



# NEWSLETTER



**November 2010**

**Beaverhead  
County  
FSA Office**

420 Barrett Street  
Dillon, MT 59725

406-683-3830 phone  
406-683-3840 fax  
www.fsa.usda.gov/mt

**Hours**

Monday - Friday  
8:00 a.m. - 4:30 p.m.

**County Committee**

**Members:**

**Jerry Meine**  
**Donna Hildreth**  
**Todd Tash**

**Next County  
Committee Meeting:**  
**December 2<sup>nd</sup>**  
**10:00 a.m.**

**County Office Staff:**

**Alan Jenne,**  
**FLM/Acting CED**

**Jenny Rose,**  
**Program Technician**

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:  
Alan Jenne

**Reasonable**

**Accommodations:**

Persons with disabilities  
who require  
accommodations to attend  
or participate in any FSA  
programs should contact  
the County Executive  
Director at the FSA Office or  
the Federal Relay Service  
at 1-800-877-8339.

## NAP Coverage Deadlines for 2011 Crop Year

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to provide financial assistance to producers of non-insurable crops when low yields or prevented planting occurs as the result of natural disasters. Statutes limit NAP coverage to each commercial crop or agricultural commodity, except livestock, for which the catastrophic (CAT) level of insurance is not available. Application deadlines for 2011 NAP coverage for a variety of crops are coming up in the next few months. In Montana, the NAP sales closing deadlines are: **Dec. 1, 2010**, for Honey; **March 15, 2011**, for all other NAP crops. Producers who choose to obtain NAP coverage for 2011 must file a CCC-471 application for coverage and pay the applicable service fee by the sales closing deadline. Eligible producers must pay a service fee of \$250 per crop per administrative county or \$750 per producer per county, not to exceed \$1875 for a producer with farming interests in multiple counties. Service fees may be waived for limited-resource producers.

## Disaster Assistance / Risk Management

FSA disaster assistance programs include: Supplemental Revenue Assistance Payments (SURE) Program; Livestock Forage Disaster Program (LFP); Livestock Indemnity Program (LIP); Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP) and Tree Assistance Program (TAP).

To be eligible for SURE, TAP, and ELAP, producers must purchase, at minimum, catastrophic risk protection insurance for all insurable crops and NAP coverage for non-insurable crops, except grazing. For LFP, grazed acres must be covered. In the case of honey, the term "farm" means all bees and beehives in all counties that are intended to be harvested for a honey crop by the eligible producer.

Producers who meet the definition of Socially Disadvantaged, Limited Resource Producer, or Beginning Farmer or Rancher, do not have to meet this risk management purchase requirement.

## CCC-927 or CCC-928 Must Be Sent To IRS

Producers who participated in 2009 or 2010 programs subject to adjusted gross income limitations (AGI) had to certify compliance with AGI rules. The average AGI verification process for 2009 and 2010 payment eligibility requires all program participants to provide written consent to IRS for the disclosure of certain information to FSA.

Individuals and legal entities, including members of legal entities, that certified to average AGI compliance for 2009 and/or 2010 payment eligibility must submit a completed CCC-927 or CCC-928 to IRS regardless of whether they received program benefits directly or as a member of a joint operation or entity. These forms must be submitted to IRS in order to avoid a demand for refund of program payments and benefits received.

## **Marketing Assistance Loans**

Marketing assistance loans are commodity loans available to producers who share in the risk of producing the crop. To be eligible, you 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 all risk of 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.

In addition, to be eligible for a marketing assistance loan, you must comply with conservation and wetland protection requirements, report how you use cropland acreage on the farm, and ensure that 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 unauthorized dispositions and providing an incorrect quantity certification.

### **Farm Stored Loan Quality Certification reminder**

Please remember that when you fill out your Farm Stored Loan Quantity Certification (CCC-666) for a marketing assistance loan that you are certifying to both the quality and quantity of the commodity. Pursuant to the 2008 Farm Bill, premiums and discounts are no longer being applied at loan time, but will be calculated at the time of settlement if the commodity is forfeited to CCC. These quality adjustments may result in a loan deficiency and a debt due to CCC. For example, if a producer has taken a loan on 10 percent protein hard red spring wheat and decides to forfeit the wheat rather than repay the loan, the producer will have a \$0.50/bu. discount applied at settlement. The producer will owe CCC a debt of \$0.50 per bushel under loan, plus interest on that amount from the time of loan disbursement.

An excessive loan deficiency may result in administrative actions.

## **2011 DCP Signup**

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. The Farm Service Agency (FSA) urges producers to make use of the eDCP automated website to sign up, or producers can visit the FSA office to complete their 2011 DCP contract.

Eligible producers receive direct payments at rates established by statute regardless of market prices. FSA will issue advance direct payments beginning Dec. 1, 2010.

### **Montana FSA announces 2009 ACRE Program payments**

Montana has met revenue "triggers" for the 2009 Average Crop Revenue Election (ACRE) program payments for acres of wheat, barley and oats. Congress established ACRE to protect producers from farm market revenue declines. Payments are revenue-based and determined based on crop production and the National Average Market Price for covered commodities planted on the farm.

Farm payments in Montana vary depending on how the farm's benchmark yield compares to the state's benchmark yield. The base amounts per planted acre are the following: Wheat \$23.45 per acre; Barley \$68.01 per irrigated acre and \$31.33 per non-irrigated acre; and Oats \$51.10 per irrigated acre and \$26.66 per non-irrigated acre.

States that meet the revenue triggers for other commodities will be determined after the 2009-2010 marketing year average price is published by the National Agricultural Statistical Service.

For more information on the ACRE program visit your local FSA office or the FSA website at <http://www.fsa.usda.gov/dcp>.

### **The ACRE Option**

The Average Crop Revenue Election Program (ACRE) 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 average state yield and the most recent 2-year national price for each eligible commodity.

The June 1, 2011, deadline is mandatory for all ACRE and DCP participants. FSA will not accept late-filed applications.

An ACRE payment is issued when both the state and the farm have incurred a revenue loss. In exchange for participating in ACRE, a farm's direct payment is reduced by 20 percent, and marketing assistance loan rates are reduced by 30 percent.

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.

### **New Financial Management Web Page**

Producers who have level 2 e-Authentication access can use the new Public Financial Management Information web page. The website allows producers to generate reports that show both current and historical financial information. This resource will allow users to view details on payments, collections and outstanding debt. The website is a great tool for producers to conveniently access financial information at any time. To view the Financial Management Information web page, visit <http://www.fsa.usda.gov/fmi>. Please contact your county office if you have any questions regarding the web page.

**Note:** *Website use requires level 2 e-Authentication access. Follow the steps below to obtain level 2 access...*

Go to [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov), complete a customer profile and submit it online

After submitting your customer profile, you will receive a confirmation email, and you must respond to it within 7 days to activate your account

Then you must complete the "Identity Proofing" process by visiting a local USDA Service Center and presenting a photo ID, such as your driver's license.

### **Online Services**

Producers with Internet access can fill out a variety of FSA forms online. Producers can also register for secure electronic access that will allow them to electronically sign and transmit some forms directly to the county office staff. If you are new to the website, first you will want to obtain a Level 2 USDA Service Center Customer ID and password at: <http://www.eauth.egov.usda.gov/> and then click on "**Create an Account Page**" link.

If you already have a Customer ID and password, then click on the following eForms website at: <http://forms.sc.egov.usda.gov/eforms/mainservlet> and then click on the "**Sign In**" button. A disclaimer window will open and after you read the "Warning message" click on the "Continue" button.

Then the USDA Web services page will open to the eAuthentication login page. Enter your login User ID and password and then click on the "Login" button. To sign and transmit forms electronically, you must sign-up and get a User ID and password.

### **Voting for County Committee Begins**

Ballots for this year's county committee election will be mailed to eligible voters on November 5, 2010. Voters must complete their ballots and return them to the Farm Service Agency county office by the close of business on December 6, 2010. If mailed, ballots must be postmarked by midnight December 6, 2010.

Eligible voters in a local administrative area 2 who have not received a ballot should contact the FSA county office staff.

**Voter Requirements** Persons meeting requirements in **1** or **2**, plus **3**, below, are eligible to vote:

**1.** Be of legal voting age and have an interest in a farm or ranch as either a) or b):

- a) an owner, operator, tenant or sharecropper, or
- b) a partner in a general partnership or member of a joint venture that has an interest in a farm as an owner, operator, tenant or sharecropper;

**2.** Not of legal voting age, but supervises and conducts the farming operations on an entire farm; and

**3.** Eligible to participate in any applicable FSA program that is provided by law, regardless of the status of funding.

**Discrimination Prohibited** No person shall be denied the right to vote because of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation or marital or family status.

### **FSA Conservation Loan Program**

The Farm Service Agency makes and guarantees conservation loans on farms and ranches to help conserve our natural resources. The Conservation Loan (CL) Program provides farmers with the credit necessary to implement conservation measures on their land.

The direct CLs loan limit is up to \$300,000 and guaranteed CLs up to \$1,119,000 (amount adjusted for inflation), may be available by applying with lenders working with FSA to obtain a guarantee.

Applicants will work with Natural Resources and Conservation Service (NRCS) Staff to develop a conservation plan. Conservation practices must be approved by NRCS before FSA can provide financing. Examples of conservation practices include installation of conservation structures; installation of water conservation measures; establishment or improvement of permanent pastures; transitioning to organic production; manure management, including manure digestion systems; etc.

Beaverhead County FSA  
 420 Barrett ST  
 Dillon, MT 59725



PRESORTED STANDARD  
 U.S. POSTAGE PAID  
 Bozeman, MT 59715  
 PERMIT #54

**Selected Interest Rates - November 2010**

Farm Operating - Direct	2.000%
Farm Ownership and Conservation Loan - Direct	4.125%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.750%
Farm Storage Facility - 7-year	1.875%
Farm Storage Facility - 10-year	2.500%
Farm Storage Facility - 12-year	2.750%
Commodity Loans 1996-Present	1.250%

**Dates to Remember**

Oct. 1	2011 ACRE Sign-Up Began
Oct. 1	2011 DCP Sign-Up Began
Nov. 5	County Committee ballots mailed to voters
Nov. 11	Veterans Day Holiday
Nov. 12	Final date for all hay bales to be removed from CRP
Nov. 25	Thanksgiving Day Holiday
November	2009 ACRE Payments to be issued
Dec. 1	NAP sales closing date for honey
Dec. 6	County Committee ballots due back to County Office
March 15, 2011	NAP sales closing date for all other crops
June 1, 2011	2011 DCP / ACRE Filing Deadline
Continues	Continuous Conservation Reserve program

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