



# NEWSLETTER



## Yellowstone County FSA Office

**DECEMBER  
2010**

**1629 Ave. D, Bldg. A2  
Billings MT 59102**

Phone: (406) 657-6135  
FAX: (406) 657-6277  
www.fsa.usda.gov/mt

**Hours**  
Monday - Friday  
8:00 a.m. – 5:00 p.m.

**County Committee  
Members:**  
**Ken Uffelman-Chair**  
**Forrest Ewen-Vice**  
**Bart Erickson-Reg.**  
**Juanita Stovall-Min.**  
**Channis Whiteman-Min**

**County Office Staff:**  
**Lisa Pederson, PT**  
**Jackie Gaglia, PT**  
**Nina Gonzalez, PT**  
**Kevin Johnson, CED**

### 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:

**Bruce Johnson, FLO**  
**Ext. 109**  
**Mike Turley, FLM**  
**Ext. 116**

### **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.

## 2011 DIRECT AND COUNTER CYCLICAL PROGRAM (DCP) AND AVERAGE CROP REVENUE ELECTION (ACRE)

The 2011 DCP and/or ACRE signup has started and continues now until June 1, 2011. (DCP contracts will be mailed to operators by January 1, 2011.) DCP provides for guaranteed or direct payments that are based on 83.3 percent of the farm's base acreage (wheat/barley/corn/oats) times the crop payment yield, times the producer share, times the payment rate. In addition, counter-cyclical payments (non-guaranteed, DCP only), based on 85% of the base, are paid when market prices decline. Producers are eligible for DCP and/or ACRE 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 / counter cyclical or ACRE payments.) Check with Lisa Pederson @ 657-6135 extension 105 to ensure all signatures are in by the June 1, 2011 deadline.

## 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 authorizations to sign documents for the operation or individuals. In some cases, farm and/or tract reconstitutions will be required to update farm records. (The final date for producers to request a reconstitution is August 1, 2011.) It is also your responsibility to ensure your farm operating plan reflects the current contributions of land, capital, equipment, labor and management. Contact Nina Gonzalez @ 657-6135 extension 107 for details.

## FRUIT & VEGETABLE PLANTING RESTRICTIONS

Producers are prohibited from planting crops considered to be fruits and vegetables (FAV) on their enrolled base acres under DCP and/or ACRE unless the farm has planted FAV history or the producer has an established history of planting a specific FAV. (Each exception {i.e. farm and/or producer history} does have specific criteria that must be met.) Sweet corn and pinto beans are some of the crops considered FAV. Please contact the office prior to planting FAV in 2011. Violations can result in DCP contract termination or a reduction in DCP payments.

## FARM STORAGE FACILITY LOAN PROGRAM

FSFL provides low-interest financing for producers of eligible commodities (small/coarse grains, pulse crops and hay) to build or upgrade farm storage and handling facilities. Participants are required to provide a down payment of 15 percent, with Commodity Credit Corporation (CCC) providing a loan for the remaining 85 percent of the net cost. Loan terms of seven, 10 or 12 years are available depending on the amount of the loan. Contact the office prior to February if you're interested in installing commodity storage for the 2011 crop year.

## 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.

## 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.



## 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.

## 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. Contact Lisa Pederson @ 657-6135 ext. 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. For more information please contact Jackie Gaglia @ 657-6135 ext. 105 or Nina Gonzalez @ ext. 107.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.



## 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. To substantiate proof of death normal mortality and otherwise, either verifiable (i.e. vet records), reliable (producer record existing at the time of the death that provides specific details), or a third party certification is required. 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 2011, producers that suffer losses must file a notice of loss within 30 days of the loss or January 30, 2012, whichever is earlier. Crops, including rangeland, are not required to be insured for LIP eligibility.**

### 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>

## Selected Interest Rates - December 2010

90-Day Treasury Bill	.125%
Farm Operating - Direct	1.75%
Farm Ownership and Conservation Loan - Direct	4.125%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency	3.75%
Farm Storage Facility - 7-year	2.00%
Farm Storage Facility - 10-year	2.75%
Farm Storage Facility - 12-year	3.00%
Commodity Loans 1996-Present	1.25%

## Dates to Remember

Jan. 10, 2011	2009 SURE signup begins
Jan. 17, 2011	Martin Luther King Jr.'s Birthday – Office Closed
Jan. 31, 2011	Final day to request wool or mohair loans/LDP's for 2010 sheared commodities
Jan. 31, 2011	Final day to file Notice of Loss for LIP on <b>2010</b> livestock losses
Feb. 15, 2011	Presidents' Day –Office Closed
Mar. 15, 2011	Final day to purchase NAP on rangeland and other non-insurable crops
Mar. 31, 2011	Final day to request small grain loans/LDP's (2010 crop)
May 31, 2011	Final day to request corn loans/LDP's (2010 crop)
June 1, 2011	Final day to return signed 2011 DCP and/or ACRE contracts





## 2009 Supplemental Revenue Assistance Payments Program (SURE)

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 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.

**TRIGGER** - A 2009 Secretarial Disaster designation in Yellowstone County triggers the program in the County for 2009. Therefore, in 2009, producers with at least one crop of economic significance with a 10 percent crop production loss could qualify for benefits.

**ELIGIBILITY REQUIREMENTS** - To be eligible for SURE assistance in 2009, 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. (Forage crops for grazing and crops not expected to contribute 5% of the total expected value of all crops grown by the producer, did not have to be insured.)

**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 Statute % 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 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.)

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 Jackie Gaglia at (406) 657-6135 ext. 106 as soon as possible. Signup for 2009 crops begins January 10, 2011.