



Powell-Deer Lodge-Granite County November 2008

**Powell-Deer Lodge-
Granite County FSA**
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County Committee Members

Steve Graveley – LAA 1-1
Barb Conn – LAA 1-2
Marlin Gilman – LAA 1-3
Carl Johnson – LAA 1-4
Phil Ralston – LAA 1-5

FSA Office Personnel

Gary Thompson – ext. 233
Sandra Witt – ext. 232

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

The Food, Conservation, and Energy Act of 2008 A New Direction for Food and Farm Policy “2008 Farm Bill”

The conference report on the Food, Conservation, and Energy Act of 2008 makes historic investments in our food and farm economy. The bill will expand food security programs, protect our vital natural resources, promote healthier foods and local food networks, and reform commodity and biofuel programs to reflect the priorities of the nation.

Ensuring Food Security

- Nutrition programs increased by \$10.361 billion with appropriate benefit increases that are indexed to the cost of living
- Vital assistance to food banks increased by \$1.25 billion
- New funding boosts organic agriculture, fruit and vegetable programs, and local food networks
- Country-of-origin labeling for meat and produce made mandatory

Promoting Homegrown Renewable Energy

- Provides \$1 billion to fund programs that will help the renewable energy industry invest in new technologies that use a variety of sources beyond feed grains.
- Corn ethanol tax credit reduced and redirected to incentives for cellulosic ethanol
- Creates a loan guarantee program and a program to encourage and develop production of dedicated energy crops
- Bioenergy research increased and renewable energy programs expanded

Reforming Farm Programs

- Farm program safety net extended and modernized, with an updated adjusted gross income means test for commodity programs
- Farm and conservation program transparency increased, with direct attribution of payments and the ending of practices that result in multiple payment eligibility
- Crop insurance reformed to prevent windfall reimbursements to crop insurance companies
- Budgeted standing disaster assistance program for crops stricken by catastrophic natural disasters such as drought and flood

Protecting the Environment

- Conservation program spending increased by \$7.9 billion
- Doubles funding for the Farm Protection Program to protect agricultural lands from urban and suburban development pressure
- Increases funding for the Environmental Quality Incentives Program and Conservation Stewardship Program to enhance and protect our natural resources
- Continues funding for Grassland Reserve and Wetlands Reserve programs
- Creates an Open Fields Program to encourage public access to private land for hunting and fishing as well as a Chesapeake Bay program to help restore and protect the Bay watershed

Strengthening International Food Aid

- Provides \$60 million to purchase food overseas to feed people in need on top of the existing Food for Peace international aid program, along with an evaluation of this change and its effect on U.S. response times
- Reauthorizes the McGovern-Dole International Food for Education and Child Nutrition Program for infant, child, and school nutrition programs in underdeveloped countries and provides an infusion of \$84 million in additional funding

Prepared by House Agriculture Committee (Updated May 12, 2008)

What Does this Mean for FSA

- ❖ New Forms
- ❖ New Eligibility Requirements
- ❖ New Adjusted Gross Revenue Requirements
- ❖ New or Revised Programs
- ❖ Training on new Procedure and Programs

What Does this Mean for You

- Completing new forms and submitting proper documentation for signature authority
- Meeting new Adjusted Gross Revenue Requirements
- Meeting all Eligibility Requirements
- Maintaining Production History for your operation
- Making decisions on obtaining crop insurance or NAP and their deadline dates to enroll.
- Becoming familiar with programs and their requirements to participate
- Contacting your FSA Office to help provide more information and understanding of the programs
- Keeping your information up-to-date and contacting your FSA Office of any changes

What Are Some of The New Programs?

- ❖ **5 New Disaster Assistance Programs**
- ❖

Supplemental Agricultural Disaster Assistance Program (SURE)

Livestock forage disaster Program (LFP)

Emergency Assistance for Livestock Honey Bees and Farm-Raised Fish (ELAP)

Tree Assistance Program (TAP)

Livestock Indemnity Program (LIP)

Supplemental Agricultural Disaster Assistance Program (SURE)

Background:

SURE provides financial assistance for crop production and or quality losses due to a natural disaster.

Triggers:

* A Secretarial Disaster declared county and contiguous county and at least a 10 % crop production loss on at least one crop of economic significance.

* In the absence of a secretarial disaster declaration, actual production on the farms is less than 50 % of the normal production on the farm.

Eligibility Requirements:

* Have timely applied for and obtain either a plan of crop insurance of at least catastrophic (CAT) level for all insurable crops and cropping scenarios

* And/or Non-insured Crop Disaster Assistance Program (NAP) coverage for all non-insurable crops

Payments:

* Issue payments in the amount equal to 60 % of the difference between the program Guarantee and the total Farm Revenue

* Pay up to 90 % of the crop's Normal Production on the farm.

Emergency Assistance for Livestock Honey Bees, and Farm-Raised Fish (ELAP)

Background:

ELAP provides emergency relief to producers of eligible livestock, honey bees, and farm-raised fish because of losses from disease, adverse weather or other conditions.

Program provisions will be provided in the near future.

Tree Assistance Program (TAP)

Background:

TAP provides assistance to orchardists and eligible nursery tree growers who produce nursery, ornamental, fruit, nut or Christmas trees for commercial sale that lost trees because of a natural disaster.

Livestock Indemnity Program (LIP)

Background:

LIP compensates producers for livestock death losses in excess of normal mortality due to adverse weather that occurred on or after January 1, 2008 and before October 1, 2011.

Triggers:

- * None

Signup:

Signup will begin when an eligible disaster is apparent. A notice of loss must be filed with your FSA Office within 30 days of when the loss is apparent.

Eligible Adverse Weather Events:

Wildfire – must be related to an adverse weather event, Blizzard, Tornado, Lightning, Ice Storms, Earthquakes, Flooding, Extreme Cold or Heat, Disease – must be related to or exacerbated by an eligible adverse weather event to be an eligible cause of livestock deaths under LIP. (Drought is not an eligible adverse weather event except when associated with anthrax, a condition that occurs because of drought and results in the death of eligible livestock.)

Eligible Livestock:

Beef cattle, Dairy cattle, Buffalo and Beefalo, Equine – maintained for commercial use as part of the farming operation, Elk, Reindeer, Deer, Sheep, Alpacas, Emus, Swine, Goats, Llamas, Poultry.

Applying for LIP:

- * Notice of loss must be filed 30 days after the loss is apparent.
- * Proof of death must be provided

Payment:

- * 75 % of a fair market value, as determined by the Secretary, for each specific livestock category
- * Calculated by beginning inventory x Normal mortality rate and determining payable total number of head lost.

Livestock Forage Disaster Program (LFP)

Background:

LFP provides financial assistance to producers who suffered grazing losses due to drought or fire on or after January 1, 2008 and before October 1, 2011. Fire losses must have occurred on federally managed lands.

Triggers for Drought:

- * Located in a county with droughts designated on the U.S. Drought Monitor as one of the following:

- 1) D2 Drought – Severe
- 2) D3 Drought – Extreme
- 3) D4 Drought – Exceptional

The drought must occur during the normal grazing period for the specific type of grazing land.

Triggers for Fire:

- * Grazing loss is on rangeland managed by a Federal agency
- * Eligible producer is prohibited by the Federal agency from grazing the normal permitted livestock and/or normal permitted days.

Eligibility Requirements:

- * Have timely applied for and obtain either a plan of crop insurance of at least catastrophic (CAT) level for all insurable crops and cropping scenarios
- * And/or Non-insured Crop Disaster Assistance Program (NAP) coverage for all non-insurable crops
- * Be an owner, cash or share lessee, or contract grower of covered livestock that provides pastureland or grazing land for the livestock.
- * Provide pastureland or grazing land that is physically located in a county affected by drought or (if fire) on Federally managed land.

Payment for Drought:

- * Paid on the lesser of either the monthly feed cost for all covered livestock or the drought monthly payment (which is determined by the D2, D3, or D4 designation).

Payment for Fire:

- * Payment equal to 50% of the monthly feed cost calculation.

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. December 1, 2008** on Honey.

Farm Storage Facility Loan Program (FSFL)

FSFL provides low-interest financing for producers to build or upgrade farm storage and handling facilities. This program has several changes under the new Farm Bill. If interested contact your FSA Office.

Average Crop Revenue Election Program (ACRE)

Background:

ACRE is a new program that protects against crop revenue shortfalls resulting from price and/or production declines at state and farm levels.

Producers must choose to enroll in either DCP or ACRE. Once a farm is enrolled in ACRE that farm remains in ACRE no matter of ownership and or operator changes. 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.

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.

ACRE, continued

Triggers:

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.)

Eligibility Requirements:

1) Must report production to establish a Farm Expected Yield and Actual Farm Yield for the year of enrollment.

2) Must timely file an acre report

Payments:

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.

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 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 sign-up period has been announced at this time. More detailed information will be provided as it becomes available.

Montana FSA Website

For a complete list of program fact sheets logon to the Montana FSA website at <http://www.fsa.usda.gov/mt> and click on the Montana Producer Handbook Fact Sheets under Hot Links.

This website provides detailed information explaining each program and eligibility requirements.

Need hay or Have hay

Well again check out the Montana FSA website and click on the View FSA Hay Net under "I want to"

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

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.

How Do You Operate?

Do you operate your farming operation as an individual, joint operation, legal established entity? Do you file your taxes under your Social Security Number or a business identification number? How is your bank account set up? In what names do you file your crop insurance? Who owns the land? To ensure that you are in compliance with our program requirements, we need to establish your farming operation correctly. When completing new forms, please keep this information in mind so that we can properly establish your farm and complete correct documents.

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Brucellosis Information

Current, up to date information on brucellosis, testing requirements, and what the state is doing to regain Class Free Status can be found on the Montana Department of Livestock's (MDOL) web site at <http://liv.mt.gov/>. Information about brucellosis can be found by clicking on the "Current Brucellosis Information" link at <http://liv.mt.gov/Brucellosis/index.asp>. Producers who ship cattle out of state can use the drop down box under "Testing Requirements" to see if the state they are shipping cattle to has any special testing requirements.

MDOL is evaluating a draft brucellosis action plan that was developed with input from producer groups that include the Montana Cattlemen's Association, Montana Stockgrowers Association, Montana Farm Bureau and Montana Farmers Union. The public comment period closed November 1. MDOL is compiling the comments and will release a summary to the public.

Additionally, the state veterinarian has been tasked with serving as the point for a new brucellosis task force that includes Montana Fish, Wildlife and Parks as well as members of the public representing the livestock industry, hunters and the conservation community, and outfitters.

Any new information regarding Class Free Status, the draft brucellosis action plan, the brucellosis task force or other news relating to brucellosis will be featured on MDOL's web site.

For additional information, contact Steve Merritt, public information officer, Montana Department of Livestock, at 406/444-9431 (smerritt@mt.gov).

Farm Service Agency Overview

Agriculture is a vital sector of the U.S. economy. Every American benefits from a strong U.S. agricultural industry that provides abundant food and fiber necessary to sustain a stable and prosperous country. USDA's Farm Service Agency (FSA) plays a critical role in maintaining that strength. FSA's FY 2005-2011 Strategic Plan outlines the Agency's responsibility in keeping pace with dynamic changes in American agriculture in order to meet the present and future needs of producers and customers. **Mission:** Equitably serving all farmers, ranchers, and agricultural partners by delivering effective, efficient agricultural programs for all Americans. **Vision:** A market-oriented, economically viable and environmentally sound American agriculture delivering an abundant, safe, and affordable food and fiber supply while sustaining quality agricultural communities. **Goals:** 1) - Supporting Productive Farms and Ranches; 2) - Supporting Secure and Affordable Fiber; and 3) - Conserving Natural Resources and Enhancing the Environment.