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Chouteau County FSA News

November 23, 2007

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Dates to Remember

December 3 – NAP application deadline for Honey

December 3 – Final date to return election ballots for FSA committee election (Geraldine/Highwood area)

December 6 – County Committee meeting

December 21 – If you wish to obtain a 2007-crop grain loan in calendar year 2007, please attempt to make your request at FSA by this date.

March 15 – NAP application deadline for all crops other than Honey

If you were a livestock producer in 2005, please contact our office to enroll in the Livestock Compensation Program (LCP).

If, after reading this newsletter, you feel that you qualify for the 2005/2006/2007 Crop Disaster Program, please call our office for an appointment.

2005/2006/2007 CROP DISASTER PROGRAM

The Crop Disaster Program (CDP) provides benefits to farmers who suffered quantity and/or quality losses to 2005, 2006, or 2007 crops due to natural disasters. For 2007, however, this program only applies to crops that were 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. Furthermore, to qualify for benefits, the crop must have been insured through either a multi-peril crop insurance (MPCI) policy or the NAP for the year of loss.

Producers must have suffered quantity losses in excess of 35 percent of the normal yield to be eligible for CDP. The normal yield will be determined to be the higher of your APH for the crop and unit, or the county average yield for the crop. The payment rate for this program is set at 42 percent of the established price for the commodity in the year of the loss. For crops such as wheat and barley, this means that the payment rate will be 42% of the MPCI maximum price election for that specific crop and crop year. This price is the basic MPCI price, NOT the “base” or “harvest” price that is used for producers that had Crop Revenue Coverage (CRC).

The MPCI loss records for 2005, 2006, and 2007 have already been provided to our office. If you were paid an indemnity in one or more of those years, we sent you a letter asking that you schedule an appointment to sign your applications. In most cases, producers that did not receive a letter can assume that they did not receive a MPCI indemnity payment for the applicable crop years.

MORE ON THE CROP DISASTER PROGRAM (CDP)

In most cases, producers that did not qualify for a MPCCI indemnity payment will not qualify for a CDP payment, as the “coverage” level for the CDP is 65%. Many of you had your crops insured at a 70% or higher coverage level during the applicable crop years. However, in some cases, due to the fact that FSA will use the higher of your APH or the county average yield when determining losses, producers that did not qualify for a MPCCI payment will qualify for a CDP payment. The following table provides you with the county average yields, CDP disaster level, and CDP payment rate for several Chouteau County crops (Remember: We will only use the yield found in the table below if it is higher than your MPCCI APH):

| CROP | County Average Yield | CDP Disaster Level (65% of the County Average Yield) | 2005 CDP Pay Rate (42% of MPCCI or NAP price) | 2006 CDP Pay Rate (42% of MPCCI or NAP price) | 2007 CDP Pay Rate (42% of MPCCI or NAP price) |
|---------------------------------|-----------------------------|---|--|--|--|
| Wheat – HRS – CC | 15 | 9.8 bu/ac | \$1.47/bu | \$1.32/bu | N/A |
| Wheat – HRS – SF | 19 | 12.4 bu/ac | \$1.47/bu | \$1.32/bu | N/A |
| Wheat – HRW – CC | 24 | 15.6 bu/ac | \$1.47/bu | \$1.32/bu | \$1.64/bu |
| Wheat – HRW – SF | 37 | 24.1 bu/ac | \$1.47/bu | \$1.32/bu | \$1.64/bu |
| Barley – CC | 21 | 13.7 bu/ac | \$0.98/bu. | \$0.78/bu | N/A |
| Barley- SF | 32 | 20.8 bu/ac | \$0.98/bu. | \$0.78/bu | N/A |
| Alfalfa Hy – IR | 3.67 | 2.39 t/ac | \$36.96/ton | \$34.86/ton | \$33.60/ton |
| Alfalfa Hy – NI | 1.03 | 0.67 t/ac | \$36.96/ton | \$34.86/ton | \$33.60/ton |
| Small Gr/Pea Hay – NI | 1.69 | 1.099 t/ac | \$29.82/ton | \$29.82/ton | \$29.82/ton |
| Safflower – NI | 438 | 285 lb/ac | \$0.043/lb. | 0.042/lb. | N/A |
| Camelina – NI | 837 | 544 lb/ac | \$0.063/lb | \$0.063/lb | \$0.063/lb |
| Green or Yellow Peas (for seed) | 1272 | 827 lb/ac | \$0.025/lb | \$0.025/lb | \$0.025/lb |

If you did NOT receive a MPCCI indemnity payment, but feel that you WILL qualify for a CDP payment if the County Average Yield is substituted for your APH, you will need to provide our office with verifiable or reliable records of production for the unit(s) that you choose to apply for.

The CDP will also cover certain “quality” losses for eligible commodities. Applications for “quality” losses, however, will not be taken at this time. It is anticipated that quality loss applications will be taken sometime after January 1, 2008.

Grain Loans in December

If you are planning on taking out a 2007-crop grain loan during the month of December, you are asked to complete the necessary paperwork with our office by no later than December 21st. We will be “short-staffed” between the 26th and the 28th, and therefore it may be difficult to process your request, if filed during those dates.

2005 Livestock Compensation Program (LCP)

Livestock producers wishing to enroll in the 2005 Livestock Compensation Program (LCP) are asked to contact our office to schedule an appointment. The purpose of the LCP is to provide assistance to eligible livestock producers for pasture production losses and additional feed expenses that may have been incurred due to disaster conditions. Prior to your appointment, you will need to gather the records necessary to complete your LCP application. Those records include:

- Number of owned or leased livestock as of 1/1/2005: (Note: These livestock must have been located on your Chouteau County farm/ranch on 1/1/2005)

| | |
|---|--|
| Cows | |
| Heifers (bred before 1/1/2005) | |
| Steers or open heifers weighing over 500 lbs as of 1/1/2005 | |
| Bulls that were 2 years old or older as of 1/1/2005 | |
| Bulls that were less than 2 years old as of 1/1/2005 | |
| Horses (used for commercial use as part of the farming/livestock operation – not recreational horses) | |
| Sheep | |
| Goats | |

- Number of livestock listed above, that you still owned or leased as of 5/15/2005.
- Copies of all private or federal grazing leases that you had for the 2005 grazing season. Our office already has information on State of Montana grazing leases. If one or more of your leases was not in writing, you will need to obtain a signed statement from the landowner that specifies the terms of the lease (including the dates that the agreement covered, the payment terms, and any agreements relating to maintenance of fence or water developments).
- Records pertaining to additional feed costs that were incurred due to drought conditions. This portion of the program may not apply to many of you, as it only pertains to situations where you incurred expenses for feed above what is considered to be normal for your operation. “Normal” is considered to be a three year average of your feed expenses. If you choose to apply for this portion of the program, you will need to provide our office with proof of your feed expenditures for the 2002, 2003, 2004, and 2005 years.

Livestock Indemnity Program (LIP)

The LIP provides benefits for livestock producers that had livestock death losses during 2005, 2006, or 2007 that were caused by natural disaster conditions. If you feel that this program may apply to you, please contact our office for additional information.

Updating Your Direct Deposit Information With FSA

If you receive payments from FSA by Direct Deposit, you are reminded to keep our office up-to-date on your banking information when changes occur. We do not know when you change banks or account numbers. Without the correct information, your payment processing will be delayed considerably.

2008 Farm Program

Many of you have called to ask about enrolling in the 2008 farm programs. As of today's date, we do not have a program similar to the Direct and Counter-Cyclical Payment (DCP) program for 2008. The implementation of programs such as the DCP will not occur until decisions relating to the new Farm Bill are made by Congress.

United States Department of Agriculture

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