



FARM SERVICE AGENCY

# Big Horn County November 2008

**Big Horn County FSA Office**  
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## County Committee Members

Merna A. Kincaid, Chairperson  
Alex Uffelman, Vice-Chairman  
Shawn D. Fredericks, Reg. Member  
Thomas R. Whiteman, Minority Adv.

## FSA Office Personnel

Lorraine Woody, Temp. PT  
Marie Weibert, PT  
Diane Schanaman, PT  
Gloria Menke, PT  
Katie Berkram, Acting CED  
Michael Turley, FLM  
Bill Ballard, FLM

## Dates to Remember:

**November 3** – COC ballots to be mailed to producers

**November 26** – Signup Deadline for 2008 DCP 10-acre or less farms

**November 30** – Pasture, Rangeland Forage Index Program Sales Closing date

**November 30** – Crop Insurance Apiculture (honey) Rainfall Index Sales Closing Date

**December 1** – NAP application deadline 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

**March 15, 2009** – NAP application deadline for grazing and grass hay

## 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.

New forms (CCC-902) and regulations are in the process of being implemented. **All participants will be required to complete the new eligibility forms for the 2009 program year.** These new forms and associated

procedures are not yet available, please be patient as we work to implement the new farm bill. Previous rules on permitted entity designation will no longer apply for the 2009 and future years. All payments, including those made for the individual's pro-rata share in an entity, will now be attributed to a single payment limitation for the applicable individual, though they will be issued as usual to the payment-earning entity. In addition, payment entities with the exception of joint operations will be limited to a single payment limitation overall.

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 tax ID numbers for the members of the entity.

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 additional 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 Direct and Counter Cyclical Payments (DCP), Average Crop Revenue Election Payments (ACRE), Loan Deficiency Payments (LDP's), Marketing Loan Gains and Conservation Reserve Program payments (CRP).

### DCP Provisions Amended to Include 10 Acre or Less Farms

The 2008 Farm Bill has been 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. The amendment only affects the 2008 contract year.

Producers on farms with 10.0 base acres or less have until **November 26, 2008** to enroll a farm for the 2008 DCP. The extended DCP signup does not affect the signup deadline for farms with greater than 10.0 base acres.

Producers with 10.0 acres or less must ensure they have a completed CCC-509 (DCP contract) on file at the FSA office by November 26<sup>th</sup> to be eligible for benefits.

### NAP Service Fees Increased

Service fees for the Non-insured Crop Disaster Assistance Program (NAP) have increased for the 2009-2012 crop year. An administrative service fee is required to purchase the insurance. The service fee has increased to:

- \$250 per crop per administrative county; or
- \$750 per producer per county;
- not to exceed \$1,875 for a producer with farming interests in multiple counties.
- Service fees may be waived for limited-resource producers.

The sales closing date for all Noninsurable (NAP) crops except value loss and honey is **March 15, 2009**.

### DCP Payments Issued

More than 21,000 farms enrolled in the Direct and Counter-cyclical Program (DCP) across Montana have received more than \$83 million in benefits.

### County Committee Ballots in the Mail

Ballots must be returned to the office or postmarked by December 1, 2008. Make a difference by voting in the upcoming FSA county committee election.

### Supplemental Agricultural Disaster Assistance Program (SURE)

SURE is one of five new disaster assistance programs authorized under the 2008 Farm Bill.

SURE is available to eligible producers on farms in disaster counties, including contiguous counties that have incurred crop production losses and/or crop quality losses during the crop year.

SURE assistance is also available to eligible producers on farms in which the actual production on the farm is less than 50 percent of the normal production on the farm.

For SURE purposes, a farm is defined as all crop acreages in all counties in the nation.

To be eligible for SURE and the other programs in the "Supplemental Agricultural Disaster Assistance" package authorized in the 2008 Farm Bill, producers must purchase at least catastrophic (CAT) level of crop insurance for all insurable crops and/or Non-insured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops by the sales closing dates.

The sales closing date for NAP is March 15, 2009 for all crops except value loss and honey. The sales closing date for the Pasture, Rangeland, Forage Index Program is November 30, 2008. Please check with the office or your crop insurance sales person to ensure eligibility in the disaster programs.

### Payments Issued for LIP, LCP and CDP

The USDA Farm Service Agency has issued the following payments to assist producers in disaster situations for 2005-2007 crop years:

|                                      |              |
|--------------------------------------|--------------|
| Livestock Indemnity Program (LIP)    | \$363,890    |
| Livestock Compensation Program (LCP) | \$9,184,911  |
| Crop Disaster Program (CDP)          | \$40,211,715 |

### 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.) 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 lessor of the State times 25%.

### ACRE (cont.)

(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.

### Adjusted Gross Income Limitations

New Adjusted Gross Income limitations will be in place for 2009 and future years. There are three limitations to consider now, one that affects all commodity programs, one that affects DCP only, and one that applies to Conservation Programs only. These certifications will be based on the average income in the three years preceding the most recent complete tax year (so, for the 2009 program year, the years in consideration will be 2005, 2006, and 2007). The table below summarizes these limits:

|  |  |
|--|--|
| \$500,000 Average Adjusted Gross Non-farm Income   | Exceed this – ineligible for any commodity, price support or disaster program benefits                                 |
| \$750,000 Average Adjusted Gross Farm Income       | Exceed this – ineligible for DCP Direct Payments   |
| \$1,000,000 Average Adjusted Gross Non-farm Income | Exceed this – ineligible for Conservation programs, unless 66.66% or more of AGI is average adjusted gross farm income |

Direct and indirect program participants will be required to certify to the new income limitations for the 2009 crop year on form CCC-926 or through an accountant's or attorney's certification. The Adjusted Gross Income Certification form is no longer a continuous certification and must now be filed at least once every 3 years. The new form and procedures are not yet available, additional information, including specifics on what is considered farm income and what is considered non-farm income will be made available at a future date.

### Farm Loan Program

Farm Loan Managers, Bill Ballard or Michael Turley, will be in the Hardin FSA Office every Tuesday of the month from 9:00 AM until 3:00 PM.

### Inside this Issue

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- **SURE**
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- **COC Election Ballot**
- **Livestock Disaster Eligibility**

### *Important Dates to Remember*

- November 10 – All bales and livestock must be removed for Critical Feed Use category A producers**
- November 26 – Signup deadline for DCP 10-acre or less farms**
- November 30 – Sales closing date for Pasture, Rangeland and Forage Rainfall Index Pilot Program**
- December 1 – Final date to submit COC ballots**
- December 1 – NAP closing date for honey**

### **Make Sure Your Proper Signature Authorization is on File**

FSA reviews every producer's eligibility file to determine who is authorized to sign program documents in representative capacities and reviews all program documents to determine if the signature format is proper.

For a complete listing of FSA signature requirements, contact the FSA office or logon to the Montana FSA website at <http://www.fsa.usda.gov/mt> and click on the **Signature Authority Pamphlet** link under "In the News."

### **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/pasturerangeforage> or by contacting a crop insurance agent within your area.

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