Phillips County FSA
October 2008

Phillips County FSA
1120 US Hwy 191 S, Suite 1
Malta, MT 59538

County Committee Members

Buck Taylor, Chair
TJ Wasson, Vice-chair
Juanita Cole, Member

FSA Office Personnel

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Ann Kienenberger, PT
Mark Knudsen, PT
Cheryl Pankratz, PT
Wilma Mavencamp, PT
Deb Pankratz, PT

Dates to Remember:
October – CRP Payments begin being issued
October 13 – Deadline for removal of hay from CRP Emergency Haying and Managed Haying
October 15 – Grazing ends for Critical Feed Use category B & C producers
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 26 – Signup Deadline for 2008 DCP 10-acre or less farms
November 30 – Pasture, Rangeland Forage Index Program Sales Closing date
December 1 – NAP application closing date for Honey
December 1 – COC ballots must be returned by close of business

Agricultural Financial and Production Management Workshops to be Held

FSA, in conjunction with Montana State University (MSU) Extension Service will be conducting Financial and Production Management training beginning November 3, 2008.

Topics to be covered are: 1) goals and assessments; 2) family business issues; 3) production records; 4) intro. and advanced quicken; 5) beginning estate planning; 6) financial analysis; 7) advanced estate planning; 8) crop and livestock marketing; and 9) energy.

The training will be conducted via a video conferencing method called BREEZE. These trainings will be available to current and future FSA loan recipients as well as to the general public. Participants will be asked to pay a registration fee to cover the cost of the video conferencing. Contact the location of your choice for further information. Workshop locations are:

Location	Phone Contact
NTDA Office, Stone Child Campus	395-4095
Blaine Co. Extension Service	357-3200
Fort Belknap Extension Service	353-2205, ext. 484
Little Big Horn College, Contact - Fredrica Lefthand	638-3131
Great Falls USDA Service Center	727-7580 ext. 2
Blackfeet Community College, contact-Terry Tatsey	338-5441 ext 760
Ekalaka USDA Service Center	775-6359 ext. 2
Miles City USDA Service Center	232-7905 ext. 2
Choteau, MT USDA Service Center	466-5351 ext. 2
Lewistown USDA Service Center	538-3489 ext. 2
Dillon USDA Service Center	683-3830 ext. 2
Ronan USDA Service Center	676-2811 ext. 2
Fort Peck Community College, Contact -Tom Black Eagle	653-3900
Bozeman USDA Service Center	522-4000 ext. 2
Culbertson USDA Service Center	787-6262 ext. 2

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DCP Provisions Amended to Include 10 Acre or Less Farms

The 2008 Farm Bill has been amended to permit producers on a farm with the sum of the base acres of covered commodities on the farm of 10.0 acres or less to receive DCP payments. The amendment only affects the 2008 contract year.

Producers on farms with 10.0 base acres or less have until **November 26, 2008** to enroll a farm for the 2008 DCP. The extended DCP signup does not affect the signup deadline for farms with greater than 10.0 base acres.

Producers with 10.0 acres or less must ensure they have a completed CCC-509 (DCP contract) on file at the FSA office by November 26th to be eligible for benefits.

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

DCP Payments Issued

More than 21,000 farms enrolled in the Direct and Counter-cyclical Program (DCP) across Montana have received more than $83 million in benefits.

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. The sales closing date for the Pasture, Rangeland, Forage Index Program is November 30, 2008. Please check with the office or your crop insurance sales person to ensure eligibility in the disaster programs.

CDP Quantity Payments Issued

FSA has issued more than $39,853,775 in Crop Disaster Program (CDP) quantity payments to Montana producers.

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.

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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Postage Block

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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.

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."