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MONTANA FSA: January 2014 eNewsletter

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[*Click here for online directory of Montana FSA county offices.](#)
&

Report 2014 Fall Crops by this Wednesday, January 15, 2014 to Avoid Late Fees

Montana producers have until January 15, 2014 to report crops that had a November 15, 2013 reporting deadline without paying a late-file fee. Crops under this waiver include all fall seeded annual crops and all perennial forage crops including native and improved grasses intended for grazing or haying.

"While a new farm bill is pending in Congress, it is very important that Montana producers visit their local FSA County office to file an accurate fall crop certification report by January 15, 2014 in order to avoid late-file fees," said Bruce Nelson, Montana FSA state executive director.

Reminder of other acreage reporting deadlines:

- January 2, 2014 - NAP Honey (or within 30 calendar days of the date colonies of bees are acquired, brought into, or removed from the county)
- January 15, 2014 – Cherries, Established Stand Alfalfa Seed, Fall Seeded Alfalfa Seed

[*Click here for a pdf of the Montana FSA State & County Office Directory](#)

- July 15, 2014 – Spring Seeded Alfalfa Seed, Forage Seeding, all other crops

The following exceptions apply to the above acreage reporting dates:

Reasonable

Accommodations:

People with disabilities who require accommodations to participate in FSA programs should contact the County Executive Director in the FSA Office in your area or Federal Relay Service at 1-800-877-8339. Alternatively, you may also contact Montana FSA Civil Rights Coordinator Jennifer Cole at (406) 587-6786 or jennifer.cole@mt.usda.gov.

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only", "green manure", "left standing", or "seed", then the acreage must be reported by July 15.

Late-file fees will be assessed for 2014 fall reported crops (all fall seeded annual crops and all perennial forage crops including native and improved grasses intended for grazing or haying that were required to be reported by 11/15/13) if reported after January 15, 2014. For questions regarding FSA crop certification please contact your local FSA County office.

2014 NAP - Noninsured Crop Disaster Assistance Program: March 17th Sales Closing Date

The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to eligible producers affected by a natural disaster. The program covers crops for which Federal Crop Insurance is not available. NAP covers losses greater than 50% of your expected production, based upon your approved yield and reported acreage. To apply for 2014 crop coverage, producers must complete a CCC-471 application for coverage and pay the service fee. The application and service fee must be filed by the applicable sales closing date. The service fee is \$250 per crop per county or \$750 per producer per county, not to exceed \$1875 per producer in all counties. Producers must purchase NAP policies for all spring planted crops, including grass for hay and grazing, by the 2014 sales closing date of March 17, 2014. For questions on NAP, contact your local FSA county office.

Producers encouraged to VOTE in your County Committee Election! Last Day to return corrected voted ballots to the county office (or postmarked by) is Fri., Jan. 17th

FSA County Committee Elections in counties across Montana began Dec. 20, with the mailing of new ballots to eligible voters. The deadline to return the ballots to local FSA offices is Jan. 17, 2014. Producers have been instructed to destroy the FSA County Committee Election ballots (FSA-669's) mailed on Nov. 4. The new ballots mailed to producers have the word "corrected" printed on the outside of the mailing, the ballot itself, and the return envelope. Producers must complete and return the corrected FSA-669 to have their vote counted. Eligible voters who did not receive a ballot can obtain one from their local FSA county office. The last day for voters to submit corrected ballots in person to local FSA county office is Jan. 17. Ballots returned by mail must be postmarked no later than Jan. 17. Newly elected committee members and their alternates will take office Feb. 18, 2014.

IRS Reporting For Tax Year 2013

Producers which are recipients of program payments during calendar year 2013 will receive form IRS-1099-G detailing payments producers have 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 2014. CCC will not issue form IRS 1099-G when CCC program payments total less than \$600. 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 cannot 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/eauth/WhatIsAccount.html>.

FSA reminds producers to anticipate payment reductions due to mandated sequester

FSA is reminding farmers and ranchers who participate in FSA programs to plan accordingly in FY2014 for automatic spending reductions known as sequestration. The Budget Control Act of 2011 (BCA) mandates that federal agencies implement automatic, annual reductions to discretionary and mandatory spending limits. A 5.1% sequester applies for 2013 crop loans issued after October 1, 2013 for 2013 Crop Marketing Assistance Loans, 2013 Crop Loan Deficiency payments and 2013 Crop Sugar Loans. In addition, a sequestration reduction of 8.6 percent has been applied to all 2013 Direct and ACRE Direct payments (5.1% plus 3.5% for interchange).

For mandatory programs, the sequestration rate for FY2014 is 7.2 percent. Accordingly, FSA is implementing sequestration for the following programs:

- Dairy Indemnity Payment Program;
- Noninsured Crop Disaster Assistance Program;
- 2011 Supplemental Revenue Assistance Program;
- 2014 Crop Marketing Assistance and Sugar Loans, if authorized. There is currently no authority to make Crop Year 2014 Grain or Sugar loans due to the expiration of the 2008 Farm Bill.

Conservation Reserve Program payments are specifically exempt by statute from sequestration, thus these payments will not be reduced. These sequester percentages reflect current law estimates; however with the continuing budget uncertainty, Congress still may adjust the exact percentage reduction. This announcement intends to help producers plan for the impact of sequestration cuts in FY2014. At this time, FSA is required to implement the sequester reductions. Due to the expiration of the Farm Bill on September 30, FSA does not have the flexibility to cover these payment reductions in the same manner as in FY13. For information about FSA programs, visit your county USDA Service Center or go to www.fsa.usda.gov/mt.

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 the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property, or a copy of your lease for leased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office about a change in operations on a farm so that records can be kept current and accurate.

Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

Restrictions on Removing CCC Loan Collateral

Producers planning to remove grain under a Commodity Credit Corporation (CCC) loan must contact their local FSA office prior to removal. Unauthorized removal, which includes removal for cleaning for seed or planting, 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.

FSA Allows Lenders to Use Evaluations Instead of Appraisals for Loans of \$250,000 or Less

Lenders that originate Farm Service Agency (FSA) guaranteed loans may now use internal real estate "collateral evaluations" to support loan requests of \$250,000 or less, rather than appraisals. This policy change will allow lenders more flexibility and a faster underwriting process, and is consistent with industry standards. Lenders must follow their regulator's "Interagency Appraisal and Evaluation Guidelines" and apply these same policies to FSA guaranteed loans as non-guaranteed loans. In addition, lenders should request an appraisal when they would do so for unguaranteed loans even if the loan is under the threshold, such as when the expected loan-to-value is above their established standards. A description of the method of establishing the real estate value – whether appraisal or evaluation – needs to be described to FSA in their credit presentation.

Emergency Loan Program available in Montana disaster counties

FSA's Emergency Loan Program is available for agricultural producers in counties designated as primary or contiguous natural disaster areas (link to Montana disaster counties to date is available below). At this time, for FSA, the Secretarial and Presidential designation only triggers the Emergency Loan Program. Eligible producers have eight months from the date of the disaster designation to apply for low-interest emergency loans to 1.) restore or replace essential property; 2.) pay all or part of production costs associated with the disaster year; 3.) pay essential family living expenses; or 4.) refinance certain debts, excluding real estate. Producers interested in applying for an emergency loan, or other FLP loans, should contact their local FSA office to set up an appointment with the Farm Loan Program staff serving your area.

- [Click here for a map of Montana disaster counties to date.](#)

2013 ACRE Program – Farm Benchmark Yield Update

Producers who have a 2013 Average Crop Revenue Election (ACRE) program contract on one or more FSA farms, must complete the FSA-658 (Record of Production & Yield) for each ACRE farm and each covered commodity planted in 2013 by not later than July 15, 2014. In the event a farm bill is enacted in the upcoming months, producers are encouraged to complete the 2013 production certification as soon as possible.

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

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

Register for Montana's Next Generation Conference by Jan. 17

It's not too late to get your registration in for Montana's Next Generation Conference! Marias River Livestock Association, FSA, Farm Bureau and MSU Extension are proud to bring this event to Shelby for 2014. The two day event will kick off at 1 pm on Friday, Jan. 24th at the Coyote Club and Events Center in Shelby, MT with Kevin Spafford of Legacy by Design. He will lead workshop participants through the succession planning process and give helpful advice on how to bring the next generation back to the family operation. Following his presentation, there will be a roast beef dinner and discussion panel with local experts in everything from accounting to insurance to local farmers who have successfully completed the succession planning process. Saturday's agenda will include workshops on crops, livestock and estate planning from 9 am to 5pm. Producers won't want to miss the great workshops on financial recordkeeping, Beef Cattle Rumen Nutrition,

Long Term Health Care Insurance, Crop and Livestock Marketing tips, Crop Scouting, two producer discussion panels and much more. The day will conclude with a mini-trade show and social. "As the average age of producers rapidly approaches 60, we need to make sure we have provided all generations with the tools necessary to carry Montana's agriculture into the future. I strongly encourage producers of all ages to make it a priority to attend this conference and help secure the future of their operation for many generations," said Lacy Roberts, Glacier County Farm Loan Manager. Registration forms are available online at http://www.mariasriverlivestock.com/next_generation_conference.html or like us on Facebook at <https://www.facebook.com/Montanasnextgeneration> or by calling the Glacier County FSA office at 406-873-5618, ext. 2.

USDA Rural Development Seeking Applications for its Value-Added Producer Grants (VAPG) Program

The deadline for applications under USDA Rural Development's VAPG program is February 24, 2014. The primary objective of the VAPG program is to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the end goals of this program. You may receive priority if you are a beginning farmer or rancher, a socially-disadvantaged farmer or rancher, a small or medium-sized farm or ranch structured as a family farm, a farmer or rancher cooperative, or are proposing a mid-tier value chain, as defined in the Program Regulation. Grants are awarded on a competitive basis. The maximum grant is \$75,000 for planning grants and \$200,000 for working capital grants. Producers must match the grant funds requested with cash or eligible in-kind funds. Additional information can be found at: http://www.rurdev.usda.gov/BCP_VAPG.html. Contact your servicing USDA Rural Development office for assistance. Montana FSA's Servicing offices can be found at: <http://www.rurdev.usda.gov/mtHome.html>.

Important FSA Dates and Deadlines

- Jan. 2: 2014 Acreage Reporting Deadline for Honey covered under NAP (or 30 days after placement of colonies)
- Jan. 15: 2014 Acreage Reporting Deadline for Cherries, Established Stand Alfalfa Seed, Fall Alfalfa Seed
- Jan. 17: Last day to return corrected voted County Committee Election ballots to the county office (or postmarked by this date)
- Jan. 31: Final Loan/LDP Availability Date for 2013 Crop Wool and LDP only for Unshorn Pelts
- Feb. 18: New County Committee Members and Alternates Take Office
- March 17: 2014 Non-insured Crop Disaster Assistance Program (NAP) Sales Closing Date for 2014 Spring Planted and Forage Crops
- March 31: Final Loan/LDP Availability Dates for 2013 Crop Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Sesame seed and Wheat
- June 2: Final Loan/LDP Availability Dates for 2013 Crop Corn, Dry peas, Grain sorghum, Lentils, Mustard seed, Safflower, Small chickpeas, Large chickpeas, Soybeans and Sunflower seed.
- July 15: 2014 Acreage Reporting Deadline for Spring Seeded Alfalfa Seed, Forage Seeding, all remaining crops not required to be reported by previously announced deadlines.

January Loan and Interest Rates

- Commodity Loans -1.125%
 - Operating Loans - 1.875%
 - Farm Ownership Loans - 4.125%
 - Farm Ownership - Down Payment Loans - 1.50%
 - Emergency - Amount of Actual Loss - 2.875%
 - Farm Storage Facility Loan, 7-Year - 2.250%
 - Farm Storage Facility Loan, 10-Year - 2.875%
 - Farm Storage Facility Loan, 12-Year - 3.000%
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USDA is an equal opportunity provider and employer. 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).