

Pondera County FSA Office
406 N Main Street
Conrad, MT 59425-2706

The Pondera County Committee regular scheduled meeting is the first Thursday of each month.

County Committee Members
John Bergstrom
Greg Kellogg
Jay Hardman

FSA Office Personnel
Duane Van Dyke, CED
Candace Balkenbush, PT
Donna Fowler, PT
Cheryl Laisnez, PT
Lacey Patterson, PT
Ed Daugherty, FLM

Dates to Remember:

May 15-July 15 – FSA State Committee established Primary Nesting Season for CRP

May 15-August 1 – Primary Nesting Season for CRP contracts affected by the National Wildlife Federations settlement agreement with FSA

June 2 – CRP Critical feed program signup began

June 15 – COC Nominations Open

June 23 – CDP Quality Signup Began

June 25 – DCP Signup Began

Notice of Loss – filed within 15 calendar days of the natural disaster occurrence or the date the damage to the crop or loss of production was apparent

July 15 – Acreage report deadline

July 15 – deadline to provide 2007 production for NAP APH

July 15 – 2007 NAP Application for Payment Deadline

July 18 – LIP/LCP Signup Deadline

August 1 – Deadline to request 2008 reconstitution

August 1 – COC nominations close

August 20-21 – All FSA personnel will be gone to attend training



FARM SERVICE AGENCY

Pondera County FSA

July 2008

DCP Sign-up, Disaster Quality, CRP

Direct and Counter-cyclical Payment Program Signup Begins

Signup for the DCP program began June 25th and will end September 30, 2008.

Commodities covered by DCP include wheat, corn, grain sorghum, including dual purpose varieties that can be harvested as grain; barley, oats, soybeans, canola, flaxseed, mustard, safflower, crambe, sesame seed, rapeseed and sunflowers including oil and non-oil varieties. Beginning with the 2009 crop year, pulse crops, including chickpeas (both Kabuli (large) and Desi (small) Garbanzo beans), dry peas, and lentils will be added as covered commodities. Chickpeas, both Kabuli and Desi Garbanzo beans are not considered a vegetable beginning with 2008.

Annually, producers must sign a CCC-509, DCP contract, designating shares. The CCC-502 (Farm Operating Plan for Payment Eligibility Review for an Individual) and an AD-1026 (Highly Erodible Land Conservation and Wetland Conservation Certification) need to be on file to be eligible for payments.

The 2008 Farm Bill also provides for restoring base acreages when a Conservation Reserve Program (CRP) contract expires or is voluntarily terminated provided there is enough effective DCP cropland acreage on the farm to support the base.

Payment rates for eligible crops were fixed in the 2008 Farm Bill. Direct payment rates are:

Crop	2008 Payment Rate
Barley	\$0.24/bu
Corn	\$0.28/bu
Grain Sorghum	\$0.35/bu
Oats	\$0.024/bu
Other Oilseeds	\$0.80/cwt
Soybeans	\$0.44/bu
Wheat	\$0.52/bu

Payment acreage for the 2008 DCP is equal to 85 percent of the eligible base acreage.

Signup for Crop Disaster Program Quality Loss

We now have information regarding the quality portion of the Crop Disaster Program. Before you bring in all of your contracts, receipts, etc. for your crop, you need to see if any of the following pertain to you. You may/may not be eligible for the quality portion of the program depending on the criteria that has been set.

The State FSA Committee is using the following market prices for the 2005-2007 Quality program.

If you are looking at 2005:

Commodity:	Market Price
Barley (Irrigated & Non irrigated)	\$1.67
Hard Amber Durum	\$3.53
Hard Red Spring Wheat	\$3.93
Hard Red Winter Wheat	\$3.61

2006 Crop Year:

Barley	\$2.66
Hard Amber Durum	\$5.21
Hard Red Spring Wheat	\$4.80
Hard Red Winter Wheat	\$4.63

2007 Crop Year:

Barley	\$4.39
Hard Amber Durum	\$10.56
Hard Red Spring Wheat	\$7.96
Hard Red Winter Wheat	\$7.10

If you received at least 75% of the above market price, your bushels will not be eligible for quality. The commodity must have suffered a 25% reduction in value to quality loss from an eligible disaster condition. The above is based on actual price regardless of whether or not there was a grain contract. For example: If you sold some bushels of barley under a malt contract and some bushels for feed in the 2007 crop year, if the average price you received was greater than \$3.29/bushel ($\$4.39 \times 75\%$) the barley is not eligible for quality. Bushels will be calculated on "expected production" not actual production (unless yields are less than the FSA yield). Expected production is your APH yield (or county average if higher) x producer share. This where we would start our bushel calculation. Any bushels over & above expected production is not eligible for the program.

Stored Production: Stored production must have eligible quality tests indicating both quality and quantity by January 1 of the year following harvest. Value is determined by the COC by using local market conditions and applicable quality discounts in effect on the date all production evidence is provided.

Fed production: Fed production must have eligible quality tests indicating both quality and quantity by January 1 of the year following harvest. Value is determined by the COC using local market conditions and applicable quality discounts in effect on the crop's final harvest date.

Quality sign-up has started and if you think you may have some eligible bushels, you can call us to set up an appointment. Producers can apply and submit production evidence that is sorted by unit, crop, type, use and practice. These may be contracts, receipts, etc. for all of the bushels produced for the crop you are applying for. We must have verifiable production for quality loss. The receipts must contain 1) production, 2) price and 3) quality affected. If you are submitting marketing contracts as part of the verifiable evidence the contract must have the following:

- 1) specify commodity, crop year, and price
- 2) signed by producer & purchaser (**must have both signatures**)
- 3) commitment to purchase
- 4) commitment to deliver
- 5) relate quality standards to price

Changes to Your Farming Operation

FSA is encouraging producers to notify us of any changes to your farming operation including land ownership or lease changes, entity changes including members and shares, and who is authorized to sign documents for the operation or individuals. It is anticipated there will be policy changes and new forms to complete when new programs are implemented. Details will be published in this newsletter as they are known.

The Improper Payments Information Act of 2002 (IPEA) implemented stronger internal controls and reviews of payments issued.

The FSA database of payments issued will be compared against the Social Security Administration (SSA) database of deceased individuals. It is very important that FSA be notified of the death of a landowner, member of an entity, or anyone that may be earning USDA benefits. There are actions that can be taken to ensure payments are issued correctly and not considered an overpayment. Contact your local office for more information.

Adjusted Gross Income Provisions

The 2008 Farm Bill continues the administration of the \$2.5 million adjusted gross income (AGI) limitation for all 2008 crop, program, or fiscal year commodity and conservation programs.

2008 program participants may need to file new CCC-526 (2008 Payment Eligibility Average Adjusted Gross Income Certification) forms.

According to the 2008 Farm Bill, new AGI limitations for 2009 will require new forms to be completed by all producers for the 2009 crop year programs.

Contact the office for details.

Changes to Revocable Trusts, Estates, and Limited Liability Companies (LLCs)

The 2008 Farm Bill implemented new changes to the way FSA deals with revocable trusts, estates, and LLCs. The major changes are:

- Estates can no longer use the Social Security Number (SSN) of the deceased individual. The estate must obtain an IRS Employer Identification Number (EIN) for the estate. Once a producer is deceased, payments must be made to the EIN.
- Revocable trusts must now obtain an EIN if a third party is serving as trustee or successor trustee. Revocable trusts with a single person serving as grantor, beneficiary, and trustee, who does not hold another interest in an entity earning payment or as an individual may continue to use their SSNs as an identifying number.
- Beginning in FY 2009, beginning October 1, 2008, LLC's with one member must use a tax ID number.

These changes are effective immediately. Revocable Trusts with a third party serving as trustee that are currently operating under a SSN will be required to provide a tax ID number prior to any future program sign ups. LLCs using a SSN will be required to obtain an EIN prior to FY2009 program signups.

Web addresses for the IRS policies requiring estates and LLCs to have a Tax ID number are available at <http://www.irs.gov/pub/irs-pdf/p1635.pdf> page 16, section H, LLC.



2008 Reconstitutions

The 2008 Farm Bill states a producer of a farm with base acres of 10.0 acres or less may not receive direct payments, counter-cyclical payments or average crop revenue election payments except if the farm is owned by a minority or a limited resource farmer or rancher. Producers may no longer request that these farms be combined with another farm except in limited circumstances.

A farm having base acres of 10.0 acres or less may be combined with another farm if one of the farms undergoes a change in land ownership and the new owners of each of the farms participating in the combination are identical and have identical shares in each property involved.

Producers must request reconstitutions by August 1, 2008.

Farms with Less than 10 Base Acres

The Food, Conservation and Energy Act of 2008 states that no producer on a farm may receive DCP payments if the sum of the base acres of the farm is 10 acres or less. However, such prohibition does not apply to a farm that is wholly owned by socially disadvantaged or limited resource farmers or ranchers as provided by Section 1101 of the 2008 Farm Bill. If the farm is owned by a legal entity, such as a corporation, each shareholder, partner, or member of the entity must be a socially disadvantaged or limited resource farmer or rancher.

Restoring Base Acres on Expiring or Voluntarily Terminated CRP Acres

A farm's DCP base acres or crop acreage base may have been reduced because of participation in CRP. The Food, Conservation and Energy Act of 2008 was enacted into law on May 22, 2008. The 2008 Act provides for adjustments in base acres when a CRP-1 expires or is voluntarily terminated. The 2008 Act provides for restoring base acres.

Conservation Compliance

Federal regulations discourage the production of crops on highly erodible cropland unless the land is protected from erosion by an approved conservation system. Status reviews are conducted to ensure producers follow a conservation plan on highly erodible land.

In addition to the highly erodible land, a person may not plant an agricultural commodity on wetlands converted after Dec. 23, 1985, or convert a wetland to make agricultural production possible after Nov. 28, 1990.

Failure to comply with these provisions will cause a person to be ineligible for USDA benefits. County Committees may review noncompliance situations for good faith and provide relief in approved cases.

Breaking native Range??

Sodbusting Can Cause a Loss of all USDA Program Benefits

If you sodbust native rangeland and plant an agricultural commodity crop on highly erodible land without an approved conservation plan or maintaining a fully applied conservation system, your FSA program payments may be in jeopardy. Please, please, please contact NRCS BEFORE you break any native range and plant an agricultural commodity. This includes those little outs you've been farming around for years, or adding to an existing field by encroaching into the native sod. Rules have tightened; it is imperative you contact us before you break the sod.

Responsibilities for CRP Contract Holders

CRP contract holders have certain responsibilities for carrying out the terms and conditions of the CRP contract. Those include, but are not limited to:

- ✓ Control all weeds, insects, pests and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the approved cover is adequately protected and there is no adverse impact on surrounding land.
- ✓ Establish and maintain the required vegetative or water cover and other required practices.
- ✓ No activity may be conducted on CRP acres without authorization.
- ✓ Prior approval must be received from FSA before any harvesting, grazing or other commercial use of the forage may begin.
- ✓ If land with a CRP contract is sold, the new owners should notify the local county FSA office if they want to continue the contract.

If CRP land is sold and the new owner does not wish to continue the CRP contract, the previous CRP participant will be required to repay all payments received on the contract plus interest and liquidated damages. Liquidated damages are equal to 25 percent of the annual rental payment on those acres not contracted by the new owner.



FSA Announces Critical Feed Program

FSA has announced the authorization of certain acreage enrolled under the Conservation Reserve Program (CRP) to be available for haying and grazing after the **primary nesting season ends which is August 1st in Montana**. No rental payment reduction will be assessed on contracts being utilized for the critical feed use. However, a \$75 fee will be charged per contract to process the contract modification. The fee must be paid prior to the local FSA county committee approving the contract modification. The fee is not refundable.

Beginning June 2, 2008, eligible CRP participants may sign up for the critical feed use practice at their local FSA office. Participants must submit a modification to their conservation plan. This modification for critical feed use is only for 2008. All haying and grazing must be completed no later than November 10, 2008. The critical feed use practice may be used on CRP acreage that was hayed or grazed in 2007 either under the Managed Haying and Grazing provisions or the Emergency Haying or Grazing provisions.

CRP participants may use their CRP acreage for haying or grazing or may lease the privilege to any other individual. CRP participants may not hay and graze the same acreage. CRP participants must leave at least 50 percent of each field unhayed. Only one cutting of hay is permitted. CRP participants wishing to graze their CRP acreage must leave at least 25 percent of each field ungrazed for wildlife or graze all of the CRP acreage at no more than 75 percent of the stocking rate as determined by the Natural Resources Conservation Service (NRCS) or a Technical Service Provider (TSP).

Eligible acreage includes acreage devoted to:

- 1) CP1, Establishment of Permanent Introduced Grasses and Legumes;
- 2) CP2, Establishment of Permanent Native Grasses;
- 3) CP4B, Permanent Wildlife Habitat – Corridors;
- 4) CP4D, Permanent Wildlife Habitat;
- 5) CP10, Vegetative Cover – Grass – Already Established;
- 6) CP18B, Establishment of Permanent Vegetation to Reduce Salinity;
- 7) CP18C, Establishment of Permanent Salt Tolerant Vegetative Cover.

Acreage is eligible 12 months after the cover is fully established.

CRP Maintenance Incentives

When the Conservation Reserve Program (CRP) was originally announced a \$5/year maintenance rate was added to the contract to maintain the cover. In 2006, that rate was lowered to \$4/year. As of April 11, 2008 that rate has been lowered to \$2/year. The new rate does not affect any contracts previously approved and only applies to contracts approved after April 11, 2008.

Producers are required to perform management activities included in all contracts approved after May, 2003. These activities are eligible for cost-share assistance.

Please contact the office if you have questions regarding your CRP contract.

CRP Management Activities

Beginning with CRP Signup 26 and Continuous CRP Signup 27, all new CRP contracts were required to have a management activity included in the Conservation Plan of Operations (CPO). Management activities must be completed must be completed before the end of year 6 for 10 year contracts and before the end of year 9 for 15 year contracts.

Management activities include:

- Residue Management
- Ground Disturbing
- Interseeding Legumes
- Fabric Management
- Fertilization
- Prescribed Burn
- Must be completed between August 2nd and September 1st.

Contact the county office for more detailed information.



Hazardous Fuels Reduction Program

Resource Conservation & Development Areas (RC&D's) across Montana have joined forces with Extension Service Offices to assist landowners with creating defensible space around their homes. By doing this, landowners will reduce the risk of catastrophic wildfire and implement management practices that increase forest health.

The program provides technical and financial assistance for landowners to develop and implement a hazardous fuels mitigation plan. Grant funding is available for landowners to assist with cost-share for paying for fuels reduction work (clearing, thinning, and trimming vegetation).

For an RC&D office near you, contact your local Natural Resources Conservation Service located in the USDA Service Center.



Civil Rights/Discrimination Process

As a participant or applicant for programs or activities operated or sponsored by USDA, you have a right to be treated fairly. If you believe you have been discriminated against because of race, color, national origin, gender, age, religion, disability, or marital or familial status, you may file a discrimination complaint.

The complaint should be filed with the USDA Office of Adjudication and Compliance within 180 days of the date you became aware the alleged discrimination occurred. To file a complaint of discrimination write: USDA, Director, Office of Adjudication and Compliance, 1400 Independence Avenue, S.W., Room 326W, Whitten Building, Stop 9410, Washington DC 20250-9410 or call 202-720-5964 (voice or TDD).



2008 Farm Bill Provides Changes to Farm Loans

Some of the changes relating to the Farm Bill effective May 22, 2008:

- The maximum loan amount authorized for Direct Farm Ownership or Farm Operating loans has increased from \$200,000.00 to \$300,000.00 per program.
- Down Payment Loan Program has been modified by several changes in the Farm Bill. The program is expanded to include Socially Disadvantaged farmers in addition to beginning farmers and ranchers. The interest rate is specified as the greater of the direct FO regular rate less 4% or the floor of 1.5%. The maximum loan amount is an amount not to exceed 45 % of the purchase price, appraised value or \$225,000.00. The loan term is extended from 15 to 20 years and the down payment has been reduced from 10% to 5%.
- Direct loan assistance for farm ownership loans has been modified on the amount of farming experience one needs to be eligible for the loan program. Farm experience will be considered without regard to time elapsing between when the experience occurred. No longer requires three consecutive years of experience prior to making application.

COC Nominations Open

Nominations for positions on the FSA County Committees are now open. Anyone interested in either nominating themselves or their neighbors are encouraged to submit a nomination form to the office by August 1.

A county or area served by the county committee is divided into local administrative areas (LAA). Each LAA is represented by one member on the county committee. Only one LAA holds an election each year. You must reside within the LAA that is open for election to be eligible to run for a position on the county committee. Contact the office to determine which LAA is open for nominations.

All eligible voters will receive a ballot in the mail no later than November 2. At that time, all eligible voters will vote for their favorite candidate, sign the ballot and return the completed ballot to the county office by December 3.

Nomination forms are available at the office or by logging on to the Montana FSA website at: <http://www.fsa.usda.gov/mt>.

LCP Signup Deadline

The deadline for the 2005-2007 Livestock Compensation Program (LCP) and Livestock Indemnity Program (LIP) is July 18, 2008.

LIP provides payments to livestock owners and contract growers whose livestock died because of a natural disaster. LCP provides payments to livestock owners and cash lessees who suffered feed losses or increased feed costs because of a natural disaster.

Losses must have occurred between January 1, 2005 and December 30, 2007 because of a natural disaster.



Wind Turbines or Oil/Gas Leases

If you have mortgaged your land to FSA, approval is required prior to entering into wind turbines or oil/gas leases or development. Failure to obtain prior agency approval could result in loan default. Please check with the office if you are considering any of these options



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406 N Main Street
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