



Fergus-Petroleum FSA

November 2008

Fergus Petroleum Co FSA
211 McKinley St – Ste 2
Lewistown MT 59457
 Phone (406) 538-3489
 Fax (406) 538-9353

The Fergus-Petroleum County Committee regular scheduled meeting is the first Wednesday of each month.

County Committee Members

Dan Boyce, Chairperson
 Stuart Skinner, Vice-Chairperson
 Judy Hedman, Reg Member
 Jill Knerr, Reg Member
 Steve Morris, Reg Member

FSA Office Personnel & Phone Extension Numbers

John Nahrgang, CED.....108
 Kim Billadeau, PT.....110
 Karen Boyles, FLM.....113
 Vickie Baumgartner, PT.....107
 Michele Gilpatrick, PT.....106
 Les Melichar, PT105
 Alta Pallett, PT.....109
 Cheryl Tucek, CPT104
 John Ahlgren, Field

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 20 – Crop insurance sales closing date for sweet cherries
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 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.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer.

2009 DCP Signup

The signup dates for 2009 DCP (Direct and Counter-cyclical Program) have not yet been announced. It is anticipated that signup may begin in the later part of December. Advance payments of 22% will be available.

2009 DCP signup will require producers to come into the county office as there will be all new eligibility forms that will need to be completed. These forms will be the new payment eligibility forms, adjusted gross income forms and possibly a new sodbuster/swampbuster form. These forms will be required for any producer receiving a DCP payment. The office is planning to conduct DCP signup by appointment once the dates are announced.

The payment eligibility form is very detailed and will require specific information on your land, capital and equipment contributions to the farming operation. Also information as to your labor, custom hired labor and management contributions will be required. Producers will be required to provide copies of all cash leases. Entities will have to provide documentation to support the current structure and ownership of the entities as well as the current signature authority.

It is very important that you accurately report all activities on your farming operation. Any land that you lease or lease to someone whether through a cash lease, crop share lease, AUM lease or any other arrangement needs to be reported. Your crop certifications must reflect these lease arrangements. The permanent disaster programs require that all shares, crops and intended uses are accurate. Failure to do so may result in program ineligibility.

All the eligibility forms will have to be approved before any payments can be issued. Producers are strongly encouraged to notify the FSA office as soon as possible about any changes in their farming operation. Changes such as lease changes, land purchases or sales, entity changes, etc. need to be reported.

The county office will try to prepare as much as possible ahead of your

2009 DCP Signup (cont.)

appointment but if you do not report your changes to the office until your appointment, you will not be able to complete your DCP signup and will be asked to return later. So please prepare before signup so you will be able to receive your payments as timely as possible.

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. 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/pasturera_ngeforage or by contacting a crop insurance agent within your area.

The deadline to purchase a NAP grazing policy is March 15, 2009.

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.

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

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.)

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 on November 3, 2008 to all eligible voters in the two Local Administrative Areas (LAA) that are holding elections this year: LAA-2 and LAA-4.

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 in these two areas 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.

**U S DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY
FERGUS-PETROLEUM COUNTY FSA
211 MCKINLEY ST – STE 2
LEWISTOWN MT 59457-2266**

PRESORT STANDARD
U.S. POSTAGE
PAID
BOZEMAN, MT 59715

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Important Dates to Remember

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The Role of Agricultural Based Carbon Offsets and the Value to Farmers and Ranchers

Carbon dioxide (CO₂) is among several atmospheric compounds (generally called greenhouse gases) that can reflect heat waves and prevent them from going into outer space. Studies show that the increase in greenhouse gases is largely due to the burning of fossil fuels and deforestation in the tropics.

An effective way of slowing the increase in greenhouse gases is to increase the sequestration of stable carbon compounds in agricultural soil and forests.

Farmers', ranchers and foresters are engaged in carbon offset trading through the Chicago Climate Exchange (CCX). Current CCX projects include conservation tillage, CRP/grass plantings, sustainable grazing, methane capture and destruction, afforestation, reforestation, management of existing stands and credit for long-term wood products.

Individual landowners do not typically generate enough offsets, therefore, CCX requires landowners to enter the market through organizations certified by the CCX.

A list of certified aggregators is available at www.chicagoclimateexchange.com, and clicking on membership, then on membership list. Montana landowners received over \$1 million for their carbon offsets via CCX aggregators.