Meagher County January 2010

Meagher County FSA Office
P.O. Box J
White Sulphur Springs, MT 59645

Phone (406)547-3521 ext. 2
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County Committee Members

Bert Williams
Ellen Berg
Scott Jackson

FSA Office Personnel

Maggie Buckingham-PT
Jeri Pavlovick-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:
Yellowstone County FSA Office
(406)657-6135
Mike Turley-FLM ext. 116
Karen Sims-FLPT ext. 100

Deadlines

January – April – Continuation of Brand Liens
January 18 – Holiday – Office closed
January 21- Meagher County FSA Committee meeting 10:00 a.m. conference room
January 28- LIP Public Meeting 1:30 p.m. conference room
January 31 – Final loan/LDP availability date for wool/mohair shorn in 2009
January 31 – Final LDP availability date for 2009 unshorn pelts
Feb 1 - Final date to sign up for 2009 LIP, LFP, and ELAP
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March 15 – Deadline to pay service fee for 2010 NAP
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2008 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.

The Meagher County FSA will be sending out appointment cards with the time and date of your 2008 SURE / 2010 DCP signup.

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

2010 Direct and Counter Cyclical Program (DCP) and Average Crop Revenue Election (ACRE)

Signup for the 2010 crop year for both DCP and ACRE is currently underway and ends June 1, 2010. Late-filed applications will not be accepted. DCP and ACRE provide producers an income safety net in the form of annual direct payments. DCP also offers assistance through counter-cyclical payments when commodity prices are below certain levels. ACRE protects against crop revenue shortfalls resulting from price and/or production declines at the State and farm levels. Counter-cyclical payments are not available under ACRE.

Participants may elect to receive a 22% advance direct payment in any month prior to the end of the contract period. The ACRE direct payments have an additional reduction of 20%. All final direct payments for DCP and ACRE will be issued beginning in October of the crop year. If a crop meets the revenue triggers under ACRE, the ACRE payment will be issued after the end of the marketing year.

All supporting documentation, such as CCC-902, AD-1026, and CCC-926, must be submitted before payments can be issued. Both programs require annual acreage reports indicating uses of all cropland on the farm. In addition, farms enrolled in ACRE must provide annual production reports. Land enrolled in the programs must be devoted to agricultural uses and protected from weeds and erosion. Fruit and vegetable planting restrictions are applicable. Contact FSA for more information or visit www.fsa.usda.gov/dcp.

Payments		DCP	ACRE
Direct	Payment Rate	100% of the DCP direct payment rate.	80% of the DCP Direct Payment Rate.
	Payment Formula	Uses farm's base acreage.	Uses farm's base acreage.
	Advances	Available through 2011.	Available through 2011.
Counter-Cyclical (CC)	Payment Formula	Uses farm's base acreage.	
	Trigger	Low National Market Prices	
	Advances	40% advance of projected payment through 2010.	
Average Crop Revenue Election (ACRE)	Payment Formula		Uses planted and considered planted (P&CP) acreages of commodity crops and peanuts.
	Triggers		Revenue must be below the historical state average and the farm average.
	Advances		Not available.
Loan Rates		100% of the Market Assistance Loan rates.	70% of the Market Assistance Loan rates.

2010 NAP Deadline

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

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.

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 the Meagher County FSA Office.

Farm Service Agency Youth Loan Program

FSA youth loans are designed to help young men and women from ages 10-20 in rural areas to initiate and perform income-producing agricultural projects. The project must be completed with the recommendation of an advisor, through their school or a club such as 4-H or FFA. Examples of projects include crop and livestock production, the purchase of essential machinery and breeding stock. The maximum loan amount is $5,000 per person. The interest rate as of 01/01/10 is 2.875 %. This rate is set as of the date of loan closing, and remains fixed for the term of the loan. For more information on Youth Loans contact the Farm Loan Program staff at the Yellowstone County FSA office at 406-657-6135.

New Payment Limitation Changes for 2010

Beginning with the 2010 program year, USDA has amended the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by the USDA Farm Service Agency (FSA).

USDA has implemented the following change to permit certain operations, most often family-run operations, to meet 'actively engaged' in farming requirements under less restrictive rules.

Every stockholder or member of a legal entity, such as a corporation, does not have to contribute labor or management if both of the following apply:

- at least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management that altogether qualifies as a significant contribution to the farming operation;
- The total direct payments received both directly and indirectly, by the legal entity and each of the members does not exceed $40,000.

Crop Year 2010 LDP's

If you are interested in obtaining an LDP during the 2010 crop year, please stop by the office to sign the form CCC-633 EZ page 1 to notify the FSA of your intention to participate.

Meagher County FSA Office
P.O. Box J
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Postage Block

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Important Dates to Remember

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

Livestock Indemnity Program (LIP) Meeting

The Meagher County FSA Office will be having a public meeting January 28th at 1:30 p.m. in the Meagher County USDA Service Center conference room to provide information on the LIP program. *The FSA will also be collecting donations for the local food bank at this time.* Persons with disabilities who require accommodations to attend or participate in this meeting should contact Jeri L. Pavlovick at 406-547-3521 ext. 104 or the Federal Relay Service at 1-800-877-8339, or jeri.pavlovick@mt.usda.gov by 01/21/10.

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 contact the Farm Loan Program Staff located at the Yellowstone County FSA Office at 406-657-6135.