



# Blaine County FSA

## November 14, 2008

**Blaine County FSA**  
**PO Box 307**  
**Chinook MT 59523**  
**Phone: (406) 357-2320**  
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### County Committee Members

Patricia Quisno  
 John D. Tilleman  
 Alan Van Voast

**2008 Farm Bill Producer Information Meetings will be scheduled in the near future. They will be advertised on local radio stations and in local newspapers.**

### Dates to Remember:

- November 3** –COC ballots to be mailed to producers
- November 10** – All bales and livestock must be removed for Critical Feed Use category A 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 closing date for Honey
- December 1** – COC election ballots must be returned by close of business
- December 2-5** – Grain Growers Annual Convention. Great Falls
- December 11-13** – Stockgrowers Annual Convention, Billings

### Pulse Crops now eligible for DCP and ACRE

The 2008 Food, Conservation, and Energy Act of 2008 provided for eligible pulse crop acreage to be added as base acres and yields for commodities eligible for the 2009 through 2012 Direct and Counter-Cyclical Program (DCP) and eligible for Average Crop Revenue Election Program (ACRE). Eligible pulse crops are dry peas, lentils, Desi garbanzo beans, and Kabuli garbanzo beans. Pulse crops will be eligible for counter-cyclical payments under DCP, but not eligible for direct payments. Target prices have been established as follows:

Crop	2009- 2012 Target Price
Dry Peas	\$8.32 per cwt
Lentils	\$12.81 per cwt
Kabuli Garbanzo beans	\$12.81 per cwt
Desi Garbanzo beans	\$10.36 per cwt

To establish base acreage, FSA will use the acreage planted and considered planted to the commodities in the crop years 1998 through 2001. Yields will be determined by averaging the yields per planted acre from 1998 through 2001. If you planted dry peas, lentils, Desi garbanzo beans, or Kabuli garbanzo beans in any of the years 1998 through 2001, and you are interested in establishing a base for those crops, you will need to provide production reports to also establish yields. Policy and procedure to establish the bases and yields is still being finalized. More detailed information will be provided as it becomes available.

### 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

### Deadline for DCP Provisions – 10 Acre or Less Farms

**November 26** is the deadline to enroll farms with 10.0 base acres or less for the 2008 DCP. The Farm Bill was amended to permit these producers to receive DCP payments. The amendment **only** affects the 2008 contract year.

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## 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 years 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.

### County Committee Ballots in the Mail

County Committee election ballots began being mailed to all eligible voters beginning November 3, 2008.

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 is 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 1, 2008.

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.

If you received a ballot and a portion was missing, please call the county office at 357-2320 to receive a replacement ballot. Some of the ballots have been coming apart in the mail.

**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, 2008; NAP coverage may be purchased until March 15, 2009. Detailed information on PRF is available on the RMA web site: <http://www.rma.usda.gov/policies/pasturerange/orage> or by contacting a crop insurance agent within your area.

FSA employees received training on the 2008 Farm Bill as it relates to NAP grazing coverage and RMA Pasture Insurance. Producers may purchase RMA, NAP, or both. We were informed that it's the producer's option to insure all or a portion of their grazing land under the RMA Pasture insurance. If an RMA indemnity payment is made, that would make that producer ineligible for NAP benefits grazing benefits on 100% of their rangeland if there was a payable NAP loss. Also, if a producer chooses to insure only a portion of their grazing under the RMA Pasture Policy, that producer would be ineligible for the Livestock Forage Program (LFP) if the county experienced a drought if NAP rangeland coverage is not purchased. LFP is a permanent disaster program similar to the Livestock Compensation Program that was available in 2006. Please call the county office with any questions.

**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 Non insurable (NAP) crops except value loss and honey is **March 15, 2009.**

**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.

**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."

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#### *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 sales closing date for honey**

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