



FSA's Prevented Planting final report date extended to July 15th

Due to flood and excessive moisture conditions throughout Montana, a request was submitted to the National Farm Service Agency (FSA) Office to extend the deadline for timely reporting prevented planting to FSA to coincide with the final crop reporting deadline of July 15th for the 2011 crop year. The request was approved on June 1st. Prevented Planted acreage claims filed by July 15, 2011 will be considered as timely filed. It is important that the FSA-576 be timely filed and approved for a possible 2011 crop disaster program (SURE) or for acreage history credit. Approved preventive planted acreage may also be eligible for ACRE payments. If a request for prevented planting is filed after July 15, 2011, it is considered late filed and will require a minimum of \$46 to have an on-site inspection completed to determine that the natural disaster condition was evident. If the disaster condition that prevented the crop from being planted is no longer apparent, then the FSA-576 will be denied and no benefits will be applicable. If you have insured crops that were prevented planted then you may be required to provide proof that you filed for prevented planting credit with crop insurance. The COC may also request that you provide receipts or invoices showing you had inputs (seed, chemical, fertilizer, etc.) available to plant the acres claimed as prevented to establish your intent of planting.

2011 Acreage Reports due by July 15

The annual requirement of reporting to the FSA office can be referred to as crop reporting, acreage reporting, or crop certification. Acreage reports must be filed for all cropland on the farm before any 2011 DCP or ACRE payments can be made or before eligibility can be established for marketing assistance loans and LDPs. Participants in CRP and NAP must report the specific acreage for which benefits are being requested. Additionally, to be eligible for benefits under the SURE program, all crops in all counties must be reported, including non-cropland that will be hayed and/or grazed. The deadline for submitting a timely filed acreage report is July 15, 2011. Producers are reminded that filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

FSA Disaster Assistance programs available

FSA would like to remind crop and livestock producers throughout states that have recently experienced severe damage from flooding, wildfires and tornadoes that FSA programs are available to assist with recovery. FSA administers several important programs that help producers recover from disaster damage and livestock deaths. Among the key programs available to address impacts from disasters are the Emergency Conservation Program (ECP), the Livestock Indemnity Program (LIP), Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), the Noninsured Disaster Assistance Program (NAP), Supplemental Revenue Assistance Payments (SURE) Program and the Emergency Loan (EM) Program. Fact sheets for all of these programs can be found at www.fsa.usda.gov; click on Newsroom, then Fact Sheets, or on the state website at www.fsa.usda.gov/mt, under Programs. We encourage all who have suffered a disaster due to the recent severe weather conditions to read the fact sheets and visit the local FSA county office so they get a quick start in the recovery process.

SURE Sign-Up Continues for 2009 Crop Year, July 29 Deadline

Sign-up for the Supplemental Revenue Assistance Payments Program (SURE) for the 2009 Crop Year began on Jan. 10, 2011 and will end on **July 29, 2011**. To be eligible for SURE a producer must have at least a 10 percent production loss on a crop of economic significance and 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 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. 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. All but three counties - Carter, Fallon and Powell - were designated as a primary or contiguous disaster county in 2009. 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. Last fiscal year, Montana FSA administered more than \$36 million in the SURE program for the 2008 crop year. For more info, contact the county office.

Montana Farm Service Agency State E-Newsletter

June 2011

Montana State FSA Committee:

Steve Carney, *Chair*
Floyd Dahlman, *Member*
Kelly Flaherty-Settle,
Member
Hans McPherson, *Member*
Patricia Quisno, *Member*

Acting State Executive Director

Richard Deschamps
P.O. Box 670
Bozeman, MT 59771
406-587-6875 phone
406-587-6887 fax

Montana FSA Web site:

www.fsa.usda.gov/mt

Hours:

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

Next State Committee Meeting:

June 8-9 from 8 a.m. to 5 p.m. in the Montana State Office located at 10 East Babcock on the 5th Floor of the Federal Building in Bozeman.

FSA State Office Management:

Richard Deschamps,
Chief Administrative Officer
Dave Pitts,
Farm Loan Program Chief
Amy Webbink,
Price Support Program Specialist
Valeria Bickwermert,
Conservation Specialist
Shelly Rolando, *Disaster and Compliance Program Chief*
Patti Soares,
Production/Common Program Chief
Jennifer Perez Cole, *Public Affairs Specialist. Outreach Coordinator, State Civil Rights Coordinator*
Cindy Coad,
Program/Management Analyst
Vicky Herness,
Program/Management Analyst

Thousands of Montana FSA participants urged to submit consent forms to IRS to maintain eligibility for 2009 and future years' program benefits

Roughly 5,000 Montana agricultural producers and members of entities who participated in USDA Farm Service Agency (FSA) programs in 2009 and 2010 who have not submitted consent forms to the Internal Revenue Service (IRS) are urged to do so now or they will not receive future USDA program benefits. Producers who fail to submit the consent forms to the IRS can be required to repay full program benefits received indirectly or directly since 2009, Montana FSA Acting State Executive Director Richard "Dick" Deschamps said in a statewide news release on June 3.

The consent form authorizes IRS to calculate a payment recipient's average adjusted gross income (AGI) and provide FSA an indicator of whether the payment recipient's average AGI meets or exceeds the limitation amounts for FSA programs. Producers who participated in 2009, 2010, and/or 2011 FSA programs subject to AGI had to certify compliance with AGI rules on form CCC-926. As part of the compliance process, individuals must submit consent form CCC-927 to the IRS and legal entities must submit consent form CCC-928 to the IRS, which are available at county FSA offices and online on the state FSA website at www.fsa.usda.gov/mt. The form became a requirement for payment eligibility beginning with the 2009 crop year, however many program participants have not complied with this requirement. On Oct. 6, 2010, a letter was mailed to participants who certified AGI compliance who have not submitted consent forms for 2009 and 2010. The deadline to submit the forms to IRS for 2011 was June 1st, 2011.

"For 2009, 2010 and 2011, the deadline has passed, but individuals and legal entities, including members of entities, regardless of whether they received program benefits directly or indirectly, who have not submitted the form to IRS for any of these years, need to do so immediately in order to avoid a demand for refund of program payments and benefits received," Deschamps. "Even if these producers do not normally file federal income taxes, they must still submit the appropriate CCC-927 or CCC-928. If you're unsure if you have submitted the appropriate form, you can contact your local county FSA office to see if you're on the list."

FSA is aware that in some instances such as Native American participants with little federally reportable income, or individuals and entities that are members of participating entities and have little or no IRS-reportable income on their own, who may not file federal taxes and may have had their CCC-927 or CCC-928 rejected by the IRS as a result. If individuals filed CCC-927 or CCC-928 and it was rejected because of lack of income data, please contact your FSA county office and provide them with a copy of the rejected form and IRS letter. For more info. contact your FSA county office.

2011 COC Election Nominations

The election of agricultural producers to FSA county committee starts with the nomination of eligible candidates. To become a nominee, eligible individuals must sign nomination form FSA-669A. The form includes a statement that the nominee agrees to serve if elected. This form is available at FSA County Offices and online on the state FSA website at:

www.fsa.usda.gov/mt. Nomination forms for the 2011 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2011. Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the county committee.

Individuals may nominate themselves or others as a candidate. Additionally, organizations representing minority and women farmers or ranchers may nominate candidates. Nomination forms are filed for the county committee of the office that administers a producer's farm records.

2010 ACRE Certification Deadline Extended

The deadline for a 2010 production certification to comply with the ACRE provisions for production reports has been extended to COB Sept. 1, 2011. Because of this extension, using a register on Sept. 1, 2011, is **not** authorized. The extension is for completing both the farm benchmark yield (2005 through 2009) and the actual farm yield (2010). For more details contact the county FSA office.

Farm Divisions/Combinations Must Be Requested By August 1

If you have sold, purchased or leased a farm or part of a farm, please notify this office immediately. If you need to request a farm division or a farm combination for 2011, the deadline to submit the request is Aug. 1, 2011 for those farms participating in DCP/ACRE. If requests are not filed timely, it may be difficult to complete 2011 contracts with all required signatures for the farm. Requests received after Aug. 1, 2011, will be processed for 2012.

Soil or Gravel Removal and Other Land Changes - Caution

If you wish to plant an agricultural commodity on any land where any soil or gravel has been removed, please work with the local NRCS and FSA offices in advance to avoid the possibility of any non-compliance and loss of benefits. To be eligible for USDA benefits, all producers planting agricultural commodities on predominantly highly erodible fields are required to do so according to the provisions of an acceptable conservation system/plan to ensure adequate residue exists. The NRCS can assist you in developing an approved conservation system/plan, if applicable, for the farm.

2011 Managed Haying and Grazing of CRP

CRP participants with approved conservation plans (CPO) that include managed haying and managed grazing of CRP may begin haying and/or grazing on July 16, 2011, provided they have completed all of the necessary paperwork at the County FSA Office and have received **written approval** from the FSA County Committee or its designee before starting haying or grazing. Failure to get written approval before starting managed haying and managed grazing of CRP could result in termination of the acres that are hayed or grazed. CRP participants who do not already have the managed haying and managed grazing provisions in their CPOs should contact the county office to get an updated CPO to include the managed haying and managed grazing provisions. The Montana managed haying provisions allow managed haying 1 in 5 years and 50% of the acres must be set aside for wildlife. Producers may hay the 50% set aside in the following year. Grazing is allowed 1 in 3 years and 100% of the acres can be grazed. Producers cannot hay and graze the same acres. Producers will be assessed a 25% payment reduction for managed haying and grazing of CRP. The 2011 Summer-Fall Managed Grazing Period is July 16th through September 13th. The 2011 Managed Haying Period is July 16th through September 30th.

Cash-rent Tenant:

A cash-rent tenant rule applies to any producer that rents land from another producer for cash or a crop share guaranteed as the amount of the commodity to be paid in rent. The rule also applies to any producer who rents land for zero dollars or who farms the land in exchange for compensation other than cash, such as controlling weeds on land not owned, or barter arrangements. Any cash-rent tenant shall be ineligible to receive payment unless the cash-rent tenant makes a significant contribution of active personal labor to the farming operation; or a significant contribution of active personal management **and** a significant contribution of equipment. A cash-rent tenant must also meet all applicable requirements to be considered “actively engaged in farming.”

Loan and LDP Programs:

Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell eligible commodities when market prices are typically at harvest-time lows. Marketing assistance loans are 9-month loans with the commodity pledged as collateral for the loan. Producers can settle their loan during the 9-month period by selling the commodity and repaying the principal plus accrued interest or by forfeiting the commodity to the Commodity Credit Corporation (CCC). Under certain circumstances, market loan repayment provisions specify that producers may repay loans at less than principal plus accrued interest and other charges. Alternatively, a producer who is eligible to receive a marketing assistance loan may agree to forgo the loan and instead obtain a loan deficiency payment (LDP) on their crop. LDPs allow the producer to receive a payment when the alternative repayment rate posted for a commodity is below the loan rate for that commodity. For a commodity to be eligible for a marketing assistance loan or an LDP, the producer must have beneficial interest in the commodity and meet other eligibility requirements. A producer has beneficial interest in a commodity if he or she has title to and control of the commodity. Producers may obtain marketing assistance loans or receive LDPs on all or part of their eligible production anytime during the loan availability period. The loan availability period runs from when the commodity is normally harvested (or sheared for wool and mohair) until specified dates in the following calendar year. Contact your local FSA office for more information.

Planting Fruits and Vegetables or Wild Rice:

Planting fruits, vegetables, or wild rice on base acres may adversely affect your program benefits. Please contact this office before you plant or lease land for production of fruits, including nut trees, vegetables or wild rice, to discuss acreage reporting requirements, prevention of possible violation of program provisions, payment reductions, and severe penalties.

Debarment:

Individuals convicted of a felony involving fraud in USDA programs must be permanently debarred from participation in any USDA programs with the exception of domestic food assistance programs. Debarment may be reduced to a period of not less than 10 years. In addition, these individuals can be debarred for 3 years from participation in any federal programs with limited exceptions.

Controlled Substance

Any person who is convicted under federal or state law of a controlled substance violation could be ineligible for USDA payments or benefits. Violations include planting, harvesting or growing a prohibited plant. Prohibited plants include marijuana, opium, poppies and other drug producing plants.

Annual Notice of Payment Eligibility to Producers:

USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. FSA program benefits may not be provided to any producer until the applicable payment eligibility determinations are made. A producer will remain ineligible until all required forms for the specific situation are provided. Payment Limitation/Eligibility determinations may be initiated by the FSA County Committee or requested by the producer. Once completed, documents and forms to determine eligibility are reviewed for the year submitted. A farm operating plan (payment eligibility and payment limitation form CCC-902) is not required to be filed annually if the farming operation continues to be conducted as reflected on the farm operating plan (CCC-902), and supporting documents are on file in the County Office. However, if any changes occur that could affect an “actively engaged in farming,” “cash-rent tenant” or “average adjusted gross income” determination, producers must timely notify the County Office by filing revised farm operating plans and/or supporting documentation. Failure to do so may adversely affect the producer’s payment eligibility. All payment eligibility forms (CCC-902) submitted by a producer are subject to spot check through the End-of-Year Review process. Farming operations selected for an End-of-Year Review will be required to submit documents to verify their contributions of capital, land, equipment, labor, and management. Please contact the County Office for questions concerning documents to be submitted. Individuals, joint operations, or entities which are determined to be “not actively engaged in farming” will be ineligible for Direct and Counter Cyclical (DCP) Payments. The limitation for the following programs is per “person” per fiscal year. Under the Direct and Counter Cyclical Program (DCP) and Average Crop Revenue Election Program (ACRE), direct payments are limited to \$40,000; and counter cyclical payments and ACRE payments are limited to \$65,000; Conservation Reserve Program (CRP) payments are limited to \$50,000; Non-Insured Assistance Program (NAP) payments are limited to \$100,000. SURE will pay up to \$100,000 annually including any benefits received from LIP, LFP and ELAP.

Farm Loans for Minority Groups:

FSA can make direct and guarantee loans to groups considered as minorities under USDA definition. These groups include women, African Americans, American Indians, Alaskan Natives, Hispanics, and Asian Americans and Pacific Islanders. Funds can be used to buy and operate family-sized farms and ranches. Individuals and entities primarily and directly engaged in farming and ranching on family-sized operations may apply. A family-sized farm is considered to be one that a family can operate and manage itself. Applicants must meet all requirements for FSA’s regular farm loan program assistance. Contact the FSA office for exact criteria. Repayment terms for direct operating loans depend on the collateral securing the loan and usually run from 1 to 7 years. Interest rates for direct loans are set periodically according to the Government’s cost of borrowing. Repayment terms for direct farm ownership loans are up to 40 years. Interest rates for guaranteed loans are established by the lender. Applications for direct loans are made through the local FSA office. Applications for guaranteed loans are made with the lender.

Change in Direct Deposit Account:

The Debt Collection Act of 1996 mandates that payments from FSA be directly deposited into a producer’s checking or savings bank account. It is important that any change in the producer’s account such as type of account, bank mergers, routing number or account numbers be provided to the county office promptly to avoid possible payment delay.

VISIT FSA ONLINE: Information on FSA programs, the 2011 Montana FSA Farmer & Rancher Program Handbook, forms, state news releases, upcoming deadlines and state e-newsletters and county newsletters & more are available at: www.fsa.usda.gov/mt

Selected Interest Rates - June 2011

Farm Operating - Direct	2.75%
Farm Ownership - Direct	5.00%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency - Actual Loss	3.75%
Farm Storage Facility - 7-year	2.625%
Farm Storage Facility - 10-year	3.250%
Farm Storage Facility - 12-year	3.50%

FSA: Upcoming Important Dates to Remember:

- June 1:** 2011 DCP & 2011 ACRE Programs Filing Deadline
- June 15:** 2011 County Committee Elections Nomination Period Begins
- July 15:** Acreage Reporting Deadline
- July 15:** Final NAP Production Reports Due for 2010
- July 15:** Final date to file 2010 crop application for NAP Payment
- July 16:** CRP Managed Haying and Grazing begins
- July 4:** USDA Service Centers Closed for Independence Day holiday
- July 29:** SURE Sign-up Deadline for 2009 Crop Year
- Aug. 1:** Deadline for County Committee Election Nomination Form to be postmarked or received by FSA Office.
- Sept. 1:** 2010 ACRE Production Reporting Deadline
- Sept. 13:** CRP Managed Grazing Period Ends
- Sept. 30:** CRP Managed Haying Period Ends
- Nov. 4:** County Committee Election Ballots to be mailed to eligible voters
- Dec. 5:** Last day to return voted ballots to the local FSA office.
- Jan. 2:** Elected County Committee members and alternates take office.
- Continues:** Continuous Conservation Reserve Program

Submission of Applications via E-Government:

USDA provides customers with the option to electronically access, fill out, and print paper forms and transmit those forms and other documents to their local Service Center, as required by the Freedom to E-File Act. Customers may also obtain secure payment summary information. A secure website is offered. Logon to: <http://www.eauth.egov.usda.gov> to register for a Customer ID and password.

USDA Nondiscrimination Statement/Complaint Process:

"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 Adjudication and Compliance, 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."