



# NEWSLETTER



## Custer County FSA Office

**October 2010**

### County Executive Dale E. Barta

3120 Valley Drive East  
Miles City MT 59301

406-232-7905 Ext. 2  
phone  
406-232-3965 fax  
www.fsa.usda.gov/mt

### Hours

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

### County Committee Members:

Jess Drange  
Gail Shaw  
Toni Weyerbacher

### Next County Committee Meeting:

October 20, 2010  
11:00 a.m.

### County Office Staff:

Norm Bellows  
Colette Butcher  
Kistia Golie  
Jodi Herzog  
Cody Montgomery  
Deb Thingvold  
Casey Trainer

### 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.

## Montana FSA announces 2009 ACRE Program payments

Montana Farm Service Agency State Executive Director Bruce Nelson has announced that 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.

The scheduled publishing dates for other crops are as follows:

- Corn, grain sorghum, soybeans, dry peas, and lentils – Sept. 29, 2010;
- Large chickpeas, small chickpeas, sunflower seed, canola, flaxseed, mustard seed, rapeseed, safflower, crambe, and sesame seed – Nov. 30, 2010.

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

## 2011 DCP & ACRE Signup

The enrollment period for the 2011 Average Crop Revenue Election Program (ACRE) and the Direct and Counter-Cyclical Program (DCP) runs from Oct. 1, 2010 – June 01, 2011.

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 average price. ACRE payments are made when both state and farm-level triggers are met. By participating in ACRE, producers elect to forgo counter-cyclical payments, receive a 20-percent reduction in direct payments and a 30-percent reduction in loan rates. The decision to elect ACRE binds the farm to the program through the 2012 crop year.

Planted crops considered eligible for ACRE payments include: wheat, barley, oats, grain sorghum, corn, upland cotton, peanuts, pulse crops (dry peas, lentils, chickpeas or garbanzo beans), rice, soybeans, and other oilseeds (canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed). The Direct and Counter-Cyclical Program (DCP) provides producers an income safety net in the form of annual direct payments and counter-cyclical payments when commodity prices fall below certain levels. For more info, contact your local county FSA office.

## 2010 DCP Final Payments

Final DCP payments for 2010 participants will be issued sometime after October 1, 2010. Producers who received an advance payment will be paid the balance they are due. Those who did not take an advance will be receiving their full payment amount. These payments will be deposited directly into personal bank accounts.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the final Direct and Counter-cyclical Program payments you are about to receive.

## County Committee Elections

Be watching your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters starting on November 5, 2010. If, for some reason, you don't receive a ballot, feel free to notify the county FSA office.

Completed and signed ballots will be due back in the county office by the close of business on December 6, 2010.

**Montana  
Department of  
Livestock Reminds  
Brand Owners to  
Update Addresses**

With brand rerecord just around the corner, the Montana Department of Livestock is reminding brand holders to update their mailing addresses. John Grainger, administrator of MDOL's Brands Enforcement Division, said updating addresses is the only way brand holders can get a head start. "With rerecord coming up next year, we're starting to get a lot of calls and questions about the process," Grainger said.

"It's basically a two-step process, he added. "First, make sure the mailing address we have on file is up to date, especially if it changed within the past 10 years," Grainger said. "Incorrect addresses can delay the delivery of your rerecord notice."

Addresses can be updated on the [www.rerecord.mt.gov](http://www.rerecord.mt.gov) web site; by calling the Rerecord Hotline at 460-444-4999 or secondary rerecord lines at 406-444-3812 or 406-444-9431; or by using mail-in cards available at brand offices, markets and other locations.

The second step, he said, is waiting for your brand renewal notice, which should arrive in late January 2011. Brand holders who do not receive a brand renewal notice by late February 2011 should contact MDOL's Brands Recorder at 406-444-3812 of the Brands Rerecord Hotline at 406-444-4999.

**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.

For the 2011 crop year it is imperative that producers purchase either NAP or a 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, Honeybees, and Farm-Raised Fish Program (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. For more information please contact your local Farm Service Agency office.

**IMPORTANT Changes to  
(RI-PRF) and VI-PRF Pilot  
Policies and NAP Coverage**

Montana producers can now earn a Rainfall Index Pasture, Rangeland and Forage (RI-PRF) or a Vegetative Index Pasture, Rangeland and Forage (VI-PRF) indemnity **AND** a NAP payment on the same acres for the same intended use. Previously, producers who earned an indemnity under RI-PRF policy were ineligible for a NAP payment on any acres covered by NAP for the same intended use. Producers whose crop was eligible for VI-PRF were required to select either VI-PRF policy or NAP coverage by intended use, but not both... this is no longer the case. Producers who obtained a RI-PRF policy and NAP coverage on the same acreage for the same intended use during 2008, 2009 and 2010, as well as timely filed CCC-576 Notice of Loss and CCC-576 Application for Payment for the applicable year of loss and met all other eligibility requirements of 1-NAP are eligible to receive NAP payments for those years.

**Farm Stored Loan Quality  
Certification reminder**

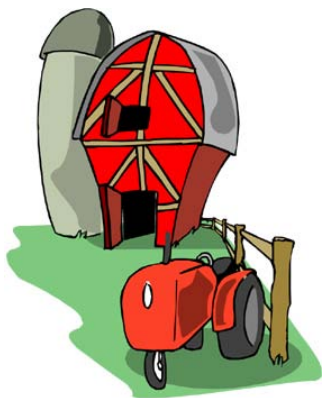
Please remember that when you fill out your Farm Stored Loan Quantity Certification (CCC-666) for a marketing assistance loan that you are certifying to both the quality and quantity of the commodity. Pursuant to the 2008 Farm Bill, premiums and discounts are no longer being applied at loan time, but 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 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.



### **New Farm Loan Officer Trainee joins the Miles City Office**

My name is Cody Montgomery and I am a new FLOT in Miles City. I come from Southern Idaho where my family owns and operates a ranch and a local independent telephone company. I recently graduated from Utah State University in Accounting. My time is best spent in the outdoors so I am glad to live in the open spaces of Montana.



## **Emergency Livestock Assistance Program (ELAP)**

ELAP provides compensation to eligible producers of livestock, honey bees, and farm-raised fish for losses due to disease, adverse weather, or other loss conditions, including losses due to blizzards and wildfires. ELAP is for losses that are not covered by Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), or Supplemental Revenue Assistance Program (SURE). Over the next year, the Farm Service Agency and the Commodity Credit Corporation (CCC) is moving toward an electronic method for processing producers' checks.

Eligible producers under ELAP may receive assistance for losses that occur on or after January 1, 2008, and before October 1, 2011, during the calendar year in which the loss occurs. Eligible losses include feed losses, physical losses and additional costs incurred in providing feed to eligible livestock.

There are two parts to the ELAP application process:

1. A notice of loss
2. Application for payment.

An application for payment cannot be filed without a notice of loss. There are no late filed provisions for ELAP. Producers with eligible losses must timely file an acreage report on grazing land acres, honey bee colonies and farm-raised fish pond acres.

Eligible physical losses of honey bees and honey bee hives, lost due to adverse weather or loss conditions are eligible under ELAP. Producers will be required to provide documentation of beginning and ending inventory of honey bee colonies when claiming a physical loss of honey bees or honey bee hives.

Additional ELAP information is available at FSA county offices or on line at [www.fsa.usda.gov](http://www.fsa.usda.gov).

### **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.

## **Conservation, continued**

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.

### **Paper Check Conversion**

Over the next year, the Farm Service Agency and the Commodity Credit Corporation (CCC) is moving toward an electronic method for processing producers' checks. This will allow FSA/CCC to process collections faster.

When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt.

Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information:

<https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

### **Acreage Spot Check Determinations and Notification**

Each year the Farm Service Agency is required to complete spot checks of acreage reports. Acreage reports are an integral part of farm program participation. Acreage spot checks are completed to ensure accurate acreage reports are used in farm program computations.

FSA will conduct spot checks on a nationally selected number of producers in each state. All acreage determinations will be determined using the FSA maps containing Geographic Information System official acreages.

After farms are spot checked, a FSA-468 "Notice of Determined Acreage" will be sent to the farm operator. Questions concerning determined acres should be directed to your local FSA office for further explanation.

### Selected Interest Rates for October 2010

90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.125%
Farm Ownership	5.000%
Conservation Loan (NEW)	5.000%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency	3.750%
Farm Storage Facility - 7 year	2.125%
Farm Storage Facility - 10 year	2.625 %
Farm Storage Facility - 12 year	2.875%
Commodity Loans 1996-Present	1.25%

### Dates to Remember

Oct. 11	Columbus Day Holiday
Nov. 5	County committee ballots mailed to voters
Nov. 11	Veterans Day Holiday
Nov. 25	Thanksgiving Day Holiday
Oct. 1	2011 ACRE Sign-Up Begins
Oct. 1	2011 DCP Sign-Up Begins
Dec. 1	NAP sales closing date for honey

## 2009 and 2010 Average Adjusted Gross Income (AGI) Reconciliation Process

In December 2009, the Farm Service Agency (FSA) and the Internal Revenue Service (IRS) formed a partnership to ensure that only those participants who comply with AGI limitations receive farm program benefits. The data-sharing process is designed to maintain confidentiality and privacy of tax return information, while providing the FSA with information necessary to verify the validity of the previously filed CCC-926 certification of average AGI.

All direct recipients of payments, as well as all members of entities which receive payments, which had previously filed CCC-926 for the 2009 or 2010 program years were required to file CCC-927 (for an individual) or CCC-928 (for an entity) with the IRS to enable them to provide us with indicators of the individual or entity's compliance with the applicable limitations. The deadline for that submission was June 15, 2010. Individuals and entities who are required to file, but have not filed, an acceptable form with the IRS as of September 10 will receive a letter mailed approximately October 6, 2010 asking them to do so within 30 days. If you receive this mailing, it is important that the form is completed and sent promptly to the IRS address indicated on the forms. **Failure to file these forms in a timely fashion will result in demand for repayment of all FSA and NRCS program payments subject to AGI provisions for 2009 and 2010, including your pro rata share of payment for any entity you have an interest in.** Blank forms may be obtained online at <http://www.fsa.usda.gov/cc927> for the individual form, and <http://www.fsa.usda.gov/cc928> for the legal entity form, or from your local FSA or Natural Resources Conservation Service (NRCS) office.