

Beaverhead County Farm Service Agency News

November 2007

Farm Service Agency
420 Barrett St.
Dillon, MT 59725
406-683-3830

COUNTY COMMITTEE

David Schuett, LAA 1 Chair
Jerry Meine, LAA 2 Vice-Chair
Donna Hildreth, LAA 3 Regular Member

OFFICE STAFF

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

2005/2006/2007

CROP DISASTER SIGNUP UNDERWAY

CDP provides benefits to farmers who suffered quantity and quality losses to 2005, 2006, or 2007 crops from natural disasters if the crop was planted before February 28, 2007, or in the case of prevented plantings, for crops that would have been planted before February 28, 2007. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to apply for benefits. Producers may apply for benefits for losses to multiple commodities as long as the losses occurred in the same crop year. **Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits.** Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP. The payment rate is set at 42 percent of the established price.

Assistance, together with any crop insurance or NAP payment received for the same crop and including the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster. Farmers may receive a maximum of \$80,000 in CDP benefits. Signup for CDP quality losses will be announced at a later date.

COUNTY COMMITTEE BALLOTS IN THE MAIL

County Committee election ballots will be mailed to all eligible voters beginning November 2, 2007.

The election provides an opportunity for farmers and ranchers to elect candidates to serve on their local FSA county committee. Anyone who participates or cooperates in a local FSA program and meets certain voter criteria is eligible to vote. A complete explanation of voter eligibility requirements are available on the

Montana FSA website at <http://www.fsa.usda.gov/mt> under the "Hot Links" section – Montana Producer Fact Sheets link or by visiting the FSA office.

Eligible voters who do not receive ballots by mail should contact the FSA office. Ballots must be returned to the office or postmarked by December 3, 2007.

FSA county committees make important decisions about disaster and conservation programs, commodity price support loans and payments and other agricultural issues affecting the local natural resource needs. Make a difference by voting in the upcoming FSA county committee election!

NATIONAL ANIMAL IDENTIFICATION SYSTEM (NAIS)

The Animal and Plant Health Inspection Service (APHIS) developed policies for implementing NAIS for protecting U.S. livestock and poultry from potentially devastating pests and diseases through an identification system that enabled faster response with more precision.

NAIS consists of three components: 1) premise registration, 2) animal identification, and 3) animal tracking. Premise registration is the foundation of the NAIS and is the first component to be implemented.

Premise registration is voluntary, free, quick, and does not commit producers to participate in the other components of NAIS. To find out how to register a premise, visit USDA's NAIS website at <http://animalid.aphis.usda.gov/nais/index.shtml>.

ANNUAL NOTICE OF PAYMENT ELIGIBILITY TO PRODUCERS

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. Statutory provisions require that entities earning program benefits provide FSA with the names, addresses, and ID numbers for the members of the entity. Furthermore, entities earning payments must inform their members of the requirements for designating "permitted entities."

All Payment Eligibility forms (CCC-502) 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.

Individuals, joint operations, or entities which are determined to be "not actively engaged in farming," will be ineligible for Loan Deficiency Payments (LDP's), Marketing Loan Gains, Conservation Reserve Program (CRP) payments, and possible Disaster related program payments such as the Crop Disaster Program (CDP) Payments and the Quality Loss Program (QLP) Payments.

Spouses may be determined to be two "Persons" only if this determination is requested in writing and the applicable requirements are met by each spouse.

LOAN GAINS REPORTED BY IRS ON 1099-G

The 1099-G form received for 2007 will include market gains associated with Commodity Credit Corporation (CCC) loan repayments regardless of whether the taxpayer repays the loan with cash or uses CCC certificates in repayment of the loan.

If a producer made a special election to treat CCC loans as income when received, the farmer accounts for market gain by making an adjustment to basis. The farmer's basis in the commodity will be equal to the amount of loan proceeds previously reported as income minus the amount of any market gain.

A farmer who made the special election should report market gain as an "agricultural program payment" on line 6a of Schedule F, but not as a taxable amount on line 6b. The market gain is reported in the same way even if CCC certificates were used to facilitate repayment of the loan.

If a special election was not made the CCC loan was not included in income, the market gain is reported on line 6A and as a taxable amount on line 6b of Schedule F.

This is the case even if CCC certificates were used to facilitate repayment of the loan.

A detailed explanation of the IRS Ruling can be found in IRS Bulletin: 2007-33 dated August 13, 2007 (Notice 2007-63).

It may be found on the Internal Revenue website at http://www.irs.gov/irb/2007-33_IRB/ar07.html.

ANNIE'S PROJECT

Montana MarketManager will usher Annie's Project into Montana starting in January 2008. Annie's Project will be delivered in six 3-hour sessions at 12 locations around Montana. Each Monday evening session will run from 5:00 – 8:00 p.m. Registration is \$100.

Class locations:

Bozeman – Burns Telecom Center, MSU
Culbertson – Roosevelt Memorial Hospital
Dillon – University of Montana – Western
Glasgow – Frances Mahon Deaconess Hospital
Great Falls – MSU College of Technology
Havre – MSU Northern
Lewistown – Central Montana Education Center
Miles City – Miles City Community College
Rapelje – Rapelje High School
Scobey – Scobey High School
Shelby – Marias Medial Center
Sidney – Agricultural Research Service Center

Annie's Project brings women together to find answers, sharpen business skills, grow confidence, recognize strength and build friendships in these six workshops.

To register go to the following website or call the Montana Grain Growers office at 406/761-4596: www.montanamarketmanager.org/Education&Reference/WorkshopCalendar

WETLAND DETERMINATION IDENTIFIERS

FSA and the Natural Resources Conservation Service (NRCS) have recently revised the symbols used to identify wetland determination locations on FSA maps. NRCS makes wetland determinations based on landowners' requests. FSA marks these sites with symbols on the maps for producers' ease of use.

In the past, FSA maps contained labels and delineations of NRCS wetland determinations which were represented by a blue dot. Recently, FSA and NRCS have updated the map symbols to give producers a more detailed representation of the wetland determinations present on their land. Now, the wetland point symbols

indicate the approximate location of the NRCS wetland determinations on the digital maps.

Red, yellow and green symbols (no longer blue dots) represent different categories of wetland determinations and a legend provides an explanation of the various levels of use that are allowed on these wetlands.

Red Octagons

Restricted Use = W (Wetland); CW, CW+YR (Converted Wetland + Year); AW/W (Artificial Wetland/Wetland); GFW, GFW+YR (Good Faith Wetland + Year); RSW, RSW+YR (Restored Wetland + Year); RPW (Replacement Wetland)

Upside-down yellow triangles

Limited Restrictions = FW (Farmed Wetland); FWP (Farmed Wetland Pasture); CWNA (Converted Wetland, Non-ag Use); AW/FW (Artificial Wetland/Farmed Wetland); CWTE (Converted Wetland Technical Error); TP (Third Party Conversion); WX (Manipulated Wetland) MW; CMW (Minimal Effect Wetlands); MIW, MWM (Mitigation Wetlands); NI (Not Inventoried); OW (Other Waters); Easement

Green circles

Exempt from Conservation Compliance Provisions = PC (Prior Converted); NW (Non Wetland); PC/NW (Prior Converted/Non Wetland); CC (Commenced Conversion); NW/NAD (Non Wetland, National Appeal Decision); AW (Artificial Wetland)

The change to the current wetland determination identifiers does not change the wetland determinations made by NRCS, nor does it change FSA or NRCS wetland policy or regulations. The wetland determination identifiers do not represent the size, shape, exact location or exact category of wetland determination.

The maps are used primarily for producer information when producers make crop acreage reports, change field boundaries or request a map of their land from FSA. The maps are not used for wetland conservation compliance. Participants remain responsible for self-certifying compliance with USDA wetland conservation provisions.

Maps with the new wetland identifiers are not the official USDA wetland determination maps. Producers who have questions about the size, shape, exact location or exact category of the determination should refer to

the determination information on form CPA-026 provided by NRCS.

Copies of the original wetland determination maps have been provided to producers. Replacement copies may be requested through the FSA or NRCS office.

NAP REMINDERS

If you had NAP coverage for the 2007 crop year and timely filed a Notice of Loss, you must now provide your harvested production evidence and complete your application for payment. Production evidence must be verifiable, which would include sales documents or evidence that could be verified through a third party. The deadline to complete an Application for 2007 payment is July 15, 2008.

If you did not have a loss in 2007, you will still need to provide a production report to maintain your Actual Production History (APH) for yield based crops. Failure to report your production could result in lower NAP coverage in subsequent years.

The NAP application for coverage closing date for forage production coverage, spring-seeded annual crops, perennial fruits and vegetables is **March 15, 2008**. The final date to purchase an application for coverage for honey is **December 1, 2007**. The application fee is \$100 per crop. The application fee is due at the time application is made.

CONTAINER APPROVED FOR HONEY

Honey producers requesting marketing assistance loans may now pack their honey in approved five-gallon plastic containers. The containers must hold about 60 pounds of honey, have a tight fitting cover, have strong handles, and be lined with an FDA-approved low-density polyethylene liner.

FSA FARM RECORDS

Now is a good time to update your local FSA office of any changes that may affect your program payments. Items to keep in mind and inform FSA about:

- If you have bought or sold any land
- Changes in leased land
- Before breaking new ground, contact FSA
- Changes in entity or partnership organization
- Direct Deposit changes
- Address change

Important Dates to Remember

November 12 th	Veterans Day Observed, Office Closed
November 22 nd	Thanksgiving, Office Closed
December 1 st	Sales Closing Date for NAP Honey Applications
December 3 rd	COC Ballots must be received by close of business day or postmarked
December 25 th	Christmas, Office Closed
January 1 st	New Years Day, Office Closed

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. Persons with disabilities who require accommodations to participate in FSA programs should contact Alan Jenne, Acting CED at 420 Barrett Street, Dillon MT 59725 or alan.jenne@mt.usda.gov.