

Blaine County FSA
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Blaine County FSA
March 22, 2010

County Committee Members

Donald Horn
John D Tilleman
Alan Van Voast

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:

Richard Nicholson
Denise Reynolds
Miranda Skoyen
(406) 357-2320

Dates to Remember:

January – April – Continuation of Brand Liens
March 15 – May 14—CRP spring grazing period
May 1—NAP pull of date
June 1—DCP signup deadline

Report cattle losses due to inclement weather within 30 days—see LIP article

Report NAP losses within 15 calendar days following the disaster or when loss is apparent

Farm Loan Program

As Montana Farmers and Ranchers gear up for the 2010 production season, the FSA is here to help. A number of loan programs are available to assist your Farming/Ranching operation.

- Direct Operating Loans can go up to \$300,000 with a repayment of 1 to 7 years. You may purchase livestock, equipment, feed, seed and chemicals. Current interest rate 3%.
- Direct Farm Ownership Loans have a maximum amount of \$300,000 with a maximum term of 40 years. Loan funds can be used for the purchase of land, Construction of Farm Buildings or Other Improvements can be made. Current interest rate 5.125%.
- Beginning Farmer Down Payment for the purchase of Real Estate. Maximum loan amounts of 45% of the purchase price with a 20 year term. Maximum amounts of loans up to \$225,000 with an interest rate as low as 1.5%.
- Youth loans are available to youths ranging from 10 to 21 years of age with \$5,000 dollars available. Repayment is from 1 to 7 years. Interest rate can go as low as 3%. Must be for an agricultural related project. An advisor for a 4-H, FFA or similar organization will be needed.
- Emergency loans also available to producers in the event of a designated disaster. Limits of 100% of actual loss or maximum amount \$500,000. Repayment terms vary depending on use of loan proceeds.

As both commodity prices and agricultural inputs continue to be volatile, Farm Service Agency is here to help the American Farmer/Rancher in being successful to continue to produce high quality products. Please contact your local county FSA office to learn more about the many loan programs we have available.

2010 Honey Bee Colony Reports:

Montana Honey producers are reminded that if they timely purchased a 2010 NAP policy by the 12/01/09 deadline date that they must submit a honey bee colony report, on FSA form FSA-578, to their recording County FSA Office by January 2nd of each year or within 30 calendar days of when the colonies are placed for either pollination purposes or for the gathering of honey. This action is also necessary to maintain eligibility under the 2010 ELAP program. Producers should contact their County FSA Office for details.

2008 and 2009 ELAP Signup is reopened:

Late filed notices-of-loss and applications for payment are now be accepted for the 2008 and 2009 ELAP (Emergency Assistance for Livestock, Honey Bees, and Farm Raised Fish) program. An end to this late-filed signup period will be determined at a later date. ELAP provides emergency assistance to eligible producers of livestock, honey bees and farm raised fish that are not already covered under any other FSA disaster program authorized by the 2008 farm Bill. It should be noted that wolf depredation was recently approved as a livestock death loss condition under ELAP.

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Livestock Indemnity Program (LIP)

LIP provides assistance to eligible livestock owners and contract growers for eligible livestock deaths in excess of normal mortality due to adverse weather including losses due to floods, blizzards, disease, wildfires, extreme heat, and extreme cold. For 2010 losses, producers must file a notice of loss no later than 30 calendar days of when the loss of livestock is apparent. A notice of loss can be reported to the office by phone, fax, or e-mail. Eligible livestock deaths must have occurred in the calendar year for which benefits are being requested. An Application for payment may be filed at any time in 2010, but must be filed no later than 30 calendar days after the end of the calendar year in which the loss of livestock occurred.

Please contact the office for additional eligibility requirements. A list of eligible livestock is available at www.fsa.usda.gov/mt.

Wool, Mohair and Unshorn Pelt Loans and LDPs Available at FSA

Producers may now request 2010 crop Marketing Assistance Loans (MAL) or Loan Deficiency Payments (LDP) for 2010 sheared wool and mohair. Unshorn pelts from lambs slaughtered in 2010 are only eligible for LDPs. The 2010 crop year for wool, mohair, and unshorn pelts began on Jan. 1, 2010, and ends on Dec. 31, 2010. The 2008 Farm Bill raised the loan rate for graded wool from \$1 per pound to \$1.15 per pound during crop years 2010 through 2012. Unlike previous years, there will be no regional loan rate differentials for 2010 through 2012 graded and ungraded wool. The national loan rate for ungraded wool through the 2012 crop year is \$.40 per pound and the mohair loan rate through 2012 is \$4.20 per pound.

Marketing loans are 9-month loans that provide interim financing for eligible producers, allowing them to store their products in order to market those products when prices are optimal.

An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity. LDPs are announced weekly on the Montana FSA website and are available at <http://www.fsa.usda.gov/mt>, under the "I Want To" section and clicking on "View Wool LDP and Loan Rates."

Eligible producers are able to request electronic Loan Deficiency Payments (eLDPs) online and in most cases receive approval and payment by direct deposit within 48 hours. The electronic service is offered as an additional option to producers requesting an LDP. LDP benefits remain available through your local FSA Service Center.

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 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. The deadline for producers to submit the form to the IRS is June 15, 2010. 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.

March 2010 Interest Rates

The CCC borrowing rate-based charge for March 2010 is 0.375 percent, unchanged from February 2010. For 1996 and subsequent crop year commodity and marketing assistance loans, the interest rate for loans disbursed during March 2010 is 1.375 percent, unchanged from February 2010.

In accordance with the 2008 Farm Bill, interest rates for Farm Storage Facility Loans approved for March 2010 are as follows:

- 3.125 percent with 7-year loan terms
- 3.625 percent with 10-year loan terms
- 4.000 percent with 12-year loan terms

2010 CRP Managed Grazing

The 2010 grazing period for managed grazing of Conservation Reserve Program (CRP) acres is March 15th through May 14th. CRP participants who want to graze their CRP contracts this spring must sign up at the office.

Grazing cannot begin until the participant (s) receives written approval from the local FSA county committee or its designee. Spring managed grazing must end before May 15th, which is the start of Montana's Primary Nesting and Brood rearing Season.

Participants may graze CRP acres based on the rotation period (once every three years or once every 5 years) and other limitations that are included in their Conservation Plan of Operations. Producers wishing to graze CRP acres must first receive written notification of approval from the FSA county committee before managed grazing can begin. Livestock producers, who rent or lease acreage from the CRP participant, shall sign a statement agreeing not to sublease the CRP acreage and receive notification of approval from the FSA county committee, a copy of which they should provide to the CRP participant. All livestock must be removed from the CRP acreage when the calculated AUM's are utilized, but no later than May 14th for spring grazing. CRP participants will be assessed a payment reduction for managed grazing which is calculated by taking the number of acres grazed, times the CRP per acre annual rental payment, times 25 percent.

Managed grazing *and* managed haying of CRP will be allowed in 2010, however, a starting date for the summer/fall managed grazing *and* managed haying for CRP will be announced later.

DCP/ACRE

DCP and ACRE Sign-up Deadline is June 1
Sign-up for the 2010 Direct and Counter-cyclical Payment (DCP) Program and Average Crop Revenue Election (ACRE) will continue until June 1, 2010. USDA will not accept any late-filed applications.

FSA computes DCP Program payments using base acres and payment yields established for each farm and makes direct payments at rates established by statute regardless of marketing prices. For 2010, direct payments may be requested in advance based on 22 percent of the direct payment for each of the farm's commodities. Counter-cyclical payment rates vary with market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The ACRE program provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national market year average price. Under ACRE, producers will receive a direct payment reduced by 20% of the rate of a DCP participant and ACRE farms are not eligible for counter-cyclical payments. In addition, the loan rate for an ACRE farm is reduced by 30%. If an eligible ACRE commodity meets both the State trigger and Farm trigger, ACRE payments will be calculated using planted acreage of the commodity. The decision to enroll in the ACRE Program 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.

Additional information on both DCP and ACRE can be found at <http://www.fsa.usda.gov/dcp> or contact your local FSA Office.

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Important Dates to Remember

March 16th through May 14th, CRP Managed Spring Grazing

March 31 - Deadline to request loans and LDPs for 2009 barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat, and sesame seed.

June 1 – DCP & ACRE signup deadline

June 15 – IRS consent form for AGI compliance due

July 15 – Production reporting deadline for ACRE farms

July 15 – Acreage Reporting Deadline

July 15 - Deadline to file 2009 NAP Application for Payment.

August 2 – Deadline to request farm reconstitution.

Notice of Loss for LIP File within 30 calendar days of when the loss of livestock is apparent

New County Committee for 2010

The Blaine County FSA Committee members for 2010 are:

Donald Horn

John D Tilleman

Alan Van Voast