Gallatin County News
November 2008

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Bill Ballard, FLM
Kristi Parker, PT
Rhonda Pitts, PT
Nicky Swenson, PT
Norbert Kern, Field man

Dates to Remember:

November 3 –COC ballots to be mailed to producers
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.

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 NAP crops except value loss and honey is **March 15, 2009**.

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Average Crop Revenue Election Program (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.

Supplemental Agricultural Disaster Assistance Program (SURE)

SURE is one of five new disaster assistance programs authorized under the 2008 Farm Bill. SURE is available to eligible producers on farms in disaster counties, including contiguous counties that have incurred crop production losses and/or crop quality losses during the crop year. SURE assistance is also available to eligible producers on farms in which the actual production on the farm is less than 50 percent of the normal production on the farm. For SURE purposes, a farm is defined as all crop acreages in all counties in the nation.

To be eligible for SURE and the other programs in the "Supplemental Agricultural Disaster Assistance" package authorized in the 2008 Farm Bill, producers must purchase at least catastrophic (CAT) level of crop insurance for all insurable crops and/or Non-insured Crop Disaster Assistance Program (NAP) coverage for non-insurable crops by the sales closing dates. The sales closing date for NAP is March 15, 2009 for all crops except value loss and honey. Please check with the office or your crop insurance sales person to ensure eligibility in the disaster programs.

County Committee Ellection Ballots

Eligible voters in LAA #1 should have received their ballot in the mail. The deadline to return these is December 1st.

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.

All producers will be required to submit new payment eligibility paperwork prior to receiving 2009 payments due to the new regulations of the farm bill.

Annual Notice of Payment Eligibility to Producers

FSA program benefits may not be provided to any producer until the applicable payment eligibility determinations are made. A producer will remain ineligible until all required forms for the specific situation are provided. New forms (CCC-902) and regulations are in the process of being implemented. All participants will be required to complete the new eligibility forms for the 2009 program year. These new forms and associated procedures are not yet available, please be patient as we work to implement the new farm bill.

Previous rules on permitted entity designation will no longer apply for the 2009 and future years. All payments, including those made for the individual's pro-rata share in an entity, will now be attributed to a single payment limitation for the applicable individual, though they will be issued as usual to the payment-earning entity. In addition, payment entities with the exception of joint operations will be limited to a single payment limitation overall.

Payment Limitation/Eligibility determinations may be initiated by the FSA County Committee or requested by the producer. Statutory provisions require that entities earning program benefits provide FSA with the names, addresses, and tax ID numbers for the members of the entity.

All Payment Eligibility forms (CCC-902) submitted by a producer are subject to spot check through the End-of-Year Review process. Farming operations selected for an End-of-Year Review will be required to submit additional documents to verify their contributions of capital, land, equipment, labor, and management.

Individuals, joint operations, or entities which are determined to be "not actively engaged in farming," will be ineligible for Direct and Counter Cyclical (DCP) Payments, Average Crop Revenue Election (ACRE) Payments, Loan Deficiency Payments (LDP's), Marketing Loan Gains and Conservation Reserve Program (CRP) payments.

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Important Dates to Remember

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November 30 – Sales closing date for Pasture, Rangeland and Forage Rainfall Index Pilot Program
December 1 – Final date to submit COC ballots
December 1 – NAP closing date for honey

NASS to Conduct Cash Rent Survey

The 2008 Farm Bill directs the National Agricultural Statistics Service (NASS) to collect annual data from producers at the county level on cash rental rates paid for cropland and pastureland. Until this year, NASS only published this information at the national and state levels. This year NASS will collect and publish it at the county level.

Between October and January, NASS will be collecting the county cash rent data in several ways. Questions will be included in four of the agency's ongoing surveys: 1) biannual cattle survey; 2) biannual sheep and goats survey; 3) quarterly crops/stocks survey; 4) annual acreage and production survey. Producers not covered by one of those surveys will be mailed a separate cash rents survey. FSA and other USDA agencies rely on cash rent data to administer commodity, credit, conservation, disaster, and loan programs. The county-level data will be of particular use in FSA's administration of the Conservation Reserve Program (CRP).

For further information, please contact Peggy Stringer or Jodie Sprague in the USDA, NASS Montana Field Office at 1-800-835-2612 or e-mail nass-mt@nass.usda.gov.

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 by the sales closing date. If you plan on purchasing the Risk Management Agency (RMA's) Pasture, Rangeland, Forage (PRF) insurance, the sales closing date is November 30, 2008. The deadline to purchase a NAP grazing policy is March 15, 2009.