

FSA NEWS

MARCH 2008

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County Committee Members

Robert Wenz, Chair
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Maria L. Braun, CED - Ext. 102
Kay Varner, PT - Ext. 104
Sonja Wiseman, PT - Ext. 100
Sharon Gookin – Temp – Ext 106
Ray Allerdings, Field - Ext. 108
Robin Markuson – Farm Loan Officer (406) 775-6359 Ext. 110

Dates to Remember:

March 13th – COC meeting at 1:00 p.m.

March 15th – **DEADLINE** - NAP application closing date – Spring seeded crops. **DEADLINE** for MPCl Insurance for spring-seeded crops

March 16th - 22nd – National Ag Week

March 31st – **DEADLINE** - Final loan/LDP availability date for various crops harvested in 2007

April 1st – **DEADLINE** for Payment Limitation Changes

May 1st – Pull off date on NAP perennial forage crops

June 2: Final loan/LDP availability date for corn, dry peas, grain sorghum, lentils, mustard, safflower, soybeans, small chickpeas and sunflowers harvested in 2007.

DO YOU NEED TO PURCHASE 2008 NAP COVERAGE??

2008 Multi Peril Crop Insurance????

These are two (2) very important questions that you need to ask yourself prior to **the DEADLINE OF MARCH 15, 2008.**

You may want the NAP coverage as part of your disaster management on your farm/ranch. NAP covers almost all non-insurable crops in Fallon County. Check with the office to verify coverage for your crop. Since 2006 hay type barley varieties are insurable under Multi-Peril Insurance for seed, not NAP, so you may want to visit with your MPCl agent. Barley intended for hay is still eligible for NAP coverage. The cost for NAP is \$100 per crop per administrative county up to \$300 per producer. **Remember the deadline** for both NAP and MPCl spring seeded coverage is **MARCH 15, 2008.**

2008 NAP DEADLINES

- NAP pull-off date (Fallon County) May 1
- Final 2007 NAP production reports due July 15
- Final date to file 2007 crop application for NAP payment July 15

Final Loan/LDP Availability is March 31

March 31 is the final loan/LDP availability date for Barley, Canola, Flaxseed, Oats, Rapeseed, Crambe and Wheat. For the 2007 crop of the commodities listed above, loans and LDP's will no longer be available after March 31, 2008



National Agriculture Week is March 16 through 22. This is a time to celebrate American agriculture and honor the people who work to meet our everyday needs. FSA in Montana and the Fallon County FSA office would like to say thank you to the many farmers and ranchers we work with on a daily basis.

NAP PULL OFF DATE – May 1st

Each FSA County Committee determines the date when livestock must be removed from NAP forage acres each spring. This is your grass, such as crested wheat grass for hay, or pubescent for hay. The date determined in Fallon County is **May 1, 2008**. The pull off date intended for seed is April 1 in all counties. Check with your MPC agent to see what the pull off date is for your insurable forages.

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.”

STATUS DATE DEADLINE – 4/1/08

Any changes in a farming operation that may increase the number of “persons” must be made by the STATUS DATE (**April 1, 2008**) to be effective for this crop year. These changes may include changes in the number of owners and their ownership share in entities or joint ventures.



HAVE A SUCCESSFUL LAMBING AND CALVING SEASON!!!!

LEASES!!!! LEASES!!!! LEASES!!!!

FSA considers a land lease to be a cash lease if the landowner receives either (1) a fixed dollar amount or (2) a fixed bushel amount (ex. 10,000 bushels of Winter Wheat/yr). A cash lease cannot be based upon a percentage of the current year crop production. Any lease that will provide the landowner with the greater of a specified cash amount or a share of the crop will be considered to be a share lease by FSA. An example of this type of lease would be one which provides the landowner with a guaranteed minimum payment of \$25/acre, but also provides that the landowner will receive a share of the crop proceeds, if that value exceeds \$25/acre. You are required to notify FSA if you have that type of lease arrangement (combination lease). Since **DCP payments must relate to production risk**, the landowner must receive a share of the DCP payment, along with the operator, depending on the lease situation. MPC regulations concerning this matter may differ from those at FSA.

Procedure from 2004 on Animal Unit Month (AUM) grazing leases allowed both the operator and the owner to be eligible for benefits under the NAP program. The COC will have to review the leases to determine who is at risk. The State FSA Committee established a policy that allows producers on BLM or Forest Service land to be eligible for 60% of the risk on those acres. If you have an AU lease, please be thinking about who is at risk on those acres, and what the percentages would be for 2008.

Producers are reminded that lease agreements need to be formalized and a copy provided to FSA with the lease terms. In the past it had been discovered through the review process that some owners were receiving 100% of the DCP payments, based on cash and share leases, when in fact the DCP payment should have been paid out according to the lease. Please check with the office if you are a landowner with an operator to make sure payments are being allocated correctly. If you have any questions or concerns, please do not hesitate to contact the office.

Montana Farm and Ranch Couples can Receive Estate Planning Incentive

Montana farm and ranch couples who work through MSU Extension's Next Generation Estate planning project can receive a \$100 certificate to be used toward attorney expenses for estate planning.

The first 40 couples who work through an estate planning process can receive \$100 off of any follow-up attorney fees as part of a free Web-based program for young and old farm and ranch couples offered by Montana State University Extension. "In prior years we targeted young couples because we wanted them to work with older couples in the estate planning process," said Marsha Goetting, MSU Extension family economics specialist. "But the younger couples told us we needed to involve the older generation in discussions about estate issues because in most cases the older generation still has control of the property."

Answering questions about how the family farm will be divided can be difficult even without the emotions following a death. "Having to go through the loss of a loved one is traumatic enough, but what happens when there was no estate plan on a farm with three children?" Goetting said. Issues such as whether siblings want their shares in cash and whether the child who wants to keep the ranch can find the cash to buy out a sister and brother are issues that are best worked out in advance.

To get the process started, MSU Extension developed easy-to-use estate planning materials on the Web. The Next Generation Estate Planning project guides couples through estate planning, enabling them to make informed decisions by explaining basic terms and how to pass along property without probate costs. It describes how property can be dispersed when there is no will and gives details of the probate process, including establishing custodial accounts for children under 18. All materials and forms are available free of charge and help prepare couples for a visit to an estate planning attorney. The first 40 couples to complete the form before June 1, 2008 can receive a \$100 certificate to be used toward attorney expenses for estate planning, which the attorney returns to Goetting for payment. For more information, log onto www.nextgeneration.montana.edu and view the cover letter or contact: Marsha Goetting, MSU Extension Family Economics Specialist, at (406) 994-5695 or goetting@montana.edu

This project is available through a grant from the Washington State University Western Center for Risk Management Education. Collaborators include MSU Extension, Montana Grain Growers Association, Montana Department of Agriculture, and the State Bar of Montana.

Beware of Crop Insurance Rebating Schemes

With the spring sales closing date for many Federal crop insurance policies right around the corner, crop insurance agents have stepped up their marketing efforts. The Risk Management Agency (RMA) has received reports from producers and agents that some aggressive marketers have been approaching producers with rebating offers. These schemes promise lower insurance premiums, refunds, dividends, or items of value tied to crop insurance purchases. Most of these activities are illegal. RMA reminds all Federal crop insurance program participants that it is now coordinating with state regulators to take appropriate regulatory action against all those who are found to promote or participate in such schemes.

Producers who are found to participate in illegal rebating activities will not only lose their crop insurance coverage but will also lose eligibility in all USDA programs. Producers and agents can report suspicions of illegal rebating to the OIG Hotline:

1-800-424-9121

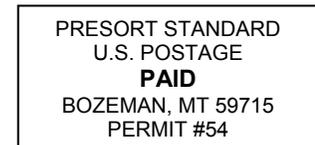
FSA Working Across Montana

FSA in Montana issued more than \$242.5 million in programs payments and loans to Montana farmers and ranchers during Fiscal Year 2007 running from October 1, 2006 to September 30, 2007. Following is a breakdown of the amounts issued through some of the programs administered by FSA in Montana:

1. Conservation Reserve Program - \$116,612,674
2. Emergency Conservation Reserve Program (ECP) - \$774,181
3. Direct and Counter Cyclical Program (DCP) - \$80,462,148
4. Non-insured Assistance Program (NAP) - \$723,740
5. Loan Deficiency Program (LCP) - \$1,917,345
6. Milk Income Loss Contract Extension Program - \$419,932
7. 14 Youth Loans - \$61,200
8. 88 Beginning Farm Loans - \$8.0 million
9. 61 Minority Producer Loans - \$3.4 million

A summary of the amounts issued and for what programs may be found on the Montana FSA website at <http://www.fsa.usda.gov/mt>. The summary also includes the total of the amount of payments issued by each individual county.

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Honey Loans Available

Marketing assistance loans and loan deficiency payments for 2007 crop year honey are available until March 31, 2008. The national loan rate for honey is \$0.60 per pound. Market prices currently exceed the loan rate, so LDPs are currently not available.

To be eligible for a loan, the producer must have produced honey in the US during the calendar year for which the loan is requested, and extracted the honey on or before December 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping the bees. Producers are responsible for maintaining the quality of farm stored honey during the term of the loan.

Honey must be produced in the US by an eligible producer, from an approved floral source, and stored in approved containers. The containers must be marked with the producer's name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed. Honey used as collateral may not be disposed of without approval of the FSA county office staff.