



Montana Farm Service Agency

## FSA Working Across Montana - FY 2006

In keeping with the mission of the USDA Farm Service Agency (FSA) of providing a safe and affordable food supply, FSA in Montana issued more than **\$318.6 million** in program payments and loans to Montana farmers and ranchers during Fiscal Year 2006 running from October 1, 2005 to September 30, 2006. These payments are from programs FSA in Montana administers or from programs created by special authority of Congress.

### ***Conservation: \$113.5 million***

***FSA has issued \$113,507,958 in payments to Montana's farmers and ranchers in conservation programs to conserve and improve soil, water, and wildlife resources.***

**\$112,473,713 - Conservation Reserve Program (CRP)** is USDA's single largest environmental improvements program as well as the most effective. It is a voluntary program providing financial incentives to producers who convert highly erodible cropland or environmentally sensitive acreage to long-term vegetative cover.

**\$41,327 - Grassland Reserve Program (GRP)** is a voluntary conservation program that helps private land owners and operators restore and protect grassland, including rangeland and pastureland.

**\$235,611 - Emergency Conservation Program (ECP)** provides emergency funding and technical assistance for the rehabilitation of farmland damaged by natural disasters and for emergency water conservation measures in periods of severe drought.

**\$757,307 - Wetlands Reserve Program (WRP)** is a voluntary program administered by FSA in conjunction with NRCS that provides financial incentives to enhance wetlands in exchange for retiring marginal agricultural land. Easement and annual rental payments are included in the total.

### ***Production & Compliance: \$110.7 million***

***Producers received \$110,677,093 in benefits through programs such as the Direct and Counter-cyclical Program (DCP) and the Hard White Wheat Incentives Program (HWWIP).***

**\$110,214,026 - Direct and Counter-cyclical Program (DCP)** provides direct and counter-cyclical payments for the 2002-2007 crops. Counter-cyclical payments are made when the effective price for eligible commodities is less than the target price.

**\$463,067 - Hard White Wheat Incentives Program (HWWIP)** made available \$20 million for incentive payments based on production and certified seed planting for the 2003-2005 crops.

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### **Disaster Assistance: \$30.9 million**

***Producers received \$30,873,791 in disaster assistance programs during FY2006. These programs assisted producers in maintaining their viability during extensive drought and other natural disasters.***

**\$2,396,012 - Crop Disaster Assistance Program (CDP)** helped compensate producers who suffered crop losses due to adverse weather and other natural disasters for the 2003 and 2004 crop years.

**\$2,667,049 - American Indian Livestock Feed Program (AILFP)** provides feed assistance funds to livestock owners

on tribal-governed lands. The funds issued were for the 2003 and 2004 production years.

**\$25,281,643 - Livestock Assistance Program (LAP)** provided assistance for grazing losses occurring in calendar years 2003 and 2004.

**\$529,087 - Non-insured Crop Disaster Assistance Program (NAP)** covers crops for which crop insurance is not available.

### **Price Support: \$25.4 million**

***Montana producers received \$25,382,026 in support during FY 2006 through loan deficiency payments, market gains and the Milk Income Loss Contract Extension Program. These programs help improve and promote the economic stability of agricultural communities and ensure equitable delivery of program benefits and services.***

**\$20,921,038 - Loan Deficiency Payments (LDPs)** were made to producers who agreed to forgo a commodity loan in return for a payment on the eligible commodity. LDP provisions allow compensation when market prices are low, as long as the producer maintains beneficial interest in the commodity.

**\$1,036,558 - Milk Income Loss Contract Extension Program (MILCX)** financially compensates dairy producers when do-

mestic milk prices fall below a specified level.

**\$3,424,430 - Market Gains** are earned in the process of repaying a non-recourse loan with a Commodity Credit Corporation (CCC) determined repayment rate that is less than the announced loan rate, or at a rate higher than the loan rate when the repayment amount is less than principal plus interest.

### **FSA Serving Montana Farmers and Ranchers**

The Farm Service Agency (FSA) is an agency under the United States Department of Agriculture. From the mountains in the west, to the plains in the east, FSA in Montana administers programs that provide incentives and compensate a diverse agricultural community.

FSA had its inception in 1995 when the former agency, the Agricultural Stabilization and Conservation Service (ASCS) joined ranks with the agricultural lending programs of the former Farmers Home Administration (FmHA). Both of these agencies were born out of the dust-bowl legislation in the 1930's and 1940's enacted to provide financial assistance to farmers and ranchers.

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***Farm Loans: \$38.2 million (not including annual subordinations of \$20.25 million)***

***FSA made 289 loans for \$38,173,531 in direct and guaranteed farm operating loans, farm ownership loans, and emergency loans to Montana's eligible farmers and ranchers who are temporarily unable to obtain private or commercial credit. Portions of these funds went to the following specific groups.***

**12 loans for \$49,750 - Youth Loan Program** provides youths the chance to learn how to manage a business and their finances. A \$5,000 limit is placed on this loan program.

**85 loans totally over \$8.1 million - Beginning Farmer and Rancher** loans are provided to borrowers who have not operated a farm or ranch for more than 10

years and will participate in the day-to-day operation of the farm or ranch.

**64 loans for \$4.5 million - Minority Producer** loans are provided to borrowers who are members of groups that have not always had access to FSA financing such as women, African-Americans, Native Americans, Asian Americans and Hispanics. Many of the minority loan applicants also met the Beginning Farmer and Rancher definition.

***Program Payments By County\* - \$281,477,793***

|               |              |                 |              |             |              |
|---------------|--------------|-----------------|--------------|-------------|--------------|
| Beaverhead    | \$ 1,271,660 | Granite         | \$ 213,984   | Powell      | \$ 216,446   |
| Big Horn      | \$ 5,274,300 | Hill            | \$20,535,576 | Prairie     | \$ 3,639,694 |
| Blaine        | \$11,331,067 | Jefferson       | \$ 238,377   | Ravalli     | \$ 232,452   |
| Broadwater    | \$ 2,492,670 | Judith Basin    | \$ 3,797,125 | Richland    | \$ 7,600,320 |
| Carbon        | \$ 2,120,817 | Lake            | \$ 1,013,951 | Roosevelt   | \$10,948,889 |
| Carter        | \$ 2,824,431 | Lewis and Clark | \$ 1,045,164 | Rosebud     | \$ 4,354,798 |
| Cascade       | \$ 8,429,043 | Liberty         | \$ 9,809,956 | Sanders     | \$ 194,002   |
| Chouteau      | \$22,676,636 | Lincoln         | \$ 53        | Sheridan    | \$13,609,628 |
| Custer        | \$ 3,728,285 | Madison         | \$ 847,678   | Silver Bow  | \$ 6,082     |
| Daniels       | \$10,005,495 | McCone          | \$ 8,622,623 | Stillwater  | \$ 3,776,448 |
| Dawson        | \$ 7,029,879 | Meagher         | \$ 1,184,118 | Sweet Grass | \$ 538,565   |
| Deer Lodge    | \$ 89,952    | Mineral         | \$ 27,424    | Teton       | \$13,403,355 |
| Fallon        | \$ 3,752,122 | Missoula        | \$ 192,975   | Toole       | \$11,344,754 |
| Fergus        | \$ 6,561,544 | Musselshell     | \$ 2,440,907 | Treasure    | \$ 902,062   |
| Flathead      | \$ 1,326,730 | Park            | \$ 764,650   | Valley      | \$12,223,843 |
| Gallatin      | \$ 2,798,772 | Petroleum       | \$ 835,407   | Wheatland   | \$ 2,685,941 |
| Garfield      | \$ 6,802,929 | Phillips        | \$ 8,243,840 | Wibaux      | \$ 2,863,226 |
| Glacier       | \$10,413,882 | Pondera         | \$12,672,805 | Yellowstone | \$ 5,595,939 |
| Golden Valley | \$ 2,562,837 | Powder River    | \$ 3,361,685 |             |              |

\*Does not include farm loans.