

**Ravalli County FSA**  
**1709 N 1<sup>st</sup> Street**  
**Hamilton, MT 59840**  
**(406) 363-1444**

County Committee Members

Anthony Collier, Chair  
Hans McPherson, Vice Chair  
Ted Heiland, Member  
Julie Schram, Minority Advsr

FSA Office Personnel

Coral Maxwell, Prog Tech  
Mary Jane Mohn, Prog Tech  
Curt Anderson, CED

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:*  
*Alan Jenne, Farm Loan Mgr*  
*@ 683-3830*

**Dates to Remember:**

**June 15-17** – Montana Range Days, Miles City

**June 15** – COC nominations begin

**July 15** – Acreage Reporting Deadline

**July 15** – Final NAP production reports due for 2008

**July 15** – Final date to file 2008 crop application for NAP payment

**July 27-31** – Youth Range Camp, Lincoln, MT

**August 3** – COC nomination end

**August 14** – DCP & ACRE sign-up deadline

*Links:*

<http://www.usda.gov>

<http://www.fsa.usda.gov/MT>

<http://www.rurdev.usda.gov/mt/>

<http://www.mt.nrcs.usda.gov>

<http://www.dnrc.state.mt.us/>

<http://extn.msu.montana.edu>

<http://www.bitterrootrcd.org/>

<http://bitterrootconservationdistrict.net/>



# Ravalli County News

## **Dairy Prices to Trigger MILC Payments**

Due to low milk prices, FSA began making payments in April to eligible producers through FSA's Milk Income Loss Contract (MILC) program. The 2008 Farm Bill made changes to the MILC program; including the addition of a dairy feed ration cost adjustment, changes to the payment rate, and modifications to the per-operation poundage limit, depending on when the milk is produced.

FSA will issue payment no later than 60 calendar days after receiving production evidence for the applicable month or the entire month's National Average Dairy Feed Ration Cost is posted, whichever is later.

MILC participants must select a month to begin receiving payments for each fiscal year. Starting with the dairy operation's selected month, FSA will issue MILC payments based on that month's milk production and each consecutive month's production until the operation reaches the production cap or the fiscal year ends.

When dairy producers sign up for the MILC program they may select the current month as their start month. For subsequent years, or if they wish to change a previously selected start month, the producer must select a start month prior to the 14<sup>th</sup> of the month for which they want to receive payments and before the selected month's Boston Class I milk price is announced to the public.

## **Conservation Compliance**

Federal regulations discourage the production of crops on highly erodible cropland unless the land is protected from erosion by an approved conservation system. Status reviews are conducted to ensure producers follow a conservation plan on highly erodible land.

In addition to the highly erodible land, a person may not plant an agricultural commodity on wetlands converted after Dec. 23, 1985, or convert a wetland to make agricultural production possible after Nov. 28, 1990.

Failure to comply with these provisions will cause a person to be ineligible for USDA benefits. County Committees may review noncompliance situations for good faith and provide relief in approved cases.

**Information on programs administered by FSA in MT and individual county office newsletters are available at:**  
*[www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt)*

## COC Nominations Open June 15

Nominations for candidates to run for the County Committee Election representing producers in a Local Administrative Area (LAA)3 – Hamilton Hts South to County Line - will be accepted from June 15 through August 3, 2009.

For FSA County Committee election purposes, counties are divided into local administrative areas, or LAA's. Each LAA contributes one producer to serve a three-year term on the FSA county committee. Each year, an election is held in an LAA to replace the committee member whose three-year term is expiring. Producers who are residents in the LAA holding the election; who participate or cooperate in an FSA program and are of legal voting age may be nominated to serve on the county committee.

Individuals may nominate themselves or others as candidates. Also, organizations representing socially disadvantaged minorities and women farmers or ranchers may also nominate candidates. A nomination form (FSA-669A) and details are available at any local FSA county office or by logging on to the Montana FSA website at <http://www.fsa.usda.gov/mt>.

Eligible voters may nominate as many candidates as they wish.

To be valid, the nomination form must be signed by the person being nominated indicating agreement to serve if elected, and returned to the FSA county office by the close of business on August 3, or postmarked by midnight August 3, 2009.

## Filing a Non-insured Crop Disaster Assistance Program (NAP) Notice-of-Loss

To qualify for assistance under NAP, production losses or prevented planting must have occurred as a result of an eligible cause of loss. An eligible cause of loss is any of the following:

- damaging weather, such as drought, freeze, hail, excessive moisture, or
- excessive wind; or adverse natural occurrences, such as earthquake or flood; or
- a condition related to damaging weather or an adverse natural occurrence, such as excessive heat, disease or insect infestation

Wildlife damage and weeds are **not** considered eligible causes of loss under NAP.

(CONT'D IN NEXT COLUMN)

A notice of loss must be provided within 15 calendar days after the:

- disaster occurrence or date damage to the specific crop acreage is apparent to the producer for yield losses;
- final planting date for prevented planting.

If a Notice-of-Loss is filed prior to the final planting date established for the specific crop, the producer is expected to replant the crop. If the Notice-of-Loss is filed after the established final planting date and the intent is to reseed to another crop intended for harvest, such as barley for grain, which is covered under crop insurance, a NAP payment cannot be received on the original failed crop.

Montana is not a double cropping state. If the intent is to destroy the crop, summer fallow it, or reseed to another crop **not** intended for harvest, representative strips must be left in the field so that a loss adjuster can be sent out closer to normal harvest time to appraise the original seeded crop. In this situation, the original seeded crop would still be eligible for a payment

## Mixed Grain/Hay Loan LDP Eligibility

USDA does not establish loan rates for mixed commodities. A mixed commodity harvested as grain that does not meet grading standards is not eligible for a loan or Loan Deficiency Payment (LDP). A mixed commodity that is hayed or harvested as silage is not eligible for an LDP.

Eligibility for Grain/Oilseeds/Pulse Crops Harvested as **Grain** – If a mixed commodity is harvested as grain and a farm-stored loan or LDP is applied for; a sample of the harvested crop must be taken to a licensed Federal Grain Inspection Service (FGIS) laboratory for grading, at the producer's expense. Loan or LDP eligibility will be determined based on the results of the sample.

Eligibility for Grain/Oilseeds/Pulse Crops Harvested as **Other Than Grain** – If the mixed commodity is harvested as hay or silage, there is no test to determine the percentage of each commodity in the mixture to establish the grade and class. Therefore, crops planted in a mixture and hayed or harvested for silage are not eligible for an LDP.

**A commodity planted as a nurse crop with alfalfa may be eligible for an LDP if a full seeding is planted and the commodity is reported as the intended use for grain or forage. The County Committee may require documentation to support the seeding rate.**

### Recovery Act Funding Loans in MT

FSA in Montana was obligated \$2.2 million in loans to assist producers within the state. The funding is through the stimulus bill titled the American Recovery and Reinvestment Act of 2009.

53% of the loan funds were advanced to socially disadvantaged and beginning farmers and ranchers.

|                                |              |
|--------------------------------|--------------|
| Socially Disadvantaged         | \$369,100.00 |
| Beginning Farmers and Ranchers | \$630,000.00 |

The funds may be used to purchase livestock, equipment, feed, seed, fertilizer, and supplies.

In keeping with the president's goal for the Recovery Act, this loan funding is intended for proper investment into the agricultural sector, to benefit both family farmers and rural economies.

### Farm Service Agency (FSA) Loans

FSA makes loans for land, livestock and other agricultural purposes throughout Montana.

The agency's loans offer low interest rates and terms designed to help beginning farmers and ranchers start out in agriculture with payments they can afford.

FSA can assist smaller operations getting started, by providing financing to purchase a tractor, grain truck or 50 cows as an example. Every operator has to get started some place and FSA has a variety of loans and loan programs to assist in that endeavor.

FSA can finance applicants who are currently in college if their goal is to return to the farm or ranch following graduation. For a student to be eligible while still in college they must be substantially responsible for the management of the security, this would include carrying out labor needs during critical periods of the year.

For more information contact Alan Jenne, Farm Loan Manager at 683-3830.

### Interest Rates for Farm Loan Program

| Effective as of March 1, 2009           |                |
|---|----------------|
| Program                                 | Interest Rates |
| Farm Operating- Direct                  | 2.00%          |
| Farm Ownership- Direct                  | 3.50%          |
| Farm Ownership- Direct, Joint Financing | 5.00%          |
| Farm Ownership- Down Payment            | 1.50%          |
| Emergency Loan- Amount of Actual Loss   | 3.75%          |

### 2009 Direct and Counter-cyclical Program (DCP) Signup

Sign up for the 2009 DCP program for farms with base acres is in full swing. Signup will continue until August 14, 2009. There are no late filed provisions for contract years 2009-2012.

Currently, a producer with the sum of the base acreage on a farm with 10 acres or less must be a socially disadvantaged (SDA) or limited resource farmer or rancher to be eligible for DCP payments. NOTE: For DCP purposes, a female is classified as a SDA. This will allow land owned with an undivided interest between a husband and wife eligible for payment if the farm has less than 10 base acres.

New changes in the Farm Bill have caused many changes in the paperwork that goes along with the DCP contracts.

### Average Crop Revenue Election (ACRE)

ACRE is a new farm revenue based program authorized under the 2008 Farm Bill that provides producers an alternative to the counter-cyclical payments under the Direct and Counter-cyclical Program (DCP). Participants in ACRE will receive a reduced direct payment of 80% determined on the farm's base acreage and marketing assistance loan rates are reduced by 30%. If both the state and farm's actual revenue is less than the historical revenue for the crop, an ACRE payment may be made on the planted acreage of eligible commodities. National market year average prices and actual state and farm yields are used in determining whether an ACRE payment is triggered.

Preliminary farm benchmark yields will be established for participating farms based on county average yields, however, participants may provide their actual production to increase their farm benchmark yield that is used in determining the historical farm revenue.

The 2009 preliminary State Revenue Guarantees, Market Year Average Prices, ACRE County yields along with more detailed information including an ACRE calculator can be found by visiting the Montana FSA website [www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt) and clicking on the 2008 Farm Bill under the Hot Links section and then selecting National DCP Website. Contact the office for additional information. There is also an ACRE decision tool from MSU available to assist in evaluating the choices. The MSU ACRE Analyzer is located at [www.montana.edu/softwaredownloads/](http://www.montana.edu/softwaredownloads/).

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### **Ensure Benefits Are Received in a Timely Manner**

To ensure USDA program benefits are received in a timely manner, please ensure you are consistent in the way you are presenting your operation to all USDA agencies including NRCS, Risk Management Agency (RMA), FSA and any other USDA agency programs you may partake in. For example, if you have signed up for program benefits with FSA as Joe Farmer, please sign up with NRCS as Joe Farmer. This will ensure Joe Farmer has completed all program paperwork and is eligible to receive payments. When in doubt, ask your county office.

### **Changes to FSA Payment Processing**

FSA will be deploying a new payment processing system the first part of December. Through the new system, all payments made through direct deposit will be processed through the Federal Reserve Bank and will be received in the participants account within 2-3 days of processing.

### **New Loan Interest Rates Provided**

The interest rate for Marketing Assistance Grain Loans changed at the beginning of 2009. The interest rate is 1.625%. This rate will stay in effect until the loan is paid in full.

### **2009 Acreage Reports**

The deadline to file 2009 acreage reports is July 15, 2009. The farm maps will be mailed or made available at the FSA county office for producers. There are new requirements for reporting all cropland and rangeland for various program eligibility. Please follow the instructions closely for completing the maps.

### **Adjusted Gross Income (AGI)**

For 2009 through 2012 crop years, to be eligible to receive a marketing loan gain (MLG) or Loan Deficiency Payment (LDP), an entity or individual's average adjusted gross **nonfarm** income cannot exceed \$500,000. A person or legal entity with average adjusted gross **nonfarm** income that exceeds \$500,000 is **not** eligible for MLG's and LDP payments. However, the person or entity is eligible for a marketing assistance loan if requested before the final loan availability date, but the Marketing Assistance Loan (MAL) **must** be repaid at principal plus interest or a commodity certificate may be exchanged for the loan collateral. Commodity certificates are available until the end of the 2009 crop year.