



# NEWSLETTER



## Montana FSA State E-Newsletter

**December 2010**

**State Executive Director  
Bruce Nelson**  
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**Montana FSA Web site:**  
[www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt)

**Hours:**  
Monday - Friday  
7:30 a.m. - 4:30 p.m.

**Montana State FSA  
Committee:**  
Steve Carney, *Chair*  
Floyd Dahlgren, *Member*  
Kelly Flaherty-Settle, *Member*  
Hans McPherson, *Member*  
Patricia Quisno, *Member*

**Next State Committee  
Meeting:**  
Dec. 13 to Dec. 15 from 8 a.m.  
to 5 p.m. in the Montana State  
Office located at 10 East  
Babcock on the 5<sup>th</sup> Floor of the  
Federal Building in Bozeman.

**FSA State Office Management:**  
Richard Deschamps, *Chief  
Administrative Officer*  
Dave Pitts, *Farm Loan Program  
Chief*  
Glenn Patrick,  
*Conservation/Price Support  
Program Chief*  
Leonard McArthur, *Disaster and  
Compliance Program Chief*  
Patti Soares,  
*Production/Common Program  
Chief*  
Jennifer Perez Cole, *Public  
Affairs/Outreach/Civil Rights*  
Cindy Coad,  
*Program/Management Analyst*  
Vicky Herness,  
*Program/Management Analyst*

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

## DCP and ACRE Signup, Advance Payments

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) and also the 2011 ACRE Program has begun and will continue through June 1, 2011.

Advance payments of 22 percent on the 2011 DCP & ACRE direct payments program will be available starting Dec. 1, 2010. The remaining 78 percent of your direct payment will be issued after October 1, 2011. ACRE is a revenue based payment alternative to the price-based counter-cyclical (CC) payments. Eligible producers will receive direct payments at rates established by statute regardless of market prices. DCP or ACRE contract signatures for enrollment are due by the signup deadline of June 1, 2011. For more information producers can contact their local FSA office.

## Maintaining the Quality of Loaned Grain

This year's large grain crop has its obvious up side, but there is a downside too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a maximum volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases. Producers who take out farm-stored marketing assistance loans should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

## Livestock Indemnity Program

The Livestock Indemnity Program (LIP) provides assistance to eligible livestock owners and contract growers for eligible livestock deaths in excess of normal mortality due to adverse weather including losses due to floods, blizzards, disease, wildfires, extreme heat, and extreme cold. For 2010 losses, producers must file a notice of loss no later than 30 calendar days of when the loss of livestock is apparent. A notice of loss can be reported to the office by phone, fax, or e-mail. Eligible livestock deaths must have occurred in the calendar year for which benefits are being requested. An Application for payment may be filed at any time in 2010, but must be filed no later than 30 calendar days after the end of the calendar year in which the loss of livestock occurred. Please contact the office for additional eligibility requirements. A list of eligible livestock is available at [www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt).

## IRS Form 1099-G

Each year producers receive 1099-G forms from the Commodity Credit Corporation (CCC) detailing payments producers have received from the CCC. CCC's annual report of program payments on the 1099-Gs help our customers report taxable income. It is not intended to replace the producer's own responsibility to report income to the IRS. FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

## Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funds to implement conservation measures on their land. The available limit for a direct CL is \$300,000, and the limit for a guaranteed CL is \$1,119,000. The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters and other installations. For more information on a potential Conservation Loan, call the local FSA office and make an appointment with a loan officer.

## Loan and LDP Deadline for Wool, Mohair, and Unshorn Lamb Pelts

Eligible producers have until January 31, 2011, to apply for 2010 Loan Deficiency Payments (LDP's) for wool, mohair, and unshorn pelts. January 31<sup>st</sup> is also the deadline for requesting 2010 Marketing Assistance Loans for Wool and Mohair. Unshorn pelts are not eligible for Marketing Assistance Loans.

To be eligible for a 2010 mohair or wool Marketing Assistance Loan or LDP, producers must: (a) have beneficial interest in the mohair or wool; (b) produce and shear eligible mohair or wool in the U.S. in 2010; and (c) own the sheep or goats that produced the mohair or wool for a period of not less than 30 days before shearing.

To be eligible for an unshorn pelt LDP, producers must: (a) have beneficial interest in the pelts; (b) own the lamb for at least 30 calendar days before the date of slaughter and before submitting the LDP request; and (c) sell the unshorn lamb for immediate slaughter or slaughter the unshorn lamb for personal use. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, the wool, mohair, or pelts must have been produced by an eligible producer from live animals of domestic origin and located in the United States.

## Continuous CRP

The Continuous Conservation Reserve Program allows participants to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources. Continuous CRP program participation is voluntary. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental payments, incentive payments for certain activities, and cost share for establishment. For more information on Continuous CRP enrollments or local Conservation Reserve Enhancement Program (CREP) availability, please contact your local FSA office or visit the website <http://www.fsa.usda.gov/pas/publications/facts/html/crpcont03.htm>



## Spousal Signatures

Husbands and wives may sign documents on behalf of each other for FSA and Commodity Credit Corporation programs in which either has an interest. This option is automatically available unless a written request for exclusion is made to the county office staff by either spouse. There are exceptions to the rule, where spouses may not sign on behalf of each other for partnerships, joint ventures, corporations or other similar entities. Individual signatures are also required on certain Farm Loan Program and Farm Storage Facility Loan documents. For more clarification on spousal signature authority, feel free to contact your local FSA office.

## Commodity Loans

Commodity loans, also referred to as Marketing Assistance Loans, are 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. During the term of the loan, loss of beneficial interest is a violation of loan provisions.

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 removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

## 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 all crops, except value-loss and honey, is March **15, 2011**. 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. Please contact your local FSA Office for additional information.

## BCAP Update

Instructions for Biomass Conversion Facilities (BCFs) to become approved BCAP-certified facilities are anticipated in the next few weeks. The actual Memorandum Of Understanding (MOU) or agreement will be similar to the first pilot phase program but new language that will address requirements of the new regulation. Biomass Conversion Facilities may wish to contact the FSA office in their state to make sure they are notified when this information is received. BCFs and interested producers can also watch the national website for further BCAP information at [www.fsa.usda.gov](http://www.fsa.usda.gov) under Energy Programs.

All BCFs must complete the MOU and submit it, along with any other documents or permits required by the notice. This is the first step in the BCAP process. Additional notices dealing with project area proposals and new procedure on the harvest, transportation portion or matching payment program are also scheduled to be released shortly. The new BCAP regulation has significant changes in required conservation plans, fair market value and eligible material that will be explained in the Notice.



## USDA announces support of nonindustrial private forest land damaged by natural disasters

Nationwide, \$18 million will be made available to assist nonindustrial private forest (NIPF) landowners restore lands damaged by natural disasters. The funds are provided through USDA's Emergency Forest Restoration Program (EFRP). EFRP participants will use the money to implement emergency forest restoration practices, including emergency measures necessary to address damage caused by a natural disaster to natural resources on NIPF land and restore forest health and forest related resources on the land. The damage from the natural disaster must have occurred on or after January 1, 2010.

The program is administered by the Farm Service Agency (FSA). To be eligible for EFRP, land must:

- Have existing tree cover (or had tree cover immediately before the natural disaster and is suitable for growing trees); and,
- Be owned by any nonindustrial private individual, group, association, corporation, or other private legal entity that has definitive decision-making authority over the land.

In addition, the natural disaster must create damage that, if untreated, would:

- Impair or endanger the natural resources on the land; and,
- Materially affect future use of the land.

All of the above conditions must be met for EFRP eligibility. FSA county committees determine land eligibility based on on-site damage inspections, taking into account the type and extent of damage. For further information on how to apply and eligibility requirements, landowners may visit the FSA county office where their farm records are maintained or <http://disaster.fsa.usda.gov> and [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation). You may also obtain additional information at <http://go.usa.gov/CLI>.

## Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000. Many farm and even city families have found the Youth Loan program an excellent means to introduce the next generation to the business of agriculture. Is there someone in your family who may qualify?

## Beginning and Limited Resource Farmers

FSA sets aside targeted funding to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 % of the county's average size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov)

## Loans for the Socially Disadvantaged

While all qualified producers are eligible to apply for Farm Service Agency loan programs, the FSA has provided priority funding for socially disadvantaged applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere. Both operating loans and loans for the purchase or improvement of farms or ranches are available under this category.

## Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available. If you've had a setback and your lender is reluctant to extend or renew your loan, ask your lender about an FSA loan guarantee. Guaranteed loans can reach a maximum of \$1,119,000. Direct farm ownership loans or farm operating loans may be obtained from FSA for a maximum of up to \$300,000. Producers are encouraged to apply early so that the application and loan can be processed and funded in a timely manner. To find out more about FSA loan programs, contact the county office staff.



PRESORTED  
STANDARD U.S.  
POSTAGE PAID  
Bozeman, MT 59715

Selected Interest Rates - December 2010	
Farm Operating - Direct	1.750%
Farm Ownership - Direct	4.125%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Conservation Loan	4.125%
Emergency	3.750%
Farm Storage Facility - 7 year	2.000%
Farm Storage Facility - 10 year	2.750%
Farm Storage Facility - 12 year	3.000%
Sugar Storage Facility	3.375%
Commodity Loans 1996-Present	1.250%
90-Day Treasury Bill	0.125%

Dates to Remember	
Oct. 1, 2010	2011 ACRE Sign-Up Began
Oct. 1, 2010	2011 DCP Sign-Up Began
Dec. 1, 2010	NAP sales closing date for honey
Dec. 6, 2010	County Committee ballots due back to County Office
Dec. 24, 2010	USDA Service Centers Closed for Christmas holiday
Dec. 31, 2010	USDA Service Centers closed for New Year's holiday
Jan. 30, 2011	Last Day to file Application for Payment for 2010 LIP & ELAP where timely Notices of Losses were filed
Jan. 31, 2010	2010 Wool, Mohair and Unshorn Pelt Marketing Assistance Loan and LDP Deadline
March 15, 2011	NAP sales closing date for all other crops except value-loss and honey.
June 1, 2011	2011 DCP / ACRE Filing Deadline
Continues	Continuous Conservation Reserve program

## 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...**

1. Go to [www.eauth.egov.usda.gov](http://www.eauth.egov.usda.gov), complete a customer profile and submit it online
2. After submitting your customer profile, you will receive a confirmation email, and you must respond to it within 7 days to activate your account
3. 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

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