

**Jefferson-Madison-Silver
Bow FSA Office
3 Whitetail Rd
Whitehall, MT 59759**

County Committee Members

Cindy Ashcraft, Chair
Marion Johns, Vice Chair
Charlene Berryman, Member
Janet Endecott, Member
Heath Rieder, Member

FSA Office Personnel

Bonita Kober, CED
Kathleen Ballard, PT
Amanda Lucas, PT
Terrie Casagrande, TF
Alan Jenne, FLM

Dates to Remember:

October – CRP Payments begin being issued

October 15 – CDP Signup began

November 2 – Final date for COC ballots to be mailed to producers

November 12 – Veteran's Day – office closed

November 14-16 – Montana Association of Conservation Districts Annual Convention, Bozeman

November 11-13 – Montana Farm Bureau Annual Convention, Missoula

November 22 – Thanksgiving Day – office closed

December 1 – NAP application closing date for Honey

December 3 – COC ballots must be returned by close of business

December 4-7 – Grain Growers Annual Convention, Great Falls

December 14-16 – Stockgrowers and Cattlewomen Annual Convention, Billings



**Jefferson-Madison-Silver Bow FSA
November 2007**

County Committee Ballots in the Mail

County Committee election ballots will be mailed to all eligible voters beginning November 2, 2007.

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 are 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 3, 2007.

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.

Dan High from Twin Bridges and Dan Doornbos from Alder are both running for the position currently held by Cindy Ashcraft, which is LAA #4. Janet Endecott from McAllister is running unopposed for the position she has held for the last 3 years in LAA #5.

NAP Final Date for Honey Producers

The final date for honey producers to file a 2007 NAP Application for Payment is December 1, 2007 or within 30 days of the placement of hives. There are no late-filed provisions for the Application for Payment. A complete application for payment includes acceptable verifiable production evidence. If the production is not sold by January 2, 2008, a measurement service can be requested to verify the production.



For Your Information

A number of questions have been received regarding the restoration of DCP base acreage from CRP contracts that expired on September 30, 2007. The 2002 Farm Bill provided for restoration of lost base acres when a CRP contract expired. That provision ended September 30, 2007 with the expiration of the 2002 Farm Bill. When a new Farm Bill is passed by Congress, FSA will provide details as they become available

Livestock Disaster Programs Underway – Jefferson County Only

Signup for the Livestock Compensation Program (LCP) and the Livestock Indemnity Program (LIP) began September 10, 2007.

These two disaster programs provide benefits to livestock producers for livestock deaths, feed losses, and additional feed costs caused by natural disasters that occurred between January 1, 2005 and February 28, 2007.

To be eligible for LIP and LCP, an owner or contract grower's livestock must have been located in a county or contiguous county designated a natural disaster by the President or declared by the U.S. Secretary of Agriculture between January 1, 2005 and February 28, 2007. **In our office, the only county that qualified was Jefferson in 2006.** Livestock producers incurring livestock losses in 2005 or 2006 calendar years may only select one year in which to receive assistance.

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.

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 ID numbers for the members of the entity. Furthermore, entities earning payments must inform their members of the requirements for designating "permitted entities."

All Payment Eligibility forms (CCC-502) 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 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, Loan Deficiency Payments (LDP's), Marketing Loan Gains, Conservation Reserve Program (CRP) payments, and possible Disaster related program payments such as the Crop Disaster Program (CDP) Payments and the Quality Loss Program (QLP) Payments.

Spouses may be determined to be two "Persons" only if this determination is requested in writing and the applicable requirements are met by each spouse.

Crop Disaster Program (CDP) Quantity Losses Signup Began October 15

CDP provides benefits to farmers who suffered quantity and quality losses to 2005, 2006, or 2007 crops from natural disasters if the crop was planted before February 28, 2007, or in the case of prevented plantings, for crops that would have been planted before February 28, 2007. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year to apply for benefits. Producers may apply for benefits for losses to multiple commodities as long as the losses occurred in the same crop year. Only producers who obtained crop insurance coverage or coverage under the Noninsured Crop Disaster Assistance Program (NAP) for the year of loss will be eligible for CDP benefits.

Producers must have suffered quantity losses in excess of 35 percent to be eligible for CDP.

The payment rate is set at 42 percent of the established price.

Assistance, together with any crop insurance or NAP payment received for the same crop and including the value of the crop production not lost, must not exceed 95 percent of the total value of the crop absent the disaster.

Farmers may receive a maximum of \$80,000 in CDP benefits.

Signup for CDP quality losses will be announced at a later date.

Conservation Reserve Program Payments

FSA in Montana will be issuing more than \$116 million in CRP rental payment to participating producers for fiscal year 2007. Montana has more than 3.4 million acres enrolled in CRP across the state.

Eligible participants will be receiving those payments throughout the months of October and November.

Loan Gains Reported by IRS on 1099-G

The 1099-G form received for 2007 will include market gains associated with Commodity Credit Corporation (CCC) loan repayments regardless of whether the taxpayer repays the loan with cash or uses CCC certificates in repayment of the loan.

If a producer made a special election to treat CCC loans as income when received, the farmer accounts for market gain by making an adjustment to basis. The farmer's basis in the commodity will be equal to the amount of loan proceeds previously reported as income minus the amount of any market gain.

A farmer who made the special election should report market gain as an *Agricultural program payment* on line 6a of Schedule F, **but not** as a taxable amount on line 6b. The market gain is reported in the same way even if CCC certificates were used to facilitate repayment of the loan.

If a special election was not made the CCC loan was not included in income, the market gain is reported on line 6A **and** as a taxable amount on line 6b of Schedule F. This is the case even if CCC certificates were used to facilitate repayment of the loan.

A detailed explanation of the IRS Ruling can be found in IRS Bulletin: 2007-33 dated August 13, 2007 (Notice 2007-63). It may be found on the Internal Revenue website at http://www.irs.gov/irb/2007-33_IRB/ar07.html.

Direct and Counter Cyclical Program Payments

More than \$79 million in 2007 Direct and Counter-cyclical Program (DCP) payments have been issued to Montana producers during the month of October, 2007.

Jefferson-Madison-Silver Bow FSA Office

3 Whitetail Rd
Whitehall, MT 59759

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Important Dates to Remember

October 2 – CRP Payments issued
October 15 – CDP Signup Began
November 2 – Final date for COC ballots to be mailed to producers
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Container Approved for Honey

Honey producers requesting marketing assistance loans may now pack their honey in approved five-gallon plastic containers. The containers must hold about 60 pounds of honey, have a tight fitting cover, have strong handles, and be lined with an FDA-approved low-density polyethylene liner.

