

## December 2008

Fallon County FSA Office  
P.O. Box 1516  
Baker, Montana 59313  
PH: (406) 778-2238 Ext. 2  
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### County Committee Members

Robert Wenz, Chair  
Brian Rustad, Vice Chair  
Maralee Burdick, Regular Member

### FSA Office Personnel

Maria L. Braun, CED - Ext. 102  
Kay Varner, PT - Ext. 104  
Sonja Wiseman, PT - Ext. 100  
Sharon Gookin – Temp. Off. – Ext. 105  
Ray Allerdings, Field - Ext. 108  
Robin Markuson – Farm Loan Officer  
(406) 775-6359 Ext. 110

### Dates to Remember:

**December 1 – 3:** Office closed – All Personnel attending new Farm Bill Training. Office open Dec. 4  
**December 1:** 2009 NAP crop year Application Deadline for honey  
**December 1:** Deadline to submit ballot for Fallon County Committee Election – Area LAA 1  
**December 2-5:** Grain Growers Annual Convention, Great Falls  
**December 5:** COC meeting at 3:00 p.m. Count ballots at 3:00 p.m.  
**December 11-13:** Montana Stockgrowers Convention, Billings  
**December 25:** Office closed for Christmas holiday – Merry Christmas  
**December 31:** Final loan/LDP availability date for honey of the year it is harvested.  
**January 1:** Office closed for New Year's holiday – Happy New Year  
**January 31:** Final Loan/LDP availability date for woo/mohair shorn in 2008  
**January 31:** Final LDP availability for 2008 unshorn pelts

# FALLON COUNTY FSA NEWS

## Equipment and Land Lease Payment Deadline

The Fallon County FSA Committee had set December 31, 2008 as the deadline to make equipment and land lease payments for the 2008 crop year. This deadline applies to land and equipment leased when it is needed as a “significant contribution” to the farming operation to make the producer eligible to receive farm program payments. Please contact the FSA office for further information if you are unsure if you are in this situation.

## COC Election – Ballot deadline December 1

In November those producers that are in LAA1 received an official County Committee election ballot. If you have not received a ballot please contact the county office. Completed and signed ballots are due back in the county office by close of business on December 1st. Brian Rustad is the representative for the LAA 1 District. 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.

**GET INVOLVED, HAVE A VOICE IN THE  
ADMINISTRATION OF USDA PROGRAMS AT THE LOCAL  
LEVEL ....PLEASE VOTE!!!!**

## Disaster Designation for Emergency Loans

Broadwater, Custer, Daniels, Dawson, Fallon, Golden Valley, McCone, Prairie, Richland, Roosevelt, Sheridan, Wibaux, Carter, Fergus, Gallatin, Garfield, Jefferson, Lewis and Clark, Meagher, Musselshell, Powder River, Rosebud, Stillwater, Sweet Grass, Valley, Wheatland and Yellowstone Counties are among the counties eligible for Farm Service Agency (FSA) loans. This Secretarial Disaster designation in Montana resulted from a combination of drought, excessive heat, hail, severe storms, high winds, wildfires, and insects.

Farmers are eligible to apply for emergency loans through the FSA offices servicing their area until July 6, 2009. Emergency loans are made to farmers/ranchers to cover losses resulting from designated disasters. To be eligible, applicants must be unable to obtain credit from other sources, be able to repay the loan and any other loans, and have adequate security. The disaster designation also allows the FSA the option of installment set-aside to eligible production. For more information please contact your local FSA office.

## 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 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.

## Livestock Disaster Program Eligibility - LFP

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.**



**HAPPY HOLIDAYS FROM THE FALLON COUNTY FSA OFFICE**

## **Farm Storage Facility Loan (FSFL)**

FSA may make loans to producers to build or upgrade farm storage and handling facilities. Commodities covered under this storage program are rice, soybeans, dry peas, lentils, small chickpeas, peanuts, sunflower, flaxseed, mustard seed, and other oilseeds as determined and announced. Corn, grain sorghum, oats, wheat, or barley harvested as whole grain or other than whole grain are also eligible. Loans may be made only for the purchase and installation of eligible storage facilities, permanently affixed drying or handling equipment, or remodeling existing facilities.

### ***Eligible facilities and equipment include:***

- New conventional-type cribs or bins designed and engineered for whole grain storage and having a useful life of at least 10 years;
- New structures that are upright, bunker-type, horizontal, or open silo structures with at least 2 concrete walls and a concrete floor, designed for whole grains storage or other than whole grain storage having a useful life of at least 10 years;
- New permanently affixed grain handling equipment and grain drying equipment determined by FSA to be needed and essential to the proper functioning of a grain storage system, with or without a loan for storage structures;
- Existing storage renovated according to FSA regulations without an increase in storage capacity;
- New electrical equipment, such as lighting and motors integral to the proper operation of grain storage and handling equipment, excluding the installation of electrical service to the electrical meter;
- New equipment to improve, maintain or monitor the quality of stored grain;
- Safety equipment as required; and
- New flat-type storage structures, including a permanent concrete floor and bulkheads, designed for and primarily used to store whole grain for the term of the loan.

### ***The applicant must:***

- Complete form CCC-185 (Loan Application & Approval for Farm Storage and Drying Equipment Loan Program)
- Pay a non-refundable application fee of \$100.00 to the FSA office
- Provide copies of contracts, project cost breakdown, copies of site plans or estimates for all proposed work;
- Provide form FSA 440-32
- Provide proof of multi-peril crop insurance
- Provide legal description of parcel (s) of land to be offered as security and legal description of land where facility will be placed;
- File CCC-10 (Representations for Commodity Credit Corporation or FSA Loans and Authorization to File a Financing Statement and Related Documents)

The loan terms are 7 years if the loan is \$100,000 or less, 7 to 10 years if the loan is \$100,000.01 to \$250,000 or 7, 10, or 12 years if the loan is \$250,000.01 to \$500,000. Each loan is limited to no more than \$500,000. There is no limit per borrower or entity.

A minimum down payment representing the difference between the net cost of the storage facility and the amount of the loan shall be made by the loan applicant to the supplier or contractor before the loan is disbursed.

- **Loans shall bear interest at the rate equivalent to the rate of interest charged on U.S. Treasury securities of comparable maturity on the date the loan is approved. The interest rate for each loan will remain in effect for the term of the loan. Other requirements may apply and** these changes are dependent on the regulations being published in the CFR. Please contact the FSA office for more information if you are interested in applying for a Farm Storage Facility Loan (FSFL).

**Year End Reviews:** Producers that have a farm loan with FSA are reminded they must provide data for their Year-End Analysis (YEA) to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained. The office will contact you for the data you will need to assist us.

**Foreign Buyers Notification:** The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of United States agricultural land to report their holdings to the Secretary of Agriculture. FSA administers this program for USDA. Foreign persons who have purchased or sold agricultural land are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form could result in civil penalties up to 25% of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

### **Unauthorized Disposition**

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county FSA office staff, it is considered unauthorized disposition. The financial penalties are severe and a producers name will be placed on a loan violation list for a two-year period. **Always call the FSA office before any loan grain is fed, sold or moved. A reminder: Please check your bins for bugs – there have been reports of bug infestation in bins in the county.**

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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](mailto:smerritt@mt.gov)).