each covered commodity and the national average loan rate for a marketing assistance loan for the covered commodity.

The optional ACRE Program provides a safety net based on state revenue losses and acts in place of the price-based safety net of counter-cyclical payments under DCP. A farm's payment is based on a revenue guarantee calculated using a 5-year state yield and the most recent 2-year national price for each eligible commodity. For the 2010 crop, the 2-year price average will be based on the 2008 and 2009 crop years. The decision to enroll in ACRE is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. The payment is based on 83.3 percent (85 percent in 2012) of the farm's planted acres times the difference between the State ACRE guarantee and the state revenue times the ratio of the farm's yield divided by the state expected yield. The total number of planted acres for which a producer may receive ACRE payments may not exceed the total base acreage on the farm. In, exchange for participating in ACRE, in addition to not receiving counter-cyclical payments, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

For further information on eligibility requirements and payments, contact your local USDA Service Center or logon to the Montana FSA website at <http://www.fsa.usda.gov/mt>.

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