

FSA County Office
420 Barrett St
Dillon, MT 59725

County Committee Members

David Schuett, Chair
Donna Hildreth, Vice-Chair
Jerry Meine, Regular Member

FSA Office Personnel

Alan Jenne, Farm Loan Manager, Acting CED
Jenny Rose, Program Tech

Dates to Remember:

December 1 – NAP application closing date for Honey

December 1 – COC ballots must be returned by close of business

December 2-5 – Grain Growers Annual Convention. Great Falls

December 11-13 – Stockgrowers Annual Convention, Billings

December 25 – Office Closed, Christmas

January 1 – Office Closed, New Year's

January 19 – Holiday – Office closed

January 31 – Final loan/LDP availability date for wool/mohair shorn in 2008

January 31 – Final LDP availability date for 2008 unshorn pelts

March 17, 2008 – NAP sales closing date for all crops except value loss crops



Beaverhead December 2008

Pollinator Habitat Improvement on CRP

Many populations of native pollinators such as bees, butterflies, other insects, birds, etc. are vital for American Agriculture. One out of every 3 bits of food is dependent on pollinators. Many populations of pollinators are in decline.

The 2008 Farm Bill provides authority to include pollinator habitat on Conservation Reserve Program (CRP) land for CRP contracts signed after Jan. 2, 2009.

Certain CRP practices will include pollinator habitat components consisting of 1 to 3 bunch grasses and 9 or 10 wildflower/forbs. The cost of installing the pollinator habitat will vary from \$100 to \$300 per acre. Five percent of the CRP acres enrolled shall be pollinator friendly.

Contact the office for further details.

10 Acre or Less Farms Provisions for 2009

The 2008 Farm Bill was amended to permit producers on a farm with the sum of the base acres of covered commodities on the farm of 10.0 acres or less to receive DCP payments for the 2008 contract year.

For the 2009 contract year producers on farms with 10.0 acres or less are **not** eligible to receive Direct and Counter cyclical Program (DCP) payments on that farm unless that farm is wholly owned by a socially disadvantaged or limited resource farmer or rancher. **Note:** *Producers who do not qualify as a socially disadvantaged or limited resource farmer or rancher may still enroll 10.0 acre farms or less, however they will not be eligible for payments in 2009.*

For DCP purposes, a socially disadvantaged farmer or rancher is defined as someone who is a member of a socially disadvantaged group. These groups consist of: 1) American Indian or Alaskan Natives; 2) Asians; 3) Blacks or African Americans; 4) Native Hawaiians or other Pacific Islanders; 5) Hispanics; and 6) Women.

The Limited Resource Farmer or Rancher is a producer certification. Both of the following must be met:

- Directly or indirectly have gross farm sales not more than \$100,000 in both of the previous 2 years; and,
- Total household income at or below the national poverty level for a family of 4, or less than 50 percent of the county median household income in both of the previous 2 years.

The Limited Resource Farmer or Rancher self-certification tool may be found at: <http://www.lfctool.sc.egov.usda.gov/tool.asp>.

12 Counties Declared Primary Disaster Areas

Twelve Montana counties were declared primary natural disaster areas due to losses caused by drought, excessive heat, hail, severe storms, high winds, wildfires and insect damage that occurred during the period beginning Jan. 1, 2008 and continuing.

The following counties have received the disaster designation:

Broadwater	Fallon	Richland
Custer	Golden Valley	Roosevelt
Daniels	McCone	Sheridan
Dawson	Prairie	Wibaux

Contiguous counties include:

Carter	Lewis and Clark	Stillwater
Fergus	Meagher	Sweet Grass
Gallatin	Musselshell	Valley
Garfield	Powder River	Wheatland
Jefferson	Rosebud	Yellowstone

Under the designation, all qualified producers within the above named counties could be eligible for low interest emergency loans from the USDA Farm Service Agency (FSA).

Existing FSA borrowers could also be eligible for the debt set aside.

Contact the office for further details.

Changes to FSA Payment Processing

FSA will be deploying a new payment processing system the first part of December.

Through the new system, all payments made through direct deposit will be processed through the Federal Reserve Bank and will be received in the participants account within 2-3 days of processing. For participants without direct deposit who receive payment by check, the U.S. Treasury will issue the payment and delays up to possibly 7 days should be expected. Be aware of the delays when tax

1099-G Mailed from Kansas City

During the last week of January, producers who have received payments from FSA should receive 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 you in calendar year 2008. 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 receive a CCC-1099-G, we recommend that 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 the county office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you.

Changes to Farming Operation

FSA encourages producers to notify us of any changes to your farming operation including land ownership or lease changes, entity changes including members and shares, and who is authorized to sign documents for the operation or individuals.

Year End Reviews

Producers that have a farm loan with FSA are reminded they must provide data for their Year-End Analysis (YEA) to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained. The office will contact you for the data you will need to assist us.

Average Crop Revenue Election Program (ACRE)

What is ACRE?

ACRE is a new program authorized by the 2008 Farm Bill that protects against crop revenue shortfalls resulting from price and/or production declines at state and farm levels. Covered commodities are the same as under the 2009 – 2012 crop year Direct and Counter-Cyclical Payment Program (DCP) and include barley, canola, Desi and Kabuli garbanzo beans (chickpeas), corn, crambe, dry peas, flax, grain sorghum, lentils, mustard, oats, rapeseed, safflower, sesame, sunflowers, soybeans, and wheat. The election to participate in ACRE is irrevocable through the life of the Farm Bill (2012). All producers on the farm must agree to the enrollment of the farm.

Farms that participate in ACRE will still receive their Direct DCP payment, but it will be reduced by 20% and the loan rate for marketing assistance loans will be reduced by 30%. The Direct payment will be computed on 83.3% of the base acreage for the farm (85% for 2012). No counter-cyclical payments will be made on farms participating in ACRE. ACRE participants must report production to establish a Farm Expected Yield and Actual Farm Yield for the year of enrollment.

Two triggers must be met before payments will be issued:

- 1) State ACRE Guarantee (90% of Benchmark State Yield times 2-year National average market price) must exceed Actual State Revenue (100% of Actual State Planted Yield times the higher of the National average market price or 70% of the National loan rate.) AND;
- 2) Farm ACRE Benchmark Revenue (Farm's Expected Yield times ACRE Guarantee Price plus producer paid crop insurance premium) must exceed the Actual Farm Revenue (Actual Farm Yield times the higher of National average market price or 70% of National loan rate.)

ACRE (cont.)

Once both triggers are met, payment acres will be computed on 83.3% of the eligible commodities planted on the farm (85% for 2012), not to exceed the total base acreage of the farm. The Farm's Expected Yield is divided by the Benchmark State Yield to arrive at a yield factor. Payment rate will be the lesser of the State ACRE Guarantee minus the Actual State Revenue or the State ACRE Guarantee times 25%. (Payment Acres X Yield Factor X Payment rate.)

ACRE is very different from any other programs administered by FSA. The regulations and policy are still being determined and finalized and no signup period has been announced at this time. More detailed information will be provided as it becomes available.

Livestock Disaster Program Eligibility

To be eligible for the Livestock Forage Disaster Program (LFP) and the Emergency Assistance for Livestock Honey Bees, and Farm-Raised Fish (ELAP) disaster assistance programs under the 2008 farm bill, crop insurance on grazing lands and/or a Non-insured Crop Disaster Assistance (NAP) grazing policy must be purchased or timely filed by the sales closing date.

If you plan on purchasing the Risk Management Agency (RMA's) Pasture, Rangeland, Forage (PRF) insurance to ensure eligibility, the sales closing date is November 30. The PRF Vegetative Index (VI) policies are not available in Montana. Detailed information on PRF is available on the RMA web site:

http://www.rma.usda.gov/policies/pasturera_ngeforage or by contacting a crop insurance agent within your area.

The deadline to purchase a NAP grazing policy is March 15, 2009.

Happy Holidays



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Board of Livestock Approves Revised Brucellosis Action Plan

The Montana Board of Livestock approved a revised version of the state's brucellosis action plan.

Major changes to the draft plan include:

- Adoption of a two-area, rather than a three-area, plan;
- Use of county lines as area boundaries rather than roads or geographical features;
- Explanation of expected budget and funding sources;
- Removal of mandatory, statewide Official Calfhood Vaccination requirement;
- Addition of "sunset" language that details how long the plan will be in place;
- Commitment from Montana Fish, Wildlife & Parks to participate in various wildlife-related aspects of the plan.

The revisions can be found on the Department of Livestock's web site at <http://liv.mt.gov/>.

The board's action means MDOL and producers can move forward with risk assessments and herd management plans while minor details in the revised plan are resolved.

MDOL will schedule community meetings in late January to meet with producers and explain the plan in detail.

Meeting locations and dates will be listed on MDOL's web site, and announced at a later date.

The USDA has four classifications for brucellosis: Class Free, Class A, Class B and Class C. Restrictions on the interstate movement of cattle become less stringent as a state approaches or achieves Class Free status. Class C designation is for states with the highest rate of brucellosis, and requires a federal quarantine. Class A and Class B fall between the two extremes of Class Free and Class C status.

MDOL's brucellosis action plan provides a blueprint for regaining the state's Class-Free Status as quickly as possible.