



# NEWSLETTER



## March 2011

### Stillwater County Farm

#### Service Agency

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406-322-4816 fax

County Executive Director:  
Dane Schneidt

#### County Committee:

Lance Eisenman  
Ervin Hossfeld  
Robert Yates

#### Staff:

Michelle Eder, ext. 100  
Susan Pederson, ext. 105  
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### Sweet Grass County Farm Service Agency

US Hwy 10 E.  
PO Box 610  
Big Timber, MT 59011  
406-932-5159 Phone  
406-932-5285 Fax

County Executive Director:  
Dane Schneidt

#### County Committee:

Sheri Tronrud  
Wm. "Toby" Cheatham, Jr.  
Kevin Halverson

#### Staff:

Marla Moen, ext. 2

### 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, Yellowstone  
Farm Loan Program  
406-657-6135 ext. 116

## CRP General Signup announced for March 14 to April 15, 2011

General signup for the Conservation Reserve Program (CRP) will begin on March 14, 2011, and continue through April 15, 2011. During the signup period, Montana farmers and ranchers may offer eligible land for CRP's competitive general signup at their county Farm Service Agency (FSA) office.

Through the 2008 Farm Bill, CRP is authorized for a maximum enrollment of 32 million acres. USDA estimates that contracts on 3.3 million to 6.5 million acres are scheduled to expire annually between now and 2014. Land currently not enrolled in CRP may be offered in this signup provided all eligibility requirements are met. Additionally, current CRP participants with contracts expiring this fall may make new contract offers. Contracts awarded under this signup are scheduled to become effective Oct. 1, 2011. In Montana, 2.9 million acres of the state's 18,721,501 cropland acres are currently actively enrolled in the CRP program. Of the state's active CRP acres; 498,661 acres are scheduled to expire on Sept. 30, 2011; 696,523 acres on Sept. 30, 2012 and 638,841 acres on Sept. 30, 2013.

As administrator of the Conservation Reserve Program, FSA will evaluate and rank eligible CRP offers using an Environmental Benefits Index (EBI) that assists in calculating the environmental benefits to be gained from the contract. The EBI consists of five environmental factors (wildlife, water, soil, air and enduring benefits). Cost factors are also entered into the equation.

In addition to the general sign-up, FSA's CRP Continuous Sign-up Program is ongoing. Continuous acres represent the most environmentally desirable and sensitive land. For more information, visit [www.fsa.usda.gov](http://www.fsa.usda.gov) and view *Conservation Programs*.

## 2009 Supplemental Revenue Assistance Payments Program (SURE) Signup Set from Jan. 10 to July 29, 2011

The 2008 Farm Bill created several new disaster programs. One of the programs, the Supplemental Revenue Assistance Payments Program (SURE), provides financial assistance for crop production and/or quality losses due to a natural disaster. 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 that a producer has an interest in are not only evaluated as to the production loss and quality, but revenue as well.

To be eligible for SURE a producer must have at least a 10 percent production loss on a crop of economic significance; a policy or plan of insurance under the Federal Crop Insurance Act or the Noninsured Crop Disaster Assistance Program (NAP) for all economically significant crops. Producers that have a farming interest physically located in a county that was declared a primary disaster county by the Agriculture Secretary under a Secretarial Disaster Designation or a contiguous county and meet the above criteria are eligible for SURE.

In the absence of the Secretarial Disaster Designation producers may be eligible if they suffer at least a 50% production loss on the entire SURE farm due to a natural disaster.

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.

**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. If you meet the guidelines of the program in 2009, i.e. a 10% production loss (associated with adverse weather) on one crop of economic significance and crop insurance (CAT/NAP) purchased on all 2009 crops (other than the exceptions previously explained), contact the county FSA office as soon as possible. Signup for 2009 crops begins January 10, 2011 and ends on July 29, 2011.

## **FSA Disaster Assistance Programs available for Livestock Producers Affected by Ice, Cold and Heavy Snowfall**

Bruce Nelson, State Executive Director of USDA's Farm Service Agency in Montana, reminds livestock producers throughout Montana that FSA programs may be available to assist them. Many are dealing with harsh winter weather, which is causing serious harm to livestock and forage due to heavy snow, ice and extremely cold temperatures.

"This is turning out to be a tough winter for many ranchers and farmers in Montana and learning about our FSA programs is an important step for producers to take," Nelson said. "We need producers to document the number and kind of livestock that have died as a direct result of these winter storms and timely notify their local FSA office of these losses. There may be situations where producers are transporting feed to their livestock. Producers should document these additional costs."

FSA administers several programs that help producers recover from livestock deaths that are beyond normal mortality rates, losses of purchased and/or harvested forage, and with the additional costs of providing or transporting feed. Among the key programs are the Livestock Indemnity Program (LIP) and the Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP). For livestock death losses to be eligible under LIP, producers must file a notice of loss with their local FSA office within 30 calendar days from when the loss is apparent to the producer.

Fact sheets for these two programs can be found at [www.fsa.usda.gov](http://www.fsa.usda.gov); click on Newsroom, then Fact Sheets.

Nelson also encourages producers to use Hay Net on the FSA website ([www.fsa.usda.gov/haynet](http://www.fsa.usda.gov/haynet)), an online service that allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need, such as the one caused by the current wintry conditions. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

"We encourage all who have suffered a disaster due to the recent cold weather and blizzards to read the fact sheets and visit with their local FSA county office staff so they get a quick start in the recovery process," added Nelson.

## **Power of Attorney**

For those who find it difficult to visit the county office personally because of work schedules, distance, health, etc., FSA has a power of attorney form available that enables you to designate another person to conduct your business at the office. If you are interested, please contact our office or any Farm Service Agency office near you for more information.

## **FSA Payment Record**

During the last week of January, producers who have received payments from FSA should have also received 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 producers during the previous calendar year. 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 received a CCC-1099-G, we recommend 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 your nearest FSA office for assistance in locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

## **Farm Storage Facility Loan (FSFL) Program**

FSA's Farm Storage and Facility Loan (FSFL) Program 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 Commodity Credit Corporation (CCC) providing a loan for the remaining eighty five (85) percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Loan terms of seven, ten, or twelve years are available depending on the amount of the loan.

Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department. Payments are available in the form of a partial disbursement and the remaining final disbursement. A partial disbursement of up to 50 percent of the total loan amount will be available, if desired, after a portion of the construction has been completed. The final disbursement will be made when all construction is completed.

An FSFL generally must be approved before the delivery of any materials are accepted and before any site preparation or construction is begun. The following commodities are eligible for farm storage facility loans: corn, grain sorghum, soybeans, oats, wheat, barley, or minor oilseeds harvested as whole grain; corn, grain sorghum, wheat, oats, or barley harvested as other than whole grain; hay; renewable biomass; fruits (including nuts) and vegetables—cold storage facilities. Among other requirements, borrowers are responsible for obtaining annual multi-peril crop insurance or NAP coverage and all-peril insurance on the FSFL structure listing CCC as the loss payee.

## 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.

The application and sales closing deadline for 2011 NAP coverage is **March 15, 2011**, for all NAP crops other than value loss and honey. The deadline for value-loss crops was Sept. 1, 2010 and Dec. 1, 2010, for honey.

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. Contact Sue @ 322-5348 ex.105.

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.

## Foreign Buyers Notification

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA. All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA with 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

## Farming Operation Changes

If you have bought or sold land, or if you have added or dropped rented land from your operation, make sure you report the changes to the office as soon as possible. You need to provide a copy of your deed or recorded land contract for purchased property. Failure to maintain accurate records with FSA on all land you have an interest in can lead to possible program ineligibility and penalties. Making the record changes now will save you time in the spring. Update signature authorization when changes in the operation occur. Producers are reminded to contact the office of a change in operations on a farm so that records can be kept current and accurate.

## Bank Account Changes

Current policy mandates that FSA payments be electronically transferred into your bank account. In order for timely payments to be made, producers need to notify the FSA county office if your account has been changed or if another financial institution purchases your bank. Payments can be delayed if the FSA office is not aware of updates to your account and routing numbers.

## 2011 DCP Signup

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) has begun and will continue through June 1, 2011. Producers may visit the FSA office to sign up.

Eligible producers receive direct payments at rates established by statute regardless of market prices. FSA will issue advance direct payments to requestors.

## 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.

## Appeal Process

After an FSA official makes a decision on your request for USDA services or application, you will be sent a letter informing you of the decision and options you can pursue if you disagree.

Generally, program participants have three choices — an informal review with the original agency decision-maker, an opportunity for mediation and finally an appeal to the next level of authority within the agency.

**STILLWATER FSA OFFICE**  
 334 North 9<sup>th</sup> Street  
 Columbus, MT 59019



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

<b>Selected Interest Rates -March 2011</b>	
Farm Operating - Direct	2.50%
Farm Ownership - Direct	4.875%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Conservation Loan	4.875%
Emergency - Actual Loss	3.750%
Farm Storage Facility - 7-year	2.875%
Farm Storage Facility - 10-year	3.500%
Farm Storage Facility - 12-year	3.875%
Commodity Loans 1996-Present	1.250%
90-Day Treasury Bill	0.125%

**Upcoming Important Dates to Remember:**

- March 14:** CRP General Signup Begins
- March 15:** NAP Sales Closing Date for All Other Crops except Value-Loss and Honey
- March 31:** Final Date to Request 2010 Marketing Assistance Loans/LDPs on Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat, and Sesame Seed
- April 15:** CRP General Signup Ends
- May 31:** Final Date to Request 2010 Marketing Assistance Loans/LDPs on Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Chickpeas, Soybeans, and Sunflower Seed
- June 1:** 2011 DCP & 2011 ACRE Programs Filing Deadline
- July 29:** SURE Sign-up Deadline for 2009 Crop Year
- Continues:** Contiguous Conservation Reserve Program

**\*\*\* Montana FSA Newsletter Notice \*\*\***

***Non-active agriculture producers must "opt-in" to receive future newsletters***

Effective March 1, 2011, the Montana Farm Service Agency has issued a new newsletter policy geared toward improving FSA newsletter delivery and efficiency to the individual farmers, ranchers and agriculture community. FSA newsletters will continue to be sent to active agriculture producers as determined by the county FSA offices. No action is needed for active producers unless your household or business is receiving duplicate newsletters in which case you should inform your local county FSA office. If you are not an "active" producer but are a landowner or are interested in receiving or continuing to receive a FSA newsletter, you must inform your local county office that you'd like to "Opt-in" and be added to the newsletter mailing list. In addition, you can choose to receive your newsletter electronically. Each newsletter not mailed saves the agency and taxpayer \$0.39. To request the electronic newsletter be emailed to you instead of receiving a newsletter through mail, please contact your county FSA office.

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