

Yellowstone County FSA
1629 Ave. D, Bldg. A
Billings, MT 59102

County Committee Members

Ken Uffelman, Chairman
Forrest Ewen, Vice-Chairman
Bart Erickson, Regular Member
Channis Whiteman, Minority Adv.
Juanita Stovall, Minority Adv.

FSA Office Personnel

Nina Gonzalez, PT
Jackie Gaglia, PT
Lisa Pederson, PT
Karen Sims, Farm Loan PT
Mike Turley, Farm Loan Mgr.
William Ballard, Farm Loan Mgr.
Kevin Johnson, CED

Dates to Remember:

January 1 – Office Closed, New Year's

January 18 – Holiday – Office closed

February 1 – Deadline to file 2009 application for LFP

February 1 – Deadline to file 2009 application for payment for ELAP and LIP

February 1 – Final loan/LDP availability date for wool/mohair shorn in 2009

February 1 – Final LDP availability date for 2009 unshorn pelts

March 15 – Final day to purchase NAP on rangeland and other non-insurable crops

March 15 – Final day to purchase FCIC crop insurance on small grains

March 31 – Final day to obtain loans or LDP's on small grains



Special accommodations will be made for the physically handicapped, vision or hearing impaired upon request. If accommodation is required, please contact Kevin Johnson, CED at (406) 657-6135.



Yellowstone County FSA

January 2010

Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, producers must maintain beneficial interest in the crop through the time of application. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss or damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Commodity loan eligibility also requires producers comply with conservation and wetland protection requirements, beneficial interest requirements, report cropland acreage on the farm and ensure the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Producers considering a loan on their 2009 stored grain before March 31, 2010 need to allow enough time before the deadline to have the loan processed timely. Last second transactions that run into delays can be problematic.

Changes to Your Farming Operation

We encourage producers to notify us immediately of any changes to your farming operation including land ownership or lease changes, entity changes including members and shares, and who is authorized to sign documents for the operation or individuals. **It is your responsibility to ensure your farm operating plan reflects the current contributions of land, capital, equipment, labor and management.** Contact Nina Gonzalez at 657-6135 extension 107 for details.

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.

LIVESTOCK INDEMNITY PROGRAM (LIP)

LIP is now a standing disaster program that provides benefits to producers with livestock death loss that is in excess of normal mortality, as a direct result of an eligible adverse weather event. Proof of death, normal mortality and otherwise, is either verifiable (vet records), reliable (producer record existing at the time of the death), or a third party certification. The third party cannot be affiliated with the operation, i.e. no hired hands or family members. They must be able to provide specific details on their knowledge of livestock deaths, number and kind/type and weight ranges and any other necessary info.

For 2010, producers that suffer losses must file a notice of loss within 30 days of the loss or January 31, 2011, whichever is earlier. (2009 losses must be filed by close of business February 1, 2010.) Crops, including rangeland, are not required to be insured for LIP.

YELLOWSTONE COUNTY COMMITTEE ELECTION

The results of this year's election in Yellowstone County, the area north of the Yellowstone River Valley, are as follows: Bart Erickson – COC member and Vera Beth Johnson – alternate. (The results of the election are subject to State Office concurrence.) Thanks to all who voted in this year's election.

Crop Insurance Requirements for SURE

To be eligible for SURE assistance for 2010 crops a plan of crop insurance of at least catastrophic (CAT) level for all insurable crops and cropping scenarios must be purchased by applicable sales closing dates; and/or Non-insured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops by the sales closing date of March 15, 2010. Note: PRF (FCIC) crop insurance or NAP coverage on grazing land does not have to be purchased in order to be eligible for SURE. SURE does not pay for losses on crops intended for grazing.

Deadline for Calendar Year 2009/2010 Losses for LFP & ELAP.

2009 calendar year losses for the Livestock Forage Program (LFP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) must be filed by February 1, 2010.

2010 calendar year losses for LFP must be filed by January 31, 2011. 2010 calendar year losses for ELAP are filed within 30 days of when the loss is apparent or January 31, 2011 whichever is earlier.

Please keep in mind the insurance requirements for each of these programs in 2010. LFP does require for the grazing land incurring losses a NAP or PRF policy, which are administered by FSA and FCIC, respectively. Sales closing date for NAP is March 15, 2010 while the PRF closing date was November 30, 2009.

ELAP requires producers obtain at least a CAT level of coverage or NAP coverage for each crop planted or intended to be planted for harvest on the whole farm excluding grazing. The sales closing date for NAP and CAT FCIC (spring planted crops) is March 15, 2010.

Supplemental Revenue Assistance Payments Program (SURE)

The 2008 Farm Bill created several new disaster programs under the title "Supplemental Agricultural Disaster Assistance". One of the programs created is the Supplemental Revenue Assistance Payments Program (SURE). This program provides financial assistance for crop production and/or quality losses due to a natural disaster.

TRIGGER - A Secretarial Disaster designation in a neighboring county triggers the program for Yellowstone County in 2008. Therefore, producers with at least one crop of economic significance with a 10 percent crop production loss could qualify for benefits. (A crop of economic significance is a crop which is expected to contribute at least 5 percent of the farm's income.)

ELIGIBILITY REQUIREMENTS - To be eligible for assistance for 2008 crops under SURE, producers had to have 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 non-insurable crops. Eligible producers are citizens of the United States, a resident alien, a partnership of citizens from the United States, a corporation, Limited Liability Corporation, or other farm organizational structure organized under State Law.

PAYMENTS - SURE will issue payments to an eligible producer in the amount equal to 60% of the difference between the program guarantee and the total farm revenue. SURE will pay up to 90% of the crop's normal production on the farm.

Program Guarantee: Acres x Yield x Price x Coverage Level x Price Election x Statue % x Share = program guarantee. The program guarantee for the farm cannot be greater than 90% of the total of the normal production of the farm.

Total Farm Revenue: Acres x Actual Yield = Actual Production x NASS Price National Agriculture Statistics Service (NASS) Price is the 12 month marketing year for each commodity. For actual production, data will be used from the Risk Management Agency (RMA) and NAP. (If the program guarantee is more than the total farm revenue, then the producer will be paid at 60% of the difference.)

SURE (continued)

SURE is a total farm revenue disaster program as opposed to the crop disaster programs of previous years, which were primarily production oriented programs. Therefore, ALL crops of economic significance that a producer has an interest in are not only evaluated as to the production loss and quality, but revenue as well. Statute requires a 12-month National Average Market Price (NAMP) be determined before farm revenue can be finalized.

NAMP is determined based on the price received during the 12 months following harvest for the crop year. (Because of this, the SURE signup for the 2009 crop will not begin until July/August of 2010.)

Farm revenue also takes into account 15% of the DCP direct payments accruing to the farm, all counter cyclical and ACRE payments, the total amount of any loan deficiency payments, marketing loan gains, and marketing certificate gains. Net crop insurance indemnities and/or NAP payments received for each crop on the SURE farm are also accounted for. The SURE farm equals all crop acreage in all counties that is planted or intended to be planted for harvest.

Payment Limitation

SURE will pay up to \$100,000 annually including any benefits received from Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), & Emergency Assistance for Livestock Honey Bees, and Farm-Raised Fish (ELAP).

Fee Waiver

Crop insurance and NAP coverage are not a requirement if the criteria are met for the following groups:

- Socially Disadvantaged
- Limited Resource
- Beginning Farmer and Rancher

If you meet the guidelines of the program in 2008, i.e. a 10% production loss (associated with adverse weather) on one crop of economic significance and crop insurance (CAT/NAP) on all 2008 crops economically significant, contact Jackie Gaglia at 657-6135 ext. 106 as soon as possible. Although a formal signup has not been announced, we do anticipate one soon. Crops intended for grazing do not have to be insured for SURE eligibility.

U. S. DEPARTMENT OF AGRICULTURE
Yellowstone County FSA Office
1629 Ave. D, Bldg. A
Billings, MT 59102

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2010 DIRECT AND COUNTER CYCLICAL PROGRAM (DCP) AND AVERAGE CROP REVENUE ELECTION (ACRE)

The 2010 DCP signup has started and continues through close of business on June 1, 2010. (Contracts were mailed to operators who participated in 2009 on December 11, 2009. Operators are responsible for obtaining landowner signatures.) This voluntary program provides for guaranteed or direct payments that are based on 83.3 percent of the farms base acreage (wheat/barley/corn/oats) times the crop payment yield, times the producer share, times the payment rate. In addition, counter-cyclical payments (nonguaranteed) based on 85% of the base, are paid when market prices decline. Producers are eligible for DCP payments if they are at risk in producing a crop and comply with program provisions. (An owner who cash leases land to another is ineligible to share in direct and counter cyclical payments.)

An alternative to counter-cyclical payments is the Average Crop Revenue Election {ACRE}. ACRE is available during each of the 2010, 2011 and 2012 crop years on a farm by farm basis, assuming all producers agree to participate. ACRE provides participating producers a revenue guarantee each year based on market prices and

average yields for the respective commodities. The guarantee is based on State-level yields and national market prices, but payments are dependent upon State and current/recent farm yields and national market prices. The ACRE program for 2010 requires a two-step process by the producer, first an election and then enrollment, both of which must occur by close of business on June 1, 2010. There are no provisions for late-filed ACRE elections and or enrollments. Please note the election for ACRE is irrevocable after June 1st of the year of the election through FY 2012. Consequences of selecting the ACRE option are that the guaranteed or direct payment(s), as outlined above are reduced by 20%, a 30% reduction in marketing assistance loan rates is also applied, and counter-cyclical payments are not earned. ACRE is also an irrevocable election for the farm as constituted on the date of election, regardless of whether the same producers are present on the farm in subsequent years, and regardless of whether there is a change of ownership. Five years of crop production evidence must also be furnished. You must contact this office for the ACRE election and enrollment forms as the 2010 DCP contract that was mailed earlier does not constitute an election or enrollment in ACRE. You participate on a farm by farm basis in either ACRE or DCP, not both. Steve Lackman, Yellowstone County Extension Agent is available at 256-2828 to discuss the financial analysis of ACRE. The Montana State University Average Crop Revenue Election (ACRE) flash calculator is located at: <http://www.montana.edu/softwaredownloads/cropdownloads.html>

