

September 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Montana FSA: September 2018 Newsletter

- [Message from State Executive Director Mike Foster](#)
- [USDA Launches Trade Mitigation Programs](#)
- [2019 NAP: USDA Encourages Producers to Consider Risk Protection Coverage: Oct. 1, 2018 Deadline](#)
- [Nearly \\$2 Billion Now Available for Eligible Producers Affected by 2017 Hurricanes and Wildfires](#)
- [USDA Reopens Application Period for Producers Recovering from Cattle Loss, Other Disasters](#)
- [Update Your Records](#)
- [Emergency Loans Available in Montana Disaster Areas](#)
- [USDA Farm Service Agency Approves First Micro Lender in Montana](#)
- [Low-Interest Financing for Storage and Handling Equipment](#)
- [Farm Service Agency Loan Rates for September 2018](#)
- [Environmental Review Required Before Project Implementation](#)
- [Organic Certification Cost Share Program \(OCCSP\)](#)
- [USDA and Agricultural Resources](#)

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Message from State Executive Director Mike Foster

U.S. Secretary of Agriculture Sonny Perdue announced details and sign-up for the Market Facilitation Program (MFP) administered by USDA Farm Service Agency. MFP will provide direct payments to help corn, cotton, sorghum, soybean, wheat, dairy, and hog producers who have been directly impacted by illegal retaliatory tariffs, resulting in the loss of traditional exports. For each commodity covered, the payment rate will be dependent upon the severity of the trade disruption and the period of adjustment to new trade patterns, based on each producer's actual production.

Beginning Sept. 4, Market Facilitation Program applications are available at your local FSA service center and online at www.farmers.gov/mfp. Interested producers can apply after harvest is complete and they can report their total 2018 production. Producers can submit their applications to FSA online, in person, by email, fax or by mail. Learn more about MFP in the [MFP Factsheet](#) and the next newsletter article.

In the next few months, I will be traveling the state to visit FSA offices and employees across Montana. Last week, I, along with state leadership from USDA Natural Resources Conservation Service (NRCS) and Rural Development (RD), traveled to the Blackfoot Reservation where we met with Blackfoot Tribal Officials. While in Browning, I announced FSA's first approved guaranteed agricultural Micro Lender in Montana,

Directories:

[Online Directory of FSA Offices in Montana](#)

[PDF of Montana FSA Directory](#)

[PDF of Montana USDA Directory](#)

Special Accommodations:

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office directly or by phone or the Federal Relay Service at 1-800-877-8339. Alternatively, you may contact Montana FSA Civil Rights Coordinator Jennifer Cole at (406) 654.1333, ext. 117 or jennifer.cole@mt.usda.gov.

NACDC-Financial Services of Browning. You can read an article in this issue for more details. Another exciting project is brewing at Blackfeet Community College where tribal college officials, USDA and partners are developing agricultural curriculum for the next generation. We are very excited about this national project.

There are several upcoming FSA program dates and deadlines for Montana producers.

- **Sept. 4:** First day of Market Facilitation Program Signup
- **Sept. 13:** 2018 CRP Summer/Fall Grazing Period Ends
- **Sept. 30:** 2018 CRP Managed Harvesting Period Ends
- **Oct. 1:** 2019 Noninsurable Crop Disaster Assistance Program (NAP) Application Closing Date for Annual Fall-Seeded Crops, Perennial Forage and Grazing, Mixed Forage Crops (including spring seeded annual types of mixed forage), Rye, Speltz, Triticale, Wheat and Garlic
- **Nov. 1:** 2018 Emergency Assistance for Livestock, Honeybees & Farm-Raised Fish Program (ELAP) Application for Payment Deadline
- **Nov. 5:** County Committee Election Ballots will be mailed to Eligible Voters
- **Nov. 12:** All Hay Bales Must be Removed from Managed Conservation Reserve Program (CRP)
- **Nov. 15:** 2019 Acreage Reporting Deadline for Apiculture, Perennial Forage, Pasture, Rangeland, Forage (PRF) including Native Grass, Fall Wheat (Hard Red Winter), and all other Fall-Seeded Small Grains. Please note that this is the final date that FSA can accept late-filed 2018 reports for these crops.
- **Nov. 16:** Last day of 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) Signup
- **Dec. 1:** 2019 NAP Application Closing Date for Honey Producers
- **Dec. 3:** Last Day to Return Voted County Committee Election Ballots to local FSA Offices

Contact your local FSA office for program assistance and with any questions you may have.

Sincerely,
Mike Foster

USDA Launches Trade Mitigation Programs

On Sept. 4, 2018, USDA launched the trade mitigation package aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. Producers of certain commodities can now sign up for the Market Facilitation Program (MFP).

USDA [provided details in August](#) of the programs to be employed. USDA's Farm Service Agency (FSA) will administer the Market Facilitation Program (MFP) to provide payments to corn, cotton, dairy, hog, sorghum, soybean, and wheat producers. An announcement about further payments will be made in the coming months, if warranted. USDA is currently working to determine how to address market disruptions for producers of almonds and sweet cherries.

The sign-up period for MFP is now open and runs through Jan. 15, 2019, with information and instructions provided at www.farmers.gov/mfp. MFP provides payments to cotton, corn, dairy, hog, sorghum, soybean, and wheat producers who have been significantly impacted by actions of foreign governments resulting in the loss of traditional exports. Eligible producers should apply after harvest is complete, as payments will only be issued once production is reported.

A payment will be issued on 50 percent of the producer's total production, multiplied by the MFP rate for a specific commodity. A second payment period, if warranted, will be determined by the USDA.

Market Facilitation Program

<u>Commodity</u>	<u>Initial Payment Rate</u>	<u>Estimated Initial Payment**</u> <u>(In \$1,000s)</u>
Cotton	\$0.06/lb.	\$276,900
Corn	\$0.01/bu.	\$96,000
Dairy (milk)	\$0.12/cwt.	\$127,400
Pork (hogs)	\$8.00/head	\$290,300
Soybeans	\$1.65/bu.	\$3,629,700
Sorghum	\$0.86/bu.	\$156,800
Wheat	\$0.14/bu.	\$119,200
Total		\$4,696,300

**Initial payment rate on 50% of production

MFP payments are limited to a combined \$125,000 for corn, cotton, sorghum, soybeans, and wheat capped per person or legal entity. MFP payments are also limited to a combined \$125,000 for dairy and hog producers. Applicants must also have an average adjusted gross income for tax years 2014, 2015, and 2016 of less than \$900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

For more further information or to locate and contact local FSA offices, interested producers can visit www.farmers.gov

2019 NAP: USDA Encourages Producers to Consider Risk Protection Coverage: Oct. 1, 2018 Deadline

Montana producers have until **Oct. 1, 2018** to sign-up for FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage for all 2019 Annual Fall-Seeded Crops, Perennial Forage and Grazing, Mixed Forage Crops (includes Spring Seeded Annual Types of Mixed Forage), Rye, Speltz, Triticale, Wheat and Garlic.

NAP provides a catastrophic level (CAT) coverage based on the amount of loss that exceeds 50 percent of the expected production at 55 percent of the average market price for the crop.

In order to meet eligibility requirements for NAP, crops must be noninsurable, commercially-produced agricultural commodity crops for which the catastrophic risk protection level of crop insurance is not available. If the Risk Management Agency (RMA) offers coverage for a crop in the county, NAP coverage is not available for that crop. For questions regarding insurability of a crop, please contact your local crop insurance agent. For information on whether a crop is eligible for NAP coverage, please contact your local FSA office.

The NAP service fee for all coverage levels is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties. FSA will waive NAP service fees for underserved, limited resource, and beginning farmers. For questions regarding NAP, please contact your local FSA office.

For more information, visit the national NAP page at: <http://www.fsa.usda.gov/nap>.

[NAP Program Factsheet](#) (pdf)

Nearly \$2 Billion Available for Eligible Producers Affected by 2017 Hurricanes and Wildfires

2017 WHIP Signup: July 16, 2018 to Nov. 16, 2018

Agricultural producers affected by hurricanes and wildfires in 2017 now apply for assistance to help recover and rebuild their farming operations. Signup began July 16, 2018, and continues through Nov. 16, 2018.

Hurricanes and wildfires caused billions of dollars in losses to America's farmers last year. Our objective is to get relief funds into the hands of eligible producers as quickly as possible. We are making immediate, initial payments of up to 50 percent of the calculated assistance so producers can pay their bills.

Additional payments will be issued, if funds remain available, later in the year.

The program, known as the 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) was authorized by Congress earlier this year by the Bipartisan Budget Act of 2018.

Eligible crops, trees, bushes, or vines, located in a county declared in a Presidential Emergency Disaster Declaration or Secretarial Disaster Designation as a primary county are eligible for assistance if the producer suffered a loss as a result of a 2017 hurricane. **Also, losses located in a county not designated as a primary county may be eligible if the producer provides documentation showing that the loss was due to a hurricane or wildfire in 2017.** A list of counties that received qualifying hurricane declarations and designations is available at <https://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/wildfires-and-hurricanes-indemnity-program/index>. Eligibility is determined by Farm Service Agency (FSA) county committees.

Agricultural production losses due to conditions caused by last year's wildfires and hurricanes, including excessive rain, high winds, flooding, mudslides, fire, and heavy smoke, could qualify for assistance through the program. Typically, 2017 WHIP is only designed to provide assistance for production losses, however, if quality was taken into consideration under the insurance or Noninsured Crop Disaster Assistance Program (NAP) policy, where production was further adjusted, the adjusted production will be used in calculating assistance under this program.

Eligible crops include those for which federal crop insurance or NAP coverage is available, excluding crops intended for grazing. A list of crops covered by crop insurance is available through the U.S. Department of Agriculture's (USDA) Actuarial Information Browser at <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser>.

Eligibility will be determined for each producer based on the size of the loss and the level of insurance coverage elected by the producer. A WHIP factor will be determined for each crop based on the producer's coverage level. Producers who elected higher coverage levels will receive a higher WHIP factor.

The 2017 WHIP payment factor ranges from 65 percent to 95 percent, depending upon the level of crop insurance coverage or NAP coverage that a producer obtained for the crop. Producers who did not insure their crops in 2017 will receive 65 percent of the expected value of the crop. Insured producers will receive between 70 percent and 95 percent of expected value; those who purchased the highest levels of coverage will receive 95-percent coverage.

Each eligible producer requesting 2017 WHIP benefits will be subject to a payment limitation of either \$125,000 or \$900,000, depending upon their average adjusted gross income, which will be verified. The payment limit is \$125,000 if less than 75 percent of the person or legal entity's average adjusted gross income is average adjusted gross farm income. The payment limit is \$900,000, if 75 percent or more of the average adjusted gross income of the person or legal entity is average adjusted gross farm income.

Both insured and uninsured producers are eligible to apply for 2017 WHIP. However, all producers receiving 2017 WHIP payments will be required to purchase crop insurance and/or NAP, at the 60 percent coverage level or higher, for the next two available crop years to meet statutory requirements. Producers who fail to purchase crop insurance for the next two applicable years will be required to pay back the 2017 WHIP payment.

To help expedite payments, a producer who does not have records established at the [local USDA service center](#) are encouraged to do so early in the process. To establish a record for a farm, a producer needs:

- Proof of identity: driver's license and Social Security number/card;
- Copy of recorder deed, survey plat, rental, or lease agreement of the land. A producer does not have to own property to participate in FSA programs;
- Corporation, estate, or trust documents, if applicable

Once signup begins, a producer will be asked to provide verifiable and reliable production records. If a producer is unable to provide production records, USDA will calculate the yield based on the county average yield. A producer with this information on file does not need to provide the information again.

For more information on FSA disaster assistance programs, please contact your local USDA service center or visit <https://www.farmers.gov/recover/whip>.

USDA Reopens Application Period for Producers Recovering from Cattle Loss, Other Disasters

Signup Began June 4 for Livestock Indemnity Program and Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish

USDA began accepting disaster assistance program applications on June 4 from agricultural producers who suffered livestock, honeybees, farm-raised fish and other losses due to natural disasters.

USDA's [Farm Service Agency](#) (FSA) reopened the application period for two disaster assistance programs in response to statutory changes made by Congress earlier this year.

Beginning June 4, FSA will accept new applications for losses for calendar year 2017 or 2018 filed under the [Livestock Indemnity Program](#) (LIP) or [Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program](#) (ELAP). Producers who already submitted applications and received decisions on their applications for these years do not need to file again, but they can reapply if they have additional losses or their application was disapproved because it was filed late.

In February, Congress passed the Bipartisan Budget Act of 2018, which made several changes to these two disaster programs, including:

- Removing ELAP's \$20 million fiscal year funding cap, enabling FSA to pay producers' 2017 applications in full and their 2018 applications as soon as they are approved.
- Removing the per-person and legal entity annual program payment limitation of \$125,000 for LIP for 2017 and future years. (The income limitation applies as it did before, meaning producers with an adjusted gross income of more than \$900,000 are not eligible.)
- Changing LIP to allow producers to receive a payment for injured livestock that are sold for a reduced price due to an eligible event. Previously, the program only covered financial loss for livestock death above normal mortality.

Producers interested in LIP or ELAP should contact their [local USDA service center](#). To apply, producers will need to provide verifiable and reliable production records and other information about their operation.

Various disasters continue to impact farmers and ranchers, and LIP and ELAP are two of many programs available through USDA to help producers recover. Learn more at <https://www.usda.gov/disaster>.

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.

Emergency Loans Available in Montana Disaster Areas

FSA's Emergency Loan Program is available for agricultural producers in counties designated as primary or contiguous natural disaster areas. See map below of current Disaster Designations in Montana. Contact your local FSA office for specific designations in your area and time frames to apply. 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.

[Current Disaster Designations in Montana - \(by county\)](#) [Emergency Loan Factsheet \(pdf\)](#)

USDA Farm Service Agency Approves First Micro Lender in Montana

Additional Access to Credit Now Available to Eligible Agricultural Producers

U.S. Department of Agriculture (USDA) Montana Farm Service Agency (FSA) Executive Director Mike Foster recently announced approval of the first guaranteed agricultural [Micro Lender](#) in Montana.

Through FSA's [EZ Guaranteed Loan program](#), Native American Community Development Corporation (NACDC) Financial Services, Inc. of Browning, Montana, can now offer their agricultural customers loans for up to \$50,000. FSA guarantees up to 95 percent of the loan.

These loans can be used to finance operating costs, such as livestock, feed, seed, fertilizer, tools, fencing, equipment and living expenses as well as farmland and building purchases, and soil and water conservation improvements.

According to the current Census of Agriculture, 75 percent of all farm operations gross less than \$50,000 per year. EZ Guarantee Loans offer a streamlined version of USDA guaranteed loans and are tailored for smaller scale operations. Participation in the guaranteed loan program allows lenders to leverage their money to extend additional credit to their customer base that may not be possible without a guarantee.

[NACDC Financial Services, Inc.](#) addresses critical needs in Native American communities related to the growth of family assets, supports economic development, and enhances the quality of life for communities and residents located on or near Montana's seven Indian reservations and throughout the state. NACDC Financial Services, Inc. provides one-on-one technical assistance to Native American entrepreneurs and agricultural producers. NACDC Financial Services, Inc. is a 501(c) (3), certified Native Community Development Financial Institution (CDFI), through the U.S. Department of Treasury.

In addition to NACDC Financial Services, Inc.'s support for Native American communities, EZ Guarantee loans offered by the lender are available to all eligible agricultural producers statewide.

For more information on FSA farm loans and farm programs, visit www.fsa.usda.gov. To locate the closest USDA Service Center, visit www.farmers.gov.

Low-Interest Financing for Storage and Handling Equipment

FSA's **Farm Storage Facility Loan (FSFL) program** provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$50,000 can be secured by a promissory note/security agreement and loans between \$50,000 and \$100,000 may require additional security. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

Farm Service Agency Loan Rates for September 2018

Price Support Loans

- [Farm Storage Facility Loan](#) (FSFL) Program
- 3 year loan – 2.750%
- 5 year loan – 2.750%
- 7 year loan – 2.875%
- 10 year loan – 2.875%
- 12 year loan – 3.000%

FSFL Microloans are also available for the 3, 5, and 7 year terms at the 3, 5, and 7 year term rates for a maximum aggregated loan amount of \$50,000 and at a reduced down payment of 5% (regular FSFL loans require 15% down and have a maximum loan amount of \$500,000).

- [Commodity Loan](#) – 3.375%

Farm Loans

- [Operating Loan](#) – 3.750%
- [Operating Microloan](#) – 3.750%
- [Farm Ownership Loan](#) – 4.000%
- [Farm Ownership Microloan](#) – 4.000%

Download a [Microloan Application](#) and [instructions](#)

Call your [local county office](#) for additional information

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

Organic Certification Cost Share Program (OCCSP)

The Organic Certification Cost Share Program (OCCSP) provides cost share assistance to producers and handlers of agricultural products who are obtaining or renewing their certification under the National Organic Program (NOP).

Certified operations may receive up to 75 percent of their certification costs paid from Oct. 1, 2017, through Sept. 30, 2018, not to exceed \$750 per certification scope.

Eligible costs include application fees, inspection costs, fees related to equivalency agreement/arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage.

Ineligible costs include equipment, materials, supplies, transitional certification fees, late fees and inspections necessary to address National Organic Program regulatory violations.

Producers and handlers may submit OCCSP applications to FSA county offices or they may apply through participating State Agencies, which will be listed at <https://www.fsa.usda.gov/programs-and-services/occsp/index> as their agreements to administer the program are finalized.

The FSA OCCSP application form is available at [USDA's eForms site](#), by selecting "Browse forms" and entering "OCCSP" in the "title or keywords" field on the search page.

To learn more about organic certification cost share, visit www.fsa.usda.gov/organic or contact a local FSA office by visiting <http://offices.usda.gov>.

USDA and Agricultural Resources

- [Farmers.gov](#)
- [FSA Factsheets](#)
- [FSA Disaster Programs](#)
- [FSA Farm Loan Programs](#)
- [FSA Conservation Programs](#)
- [FSA Price Support Programs](#)
- [FSA ARC-PLC Programs](#)
- [FSA Organic Certification Cost-Share Program](#)
- [FSA Energy Programs](#)
- [Montana USDA Natural Resources Conservation Service \(NRCS\)](#)
- [Montana USDA Rural Development \(RD\)](#)
- [USDA New Farmers](#)
- [MSU Extension & MSU College of Agriculture](#)
- [Intertribal Agriculture Council & IAC Technical Assistance Center](#)
- [Montana Department of Agriculture & Hay Hotline](#)
- [Montana Department of Livestock](#)

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Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@usda.gov.

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