

Gallatin County FSA Office
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(406) 522-4036 (Fax)

County Committee

Terry Triemstra-Chairman
Maynard Flikkema-ViceChair
Bob Hofman-Reg. Member
Jodi Camp, Advisor

FSA Office Personnel

Bob Broyles, CED
Kristi Parker, PT
Rhonda Pitts, PT
Nicky Swenson, PT
Norbert Kern, Field man

Agricultural Lending Opportunities

Questions regarding obtaining credit to start or enlarge a farming or ranching operation; financing agricultural operating expenses; or livestock, machinery purchases call:

Bill Ballard (406) 657-6135

Dates to Remember:

Aug. 2 – Sept. 30 – Managed Haying Period (New Rules)
Aug. 2 – Sept. 30 – Summer/Fall Managed Grazing Period
Sept. 30 – All bales and livestock must be removed from CRP acreage
Sept. 30 – Sales closing date for federal crop insurance on insurable types of perennial forage
Sept. 30 – Final date to designate planted acres for payment for farms enrolled in ACRE
Oct. – Final DCP & CRP payments issued
Oct. 7 & 8 – Women Stepping Forward for Agriculture Symposium
Dec. 1 – NAP application closing date for 2010 crop honey



Gallatin County News

September 2009

Message from the State Executive Director - Bruce Nelson

I began as the State Executive Director for the Farm Service Agency on July 13th. After eight years of involvement in other venues, I am excited to assume my duties as the State Executive Director for the Farm Service Agency in Montana.

My most recent position was serving as the Chief of Staff to Montana Governor Brian Schweitzer. I have stepped down from my executive roles at Triangle N Farms since becoming FSA State Executive Director.

In every state the agricultural community is unique and has varied needs and concerns and my role, will be to work with USDA to ensure the needs of Montana agricultural producers are met.

Our primary mission at FSA is to assist Montana farmers and ranchers in securing the greatest possible benefit from programs administered by FSA, such as farm loans, commodity price support, disaster relief, conservation, or other available resources.

The hard working men and women of Montana's 49 FSA county offices are at the forefront of our efforts and remain the primary contact for program participation. We encourage you to speak with the staff at your local FSA office on how we can be of service.

2009 Crop LDP's - IMPORTANT

Unfortunately commodity prices continue to drop. There is currently an LDP rate in effect for barley, and hard red spring wheat is getting close for the farms NOT enrolled in ACRE. **It is important for producers to come into the office and sign a CCC-633EZ, page 1 (Loan Deficiency Payment Agreement and Request) before beneficial interest in the commodity is lost.** To protect you fully, this should be done prior to harvest of the commodity. Even though there might not be a Loan Deficiency Payment (LDP) rate in effect at the time of harvest, the markets might support one at a later date. If the CCC-633EZ, page 1 is not on file at the office, the producer must have ownership and control of the commodity at the time the LDP is requested.

Beneficial interest is retained in the commodity if all of the following remain with the producer:

- Control of the commodity, the commodity must be within their possession; risk of loss; title to the commodity.

Once beneficial interest in the commodity is lost, the commodity is ineligible for a loan or an LDP even if the producer regains control, risk of loss, and title.

Livestock Indemnity Program (LIP)

Signup for LIP began July 13th. If you had livestock losses from storms occurring during calendar year 2008 or 2009, you may be eligible to receive benefits from the LIP program. **To Apply:**

- A notice of loss must be filed according to the following table.
- Proof of death of livestock must be provided and may include but is not limited to any or a combination of veterinary records, tax assessor records, private insurance documents.
- Documentation must provide sufficient data that identifies the kind/type weight range of the livestock and the number of livestock.

A third party certification may be accepted only when the participant certifies in writing that no other form of proof of death is available. Documentation must also be provided to support the number of livestock in the inventory at the time the deaths occurred. The third party providing the verification must be a reliable source and shall not be a relative associated with the operation or a hired man.

The following table provides the final dates to file a notice of loss and/or application for payment for either 2008 or 2009 livestock losses:

Date of Livestock Death	Final Date to File a Notice of Loss	Final Date to Submit an Application for Payment
Calendar Year 2008	Sept. 13, 2009	Sept. 13, 2009
Jan. 1, 2009 to July 12, 2009	Sept. 13, 2009	Jan. 30, 2010
July 13, 2009 to Dec. 31, 2009	30 days after death is apparent	Jan. 30, 2010

LIP (cont.)

LIP provides compensation to eligible livestock producers that have incurred livestock death losses in excess of normal mortality on or after Jan. 1, 2008 and before Oct. 1, 2011 due to adverse weather, such as blizzards, disease, extreme cold, extreme heat, floods, and wildfires. The Montana State FSA Committee established the normal mortality rates for each livestock kind/type and weight range.

CRP Managed Haying & Grazing Ends September 30.

Managed Haying and Grazing on Conservation Reserve Program (CRP) acres began August 2 and ends September 30, 2009. All hay bales and livestock must be removed by September 30th.

Loan Commodity Quality for 2009

Due to excessive moisture in some areas of the state and lack of moisture in other areas, the quality of harvested grains was affected in 2009. When selling these commodities, quality discounts reduce the value received. These same quality discounts will apply to USDA commodity loans if delivered to Commodity Credit Corporation (CCC) at the maturity of the 9 month loan. These quality discounts could result in insufficient funds to cover the amount of the loan. This would result in a debt to CCC. Producers considering obtaining grain loans through the FSA commodity loan program are certifying not only to the quantity being placed under loan but also to the quality of the commodity. County loan rates are based on Grade 1 and 2 provisions of the Uniform Grain Standards.

Information on programs administered by FSA in MT and individual county office newsletters are available at:

www.fsa.usda.gov/mt.

Changes to Payment Eligibility, Payment Limitation and AGI for CRP Participants

The 2008 Farm Bill made specific changes to payment eligibility, payment limitation, and average AGI requirements for participants in the Conservation Reserve Program (CRP):

- Annual payments are limited to \$50,000, both directly and indirectly, to a person or legal entity by direct attribution;
- Permitted entity rules no longer apply;
- The average AGI limitation is now a \$1million average gross nonfarm income limitation.
- The payment eligibility requirements of “actively engaged in farming” and the cash rent tenant rule are no longer applicable for participation in CRP for contracts approved **after** September 30, 2008.

MILC Program Start Date

Just a reminder for those dairies involved with the MILC program. If you wish to change your payment start date, the request must be made by the 14th of the month preceding the month you wish to designate. If no request is made, the current start month will carry forward to the next fiscal year.

Changes to Farming Operation

Producers **MUST** notify FSA of any changes to your farming operation including land ownership or lease changes, entity changes including members and shares, and who is authorized to sign documents for the operation or individuals. **This also includes changes to checking or savings accounts used for direct deposit of USDA payments.** This information must be accurate and current or payments will be delayed. In the event of the death of a producer or member of an entity, you must also contact the office for guidance on what must be done to correct our records to make sure payments are issued correctly.

Farm Storage Facility Loan Program Undergoes Changes (FSFL)

The 2008 Farm Bill provided changes to the FSFL program. FSFL provides low-interest financing for producers of eligible commodities to build or upgrade farm storage and handling facilities. The maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with the Commodity Credit Corporation (CCC) providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment.

Loan terms of 7, 10, or 12 years are available depending on the amount of the loan. Interest rates for each term may be different and are based on the rate which CCC borrows from the Treasury Department.

Partial funding can be made after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, soybeans, oats, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops – lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables – cold storage facilities.

Foreign Landowner 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. The Farm Service Agency administers this program for USDA.

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 percent of the fair market value of the property.

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Bozeman, MT 59718**

**PRESORT STANDARD
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PERMIT #54**

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Important Dates to Remember

Sept. 30 – Sales closing date for federal crop insurance on insurable types of perennial forage
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FSA Implements New Payment Process for CRP and DCP Payments

In October, FSA will be implementing a new payment processing system beginning with the annual Conservation Reserve Program (CRP) payments and final direct payments under the Direct and Counter-Cyclical Program (DCP). FSA will be doing their best to ensure delays are minimized with the new system. However, some of the payment processing that used to occur behind the scenes within the software will now be more evident and may be confusing. In addition, all payments issued by FSA will be routed to the Department of Treasury to comply with the Debt Collection Improvement Act of 1996. What this means is that any delinquent Federal debt may also be offset from payments due you from FSA/CCC.

Annual CRP payments and final direct DCP payments may be reduced for:

- payment reductions for haying and grazing
- existing FSA/CCC debt
- advance direct payments
- eligibility determinations implemented with the 2008 Farm Bill (direct attribution, member contribution of labor and management, etc.)
- delinquent Federal debt

Payments will be processed automatically without local FSA intervention and deposited directly into accounts signed up for direct deposit. Paper payment checks will still be mailed by Kansas City. A transaction statement will be mailed to payment recipients explaining the payment issued and any offsets applied. The Department of Treasury will notify the payment recipient of any offset taken. Local FSA offices will not receive a copy of the transaction statement or notification of the Treasury offset. Please retain the transaction statement for tax purposes and reconciling the FSA-1099s issued in January. Questions regarding Treasury offsets may be directed to the Treasury Offset Program (TOP) Call Center at 1-800-304-3107.