

# Beaverhead County Farm Service Agency News

January 2010

Farm Service Agency  
420 Barrett St.  
Dillon, MT 59725  
(406)683-3830

## COUNTY COMMITTEE

Jerry Meine, LAA 2  
Donna Hildreth, LAA 3  
Todd Tash, LAA 1

Chair  
Vice-Chair  
Voting Member

## OFFICE STAFF

Alan Jenne    Farm Loan Manager, Acting CED  
Jenny Rose    Program Technician

### 2010 DCP and ACRE Signup Begins

Signup for the 2010 Direct and Counter-cyclical Program (DCP) and the Average Crop Revenue Election (ACRE) program has begun and will continue through June 1, 2010. No late-filed applications will be accepted.

DCP payments 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.

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.

### FSA Implements New Payment Process for CRP and DCP Payments

FSA implemented a new centralized payment processing system in October. Payment transaction statements are being mailed to producers for annual Conservation Reserve Program (CRP) payments, final direct payments under the Direct and Counter-cyclical Program (DCP) and Average Crop Revenue Election (ACRE) Program. FSA encourages producers to keep the payment transaction statements they receive as they will be needed for tax purposes and reconciling the FSA-1099s issued in January.

Since FSA payments are now centralized for the nation, payment reductions for advance DCP payments received or haying and grazing of CRP will be offset from the first available payment without regard to contract number, farm number, program, or administrative county. Payments will be reduced for:

1. existing FSA/CCC debt
2. advance direct payments under DCP or ACRE
3. payment reductions for haying and grazing of CRP
4. eligibility determinations implemented with the 2008 Farm Bill (such as direct attribution, member contribution of labor and management)

If an offset is taken for one of these items, it will appear on the payment transaction statement as a payment reduction to "Commodity Credit Corporation" but may not clearly state which program, farm number, contract number, or county.

There are some known software issues with entity payments, such as a corporation or LLC, due to changes in the 2008 Farm Bill that required member contribution of labor or management. FSA is working hard to resolve the issues and doing their best to ensure delays are minimized with the new system. Some entities may initially receive a partial payment with the balance to be issued as soon as the software issues are resolved.

Questions regarding Treasury offsets may be directed to the Treasury Offset Program (TOP) Call Center at 1-800-304-3107. Payments are also being routed to the Department of Treasury to comply with the Debt Collection Improvement Act of 1996. The Department of Treasury will notify the payment recipient of any offset taken for other delinquent Federal debt.

### **Farm Loan Guaranteed Loan Amount Raised**

The loan limit for FSA Farm Loan Guaranteed Loan Program has been increased to \$1,112,000. The limit is adjusted annually based on the "Prices Paid to Farmers Index" compiled by the national Agricultural Statistics Service (NASS). Participating lenders can use the Guaranteed Loan Program to strengthen a loan's viability through a guarantee of up to 95 percent of the loan amount. Farmers interested in guaranteed loans should apply through a conventional lender.

### **ELAP, LFP and SURE Eligibility Requirements**

To maintain eligibility for ELAP, LFP and SURE, producers must meet the Risk Management Purchase Requirements:

**SURE:** A plan of crop insurance of at least catastrophic (CAT) level for all insurable crops and cropping scenarios; and/or Non-insured Crop Disaster Assistance Program (NAP) coverage for all noninsurable crops. **(Excludes grazing)**

**LFP:** Crop insurance or Non-insured Crop Disaster Assistance (NAP) coverage on pasture or grazing land.

**ELAP:** A plan of crop insurance of at least catastrophic (CAT) level for all insurable crops and cropping scenarios; and/or Non-insured Crop Disaster Assistance Program (NAP) coverage for all noninsurable crops.

### **SURE Signup**

Signup for the 2008 Supplemental Revenue Assistance Payments program (SURE) began on January 4, 2010. SURE 2008 is for those who suffered crop production losses during crop year 2008. SURE is an important component of the disaster portion of the 2008 Farm Bill and will provide financial assistance to producers who have suffered crop losses due to natural disaster.

SURE provides crop disaster assistance payments to eligible producers on farms that have incurred crop production or crop quality losses. The program takes into consideration crop losses on all crops grown by a producer nationwide. SURE provides assistance in an amount equal to 60 percent of the difference between the SURE farm guarantee and total farm revenue. The farm guarantee is based on the amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

To be eligible for SURE, producers must meet the risk management purchase requirement by either obtaining a policy or plan of insurance, under the Federal Crop

Insurance Act or Non-insured Crop Disaster Assistance Program (NAP) coverage, for all economically significant crops (more than 5% of the total value of all the crops nationwide). For 2008 crops, producers had the opportunity to obtain a waiver of the risk management purchase requirement through a buy-in provision. In addition, producers must have suffered at least a 10 percent production loss on at least one crop of economic significance.

Producers may be eligible for SURE if they have a farming interest physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary under a Secretarial Disaster Designation or in the absence of a Secretarial Disaster Designation, individual producers may also be eligible for SURE if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster. For SURE, a farm is defined as all crops in which a producer had an interest nationwide.

Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

For more information on the new SURE program, please visit your local FSA county office or <http://www.fsa.usda.gov/mt>.

### **2009 Livestock Indemnity Program (LIP) Deadline**

Livestock owners or contract growers who suffered livestock losses from July 13, 2009, through December 31, 2009, shall file a notice of loss no later than 30 calendar days of when the loss of livestock is apparent to the participant. Eligible livestock owners or contract growers also must file an application for payment for 2009 calendar year losses no later than **February 1, 2010**.

LIP provides assistance to eligible producers for livestock deaths that result from a natural disaster. Livestock owners and contract growers are compensated for livestock death losses in excess of normal mortality due to adverse weather including losses due to floods, blizzards, disease, wildfires, extreme heat, and extreme cold.

### **LIP Eligibility for Future Years**

LIP provides assistance to producers that have death losses due to natural disasters (**blizzard, extreme cold, etc.**). To maintain eligibility for the LIP program for 2010 and future years, here a few suggestions:

1. **Document** the storm. Record the beginning and ending date, the temperatures, and wind chill if you have it.

2. **Document** the livestock deaths directly related to the weather event. Documentation must provide sufficient information as to the type and weight of livestock as well as the number of head lost. Something as simple as recording the death in your pocket calendar can be used as documentation.
3. **Take pictures.**
4. Third party verification of the loss is also another option. This will only be used when there is no other form of verification available and the third party must be a reliable source and can not have a relationship with the producer or be an employee.

Don't forget to file a Notice of Loss **30 days** after the loss is apparent. You also have the option of FSA providing a paid for measurement service to inventory the death loss. The minimum fee is \$46. If you have any questions, don't hesitate to contact our office.

### **New Adjusted Gross Income Compliance Process**

USDA has finalized a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income provisions for programs administered by USDA's FSA and Natural Resources Conservation Service. This agreement will ensure that payments are not issued to producers whose adjusted gross income (AGI) exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

The electronic process that USDA developed with IRS reviews data from tax returns, performs a series of calculations, and compares these values to the AGI limitations from the 2008 Farm Bill. FSA and NRCS will receive a record that indicates whether or not the program participant appears to meet the income limits. Written consent will be required from each producer or payment recipient for this process. No actual tax data will be included in the report that IRS sends to USDA.

As part of the review and evaluation process, participants whose AGI may exceed the limits will be offered an opportunity to provide third party verification or other information to validate their income.

Any individual or entity that is required to file CCC-926 (Average Adjusted Gross Income Statement) as a condition of eligibility for FSA or NRCS programs for 2009 or 2010 must submit CCC-927 (for an individual) or CCC-928 (for an entity) directly to the IRS to authorize them to release data to the agency indicating compliance or possible non-compliance with the income

limitations. It is important that the name and address you enter on the form exactly match what appears on your tax returns. Forms and a fact sheet explaining the process are available on our national website: <http://www.fsa.usda.gov/> or from your local County FSA office.

### **NAP Deadline Approaching**

The deadline to purchase 2010 Non-insured Crop Disaster Assistance Program (NAP) coverage on all crops except value loss and honey is **March 15, 2010**. Producers wishing to request coverage may do so by filing form CCC-471, "Noninsured Crop Disaster Assistance Program (NAP) Application for Coverage" and pay the applicable administrative service fee.

For the 2010 crop year it is imperative to purchase NAP and catastrophic (CAT) level of crop insurance for all insurable and non-insurable crops. This is not only for production coverage, but also for eligibility for the new permanent disaster programs created in the 2008 Farm Bill.

In order for producers to be eligible for assistance under the Supplemental Revenue Assistance (SURE) Program and the Emergency Assistance for Livestock, and Honey Bees, (ELAP), and the Tree Assistance Program (TAP), producers must obtain a plan of insurance for each insurable and non-insurable commodity on the farm, **excluding grazing**. To be eligible for assistance under the Livestock Forage Disaster Program (LFP), producers must obtain either coverage under the Pasture, Rangeland, and Forage Rainfall Index Pilot Program offered through crop insurance, or NAP coverage, or both on their grazing.

**Please contact the office by March 15, 2010, to ensure your eligibility for the new disaster assistance programs.**

### **Deadline for Calendar Year 2009 Losses for LFP and ELAP**

Applications for 2009 calendar year losses for the Livestock Forage Disaster Program (LFP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) must be filed by **February 1, 2010**. For 2010 and subsequent years signup, applications must be filed no later than 30 calendar days after the end of the calendar year in which the losses occurred. The losses must occur in the calendar year the application is being filed.

For both programs, producers must have suffered losses that occurred on or after January 1, 2008, and before October 1, 2011. Please contact the office for additional eligibility requirements. A list of eligible livestock is available at [www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt)

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*Important Dates to Remember*

<b>January 18</b>	Holiday – Office closed
<b>January 31</b>	Final loan/LDP availability date for wool/mohair shorn in 2009
<b>January 31</b>	Final LDP availability date for 2009 unshorn pelts
<b>Feb 1</b>	Final date to sign up for 2009 LIP, LFP, and ELAP
<b>March 15</b>	Crop Insurance sales closing date for 2010 spring seeded crops
<b>March 15</b>	NAP Deadline
<b>June 1</b>	DCP & ACRE signup deadline
<b>June 15</b>	IRS consent form for AGI compliance due
<b>July 15</b>	Production reporting deadline for ACRE farms
<b>July 15</b>	Acreage Reporting Deadline
<b>July 15</b>	Deadline to file 2009 NAP Application for Payment.
<b>Notice of Loss for LIP</b>	File within 30 calendar days of when the loss of livestock is apparent

**New County Committee for 2010**

Todd Tash was elected to LAA 1. Todd will be replacing David Schuett. We would like to thank David for his 9 years of service to FSA!

The Beaverhead County Committee is as follows:  
Jerry Meine – Chairperson (LAA 2)  
Donna Hildreth – Vice Chairperson (LAA 3)  
Todd Tash – Voting Member (LAA 1)

Thank you to all who participated in the election.

**Farm Loan Program**

The Farm Service Agency (FSA) provides direct and guaranteed loans to assist farmers and ranchers start, enlarge or continue with their farming operations. FSA has special programs designed to assist beginning farmers and ranchers and socially disadvantaged applicants to secure financing. Please stop into the local county office to learn more about all the programs FSA has to offer.

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