

U.S. Department of Agriculture  
Roosevelt County FSA Office  
PO Box 519  
Culbertson, MT 59218  
Phone (406) 787-6262



Roosevelt County FSA News  
August 2010

#### County Committee Members

Mary Nesbit  
William Clay Petersen  
Dennis Loendorf  
Next County Committee Meeting  
September 15, 2010 9:00 a.m.

#### FSA Office Personnel

Carol Y. Ritter-Fellman, CED  
Julie Williams, Chief PT  
Darcia Larsen, PT  
Dale Friedrich, PT  
Julane Poland, PT  
Judy Grimsrud, PT  
Jill Davidson, PT  
Andrea Sorg, Field  
Tristan MacDonald, Field

#### Agricultural Lending Opportunities

*Questions regarding obtaining credit to start or enlarge a farming or ranching operation; financing agricultural operating expenses; or livestock, machinery purchases should be directed to:*

Pat Turner, Loan Manager  
Bruce Johnson, Loan Officer  
Patti McGinnis, Technician  
at 406-433-2103 Ext. 108

#### Dates to Remember:

**August 2** - CRP Sign-Up Opened  
**August 27** - Last Day of CRP Sign-Up  
**Sept. 1** - Deadline to report production for ACRE  
**Sept. 1** - NAP Application Sales Deadline for Value Loss Crops (2011 Crop Year)  
**Sept. 13** - Managed Grazing Period Ends  
**Sept. 15** - Durum Wheat Quality Program Application Deadline  
**Sept. 30** - Managed Haying Period Ends  
**Sept. 30** - NAP Acreage Reporting Deadline for Value Loss Crops  
**Sept. 30** - RMA deadline to purchase Forage Production Policy (2011 Crop Year)  
**Sept. 30** - SURE Application Deadline for 2008 Crop Year  
**October 2010** - 2010 DCP and ACRE direct payments issued. 2009 additional ACRE payments, if applicable, will also be issued at that time.

### **CRP Sign-up is Open August 2 to August 27**

A competitive sign-up for the Conservation Reserve Program (CRP) opened on August 2, 2010. From that date through **August 27, 2010**, producers may offer eligible land for this program. USDA is authorized to maintain CRP enrollment up to 32 million acres. Enrollment is likely to exceed the acreage limit.

CRP provides conservation practices that preserve the soil, clean water, and restore wildlife habitat. Producers enrolling in CRP plant long-term, resource-conserving covers in exchange for annual rental payments, cost-share and technical assistance. Participants voluntarily remove environmentally sensitive land from agricultural production by entering into long-term contracts for 10 to 15 years.

Area farmers and ranchers are urged to contact their local FSA Office immediately if they are interested in this program.

### **SURE Crop Disaster Program has Sept. 30 Deadline**

The deadline for the Supplemental Revenue Assistance Payments Program (SURE) for the 2008 crop year is **September 30, 2010**. Sign-up for the crop disaster assistance program began on January 4, 2010. There are no provisions for late-filed applications.

The SURE program is an important component of the disaster portion of the 2008 Farm Bill and will provide financial assistance to producers who suffered crop losses due to natural disasters during the 2008 crop year. Producers who suffered crop production losses during the 2008 crop year are encouraged to visit their local FSA Office about eligibility requirements and submit their applications by September 30.

### **ACRE Data Deadline Moved to September 1**

The deadline to file a 2009 production certification to comply with ACRE was extended through **September 1, 2010**. The extension is for completing both the farm benchmark yield (2004 through 2008) and the actual farm yield (2009). Participants in the 2009 ACRE program must certify their yields by September 1, 2010 to remain eligible for ACRE benefits.

### **Durum Wheat Quality Program has Sept. 15 Deadline**

FSA is currently taking applications for the Durum Wheat Quality Program (DWQP). The program will partially compensate producers for the costs associated with fungicide application on 2010 durum wheat. Under this program producers may be eligible to receive a 50 percent cost share for applying fungicides to their 2010 durum wheat crop to control Fusarium head blight, commonly known as wheat scab. Durum producers have until **September 15, 2010**, to apply for fungicide application reimbursement under this program. The fungicide payment rate for the chemical will be established by the National Office. The reimbursement rate for the cost of application is set by the state committee. Producers can prepare for DWQP sign-up by gathering their 2010 fungicide bills that document their Fusarium fighting efforts and submit them to their local FSA Office by the deadline.

## Marketing Assistance Loans

A Marketing Assistance Loan (MAL) is available for producers who share in the risk of producing the crop. To be eligible, a producer must maintain continual beneficial interest in the crop from harvest through the earlier of the date the loan is repaid or Commodity Credit Corporation (CCC) takes title to the commodity. Beneficial interest means retaining the ability to make decisions about the commodity; responsibility for loss or damage to the commodity; and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if the producer regains beneficial interest.

Commodity loan eligibility requires compliance with conservation and wetland protection requirements; beneficial interest requirements, acreage reporting and ensuring that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical and/or ACRE Programs to be eligible for commodity loans.

Violating provisions of a marketing assistance loan may trigger procedures, such as assessing liquidated damages, calling the loan and denial of future commodity 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.

## Wetland Compliance

Producers renting or purchasing land that may have a converted wetland status need to check with the county office to learn if there are restrictions. Farm Bill regulations provide that, unless exempt, persons are ineligible for benefits under certain programs administered by USDA if they:

- plant an agricultural commodity on a wetland that was converted after December 23, 1985
- convert a wetland after November 28, 1990

FSA may not approve any loan or loan guarantee to drain, dredge, fill, level or otherwise manipulate a wetland, or to engage in any activity that results in impairing or reducing the flow, circulation or reach of water except in the case of activity related to the maintenance of previously converted wetlands.

The following provides permitted uses and restrictions within Wetland compliance provisions:

- wetlands can be farmed under natural conditions, but not converted
- wetlands converted before November 28, 1990, cannot be planted to an agricultural commodity and retain eligibility for benefits
- wetlands converted after Nov. 28, 1990, must either be restored to wetland status or mitigated to regain eligibility for program benefits.
- wetlands that can be farmed under natural conditions cannot be manipulated in any way, unless the Natural Resources Conservation Service determines the work would have a minimal effect on the wetland values
- wetlands converted before December 23, 1985, can be farmed and maintained

Additional information about wetlands is available at the USDA Service Center.

## CRP Managed Hay and Grazing Began July 16

**2010 Managed Grazing Period ends Sept. 13; 2010 Managed Haying ends Sept. 30**

The 2010 Conservation Reserve Program (CRP) managed haying and grazing start date was July 16, 2010, for all participants who have acres that are eligible to be hayed or grazed this year. Managed haying and grazing cannot begin until an application is completed at the local FSA County Office and written approval is received from the FSA County Committee or its designee.

CRP participants with conservation plans that included the managed haying and grazing provisions that applied after the National Wildlife Federation (NWF) Settlement Agreement in 2006, were limited to grazing 1 in 5 years and haying 1 in 10 years. Haying or grazing was not allowed until August 2nd. **CRP participants under the NWF rules will have the opportunity to modify their contracts to switch to the old Montana Rules, which allow managed grazing 1 in 3 years and managed haying 1 in 5 years.** Under the Montana rules, haying and grazing could begin July 16<sup>th</sup>. All CRP contract participants must sign the conservation plan modification.

To determine if acres are eligible to be hayed or grazed the county office will determine when the acres were last hayed or grazed. Grazing can only occur 1 in 3 years on the same acres. Haying can only occur 1 in 5 years on the same acres. The 50% that has to be set aside for wildlife may be hayed the following year. The 2010 Managed Grazing Period is limited to 60 days - July 16<sup>th</sup> through September 13<sup>th</sup>. The Managed Haying Period is July 16<sup>th</sup> through September 30<sup>th</sup>. Participants who wish to modify their conservation plans should contact their local county FSA Office.

### Transition Incentives

The Transition Incentives Program (TIP) encourages retired or retiring owners or operators to transition their Conservation Reserve Program (CRP) acres to beginning or socially disadvantaged farmers or ranchers. TIP sign-up opened May 17, 2010. If all program requirements are met, TIP provides annual rental payments to the retiring farmer for up to two additional years after the expiration of the CRP contract, provided the transition is not to a family member. For eligibility requirements producers should visit the FSA County Office or [www.fsa.usda.gov](http://www.fsa.usda.gov).

### Adjusted Gross Income (AGI)

For the 2009 through 2012 crop years, to be eligible to receive a marketing loan gain (MLG) or Loan Deficiency Payment (LDP), an entity or individual's average adjusted gross **nonfarm** income cannot exceed \$500,000. A person or legal entity with average adjusted gross **nonfarm** income that exceeds \$500,000 is **not** eligible for MLG's or LDP payments. The person or entity is eligible for a marketing assistance loan, but the loan **must** be repaid at principal plus interest.

### Loan Deficiency Payment Provisions

Eligible farmers may choose to receive marketing loan benefits through direct loan deficiency payments (LDP) when market prices are lower than commodity loan rates. The LDP option allows the producer to receive the benefits of the marketing loan program without having to take out and subsequently repay a commodity loan. The LDP rate is the amount by which the loan rate exceeds the posted county price or prevailing world market price and thus is equivalent to the marketing loan gain that could alternatively be obtained for crops under loan. When an LDP is paid on a portion of the crop, that portion cannot subsequently be used as collateral for another marketing loan or LDP.

**It is important for producers to come into the office and sign form CCC-633EZ, page 1 (Loan Deficiency Payment Agreement and Request) before any of the eligible loan commodity is sold or beneficial interest is lost.** Even though there might not be a Loan Deficiency Payment (LDP) rate in effect at the time of harvest, does not mean the markets might not support one at a later date. If the CCC-633EZ, page 1 is not on file at the office, the producer must have ownership and control of the commodity at the time the LDP is requested.

Beneficial interest is retained in the commodity if all of the following remain with the producer: control of the commodity, risk of loss, and title to the commodity.

### Actively Engaged

FSA wants to remind producers about the rules that govern the requirements to be 'actively engaged' in farming. These rules apply to eligibility for payments under the Direct and Counter-cyclical Program (DCP) or Average Crop Revenue Election (ACRE) program administered by FSA.

Normally the stockholder or a member of a legal entity **must make contributions of active personal labor and/or active personal management to the farming operation.** The contributions are to be performed on a regular basis, must be identifiable, and separate from the contributions of others.

The exception to this rule for a stockholder or member of a legal entity only occurs if both of the following apply:

- At least half of the interest in the legal entity is held by stockholders or members who are providing active personal labor or active personal management; and the total direct payments received, both directly and indirectly, by the legal entity and each of the members doesn't exceed \$40,000.

### Loans for the Socially Disadvantaged

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for Socially Disadvantaged applicants.

A socially disadvantaged applicant is a member of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders.

If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

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Selected Interest Rates for August 2010	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	2.5%
Farm Ownership - Direct	4.625%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.5%
Emergency	3.75%

### Electronic Services

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services requires a *USDA eAuthentication Level 2 Account*, including your e-mail on an online registration form at [www.eauth.egov.usda.gov/index.html](http://www.eauth.egov.usda.gov/index.html) followed by a visit to the county office for identity verification.

If you have questions, or would like assistance establishing your account, just contact your local USDA Service Center and talk with our trained FSA personnel.