Gallatin County FSA Office

October 2010

3710 W Fallon St, #D
Bozeman, MT 59718

406-522-4000 Phone
406-522-4036 Fax
www.fsa.usda.gov/mt

Hours
Monday - Friday
7:30 a.m. – 5:00 p.m.

County Committee Members:
Terry Triemstra, Chair
Bob Hofman, Vice-chair
Greg Leep, Member
Jodi Camp, Advisor

Next County Committee Meeting:
October 12, 2010

County Office Staff:
Bob Broyles, CED
Kristi Parker, PT
Rhonda Pitts, PT
Nicky Swenson, PT
Norbert Kern, Field Man

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:
Mike Turley
406-657-6135

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.

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.

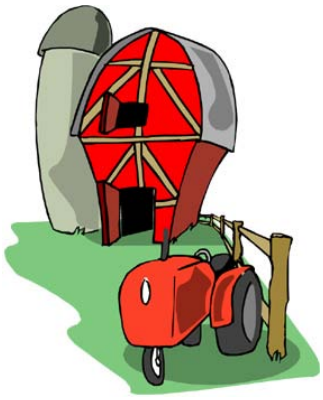
In order for producers to be eligible for assistance under the Supplemental Revenue Assistance (SURE) Program and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP), and the Tree Assistance Program (TAP), producers must obtain a plan of insurance for each insurable 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 **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.



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.

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.

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3710 W Fallon St, #D
Bozeman, MT 59718

USDA United States Department of Agriculture

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

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	1.250%

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/ccc927 for the individual form, and http://www.fsa.usda.gov/ccc928 for the legal entity form, or from your local FSA or Natural Resources Conservation Service (NRCS) office.

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