

Missoula/Mineral County  
Farm Service Agency  
3550 Mullan Rd Ste 106  
Missoula, MT 59808

#### County Committee Members

Paul Hanson, Chair  
Jody Wills, Vice Chair  
Denley Loge, Member  
Bob Schroeder, Member  
Ray Rugg, Member

#### FSA Office Personnel

Collette Rulison, 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: Fred Smith, Farm Loan Manager @ 676-2811

#### Dates to Remember:

**February 15** – Presidents' Day Holiday – Office Closed  
**March 15** – NAP sales closing date for all crops except value loss crops and Honey.  
**May 31** – Memorial Day Office Closed  
**June 1** – DCP/ACRE signup deadline  
**July 15** – Acreage Reporting 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>



# WINTER NEWS

## 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>.

*For your Crop Insurance Needs: Jason Ludeman @ Crop Insurance Solutions  
Cell: (406)212-6147 / Toll Free: 877-731-3334*

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**1099-G Mailed from Kansas City**

During the last week of January, producers who have received payments from FSA should receive a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you in calendar year 2009. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you receive a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact the county office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

**County Committee Election Results**

The results for the 2009 COC election are in and Jody Wills was re-elected to serve her second 3 year term. Congratulations Jody!

**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. For more information, call the local office or Fred Smith, Farm Loan Manager @ 676-2811.

**Farm Storage Facility Loan Program Undergoes Changes**

The 2008 Farm Bill provided changes to the Farm Storage Facility Loan Program (FSFL). 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 seven, 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 or other-than-whole grain

Pulse crops – lentils, small chickpeas and dry peas

Hay

Renewable biomass

Fruits (including nuts) and vegetables – cold storage facilities.

Contact the office if you are interested in receiving further information about the changes to FSFL.

*Persons with disabilities who require accommodations to participate in FSA programs should contact Curt Anderson, CED – 3550 Mullan Rd Ste 106 Missoula, MT 59808 – (406) 829-3395 – [curtis.anderson@mt.usda.gov](mailto:curtis.anderson@mt.usda.gov)*

**Biomass Crop Assistance Program (BCAP)**

Biomass Crop Assistance Program (BCAP) provides financial assistance to producers or entities that deliver eligible biomass material to designated biomass conversion facilities for use as heat, power, biobased products or biofuels. If you have a contract to deliver material to any of the following participating biomass conversion facilities in our area (a complete list is available at the office or online) please contact the office (you might be eligible for a matching payment):

MONTANA: Darby Public Schools, Victor Public Schools, Roseburg Forest Products, Eureka Pellet Mills, Thompson River Powers LLC

IDAHO: Clearwater Paper Corp (Lewiston), Stimson Lumber Co (Plummer), Coeur D'Alene Fiber Fuels (Hauser), Lignetics of Idaho, (East Kootenai), Idaho Forest Group (Chilco/Laclede/Grangeville), Basic American Foods (Rexburg), Treasure Valley Forest Products (Mountain Home), Tamarack Energy Ptnshp (Tamarack).

**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.

**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.

**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

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### **2010 DCP and ACRE Signup Continues**

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. Producers with DCP contracts will be receiving the contract in the mail over the next month. If you do not receive the mailing and believe you should, please contact the office.

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.