

December 2007

Roosevelt County FSA Office
508 East 6th Street
P.O. Box 519
Culbertson, MT 59218
Phone: (406) 787-6262
Fax: (406) 787-6132

County Committee Members

Lynn Nordwick
Loren Schledewitz
Ted Toavs
James Helmer

FSA Office Personnel

Carol Y. Ritter-Fellman, CED
Julie Williams, Chief PT
Darcia Larsen, PT
Dale Friedrich, PT
Julane Poland, PT
Judy Grimsrud, PT
Jill Davidson, PT
Stacy Buckley, Loan Manager
Jenna Anderson, Field

Dates to Remember:

January 1 – Holiday – Office Closed
January 21 – Holiday – Office Closed
January 31 – Final loan/LDP availability date for wool/mohair shorn in 2007
January 31 – Final LDP availability date for 2007 unshorn pelts
March 17 – NAP sales closing date for all crops except Value Loss crops and Honey

HAPPY
HOLIDAYS

Roosevelt County FSA News

Crop Disaster Program (CDP) Available

USDA Farm Service Agency's (FSA) CDP provides benefits to farmers who suffered losses to their 2005-2007 crops from natural disasters and related conditions so long as the actual crop lost was planted or prevented from being planted before Feb. 28, 2007. Producers who incurred qualifying losses in 2005, 2006 or 2007 must choose only one year for which to receive benefits. They may receive benefits for multiple crop losses if all were in the same crop year.

Sign-up for quantity losses under CDP began Oct. 15, 2007, at local FSA service centers nationwide. A final date to apply has not been announced. FSA will announce sign-up for quality losses under CDP as soon as possible.

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.

For yield-based crops, FSA calculates CDP payments by multiplying the payment rate established for the crop times a 42 percent payment level (set by law) times the loss of production. The loss of production must exceed 35 percent of the expected production of the unit.

Payment rates for 2005, 2006 or 2007 year crop losses will be:

- 42 percent of the maximum established USDA Risk Management Agency (RMA) price for insured crops; or
- 42 percent of the state average price for NAP covered crops.

The maximum CDP benefits a person may receive is \$80,000. No participant shall receive CDP benefits in an amount that exceeds 95 percent of the value of the expected production for the relevant period as estimated by the Secretary of Agriculture. The sum of the value of the crop not lost (if any), the CDP payment received and any crop insurance payment or payments received under the NAP for losses to the same crop cannot exceed 95 percent of what the crop's value would have been if there had been no loss.

Producers who feel they may qualify for this program should contact Julie in our office for more information.



*******Attention Livestock Producers*********Livestock Disaster Programs Underway**

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, pasture losses, 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. Livestock producers incurring livestock losses in 2005 or 2006 calendar years may only select one year in which to receive assistance.

Livestock Indemnity Program (LIP)

To be eligible for LIP, the owner's livestock must have:

- died in an eligible county as a direct result of an eligible disaster event after Jan. 1, 2005 and before Feb. 28, 2007; must have died no later than 60 calendar days from the ending date of the applicable disaster period (s) but before Feb. 28, 2007; and in the calendar year for which benefits are requested; and
- must have been maintained for a commercial farming operation on the day they died; and
- must not have been produced for reasons other than commercial farming. This includes wild free roaming animals or animals used for recreational purposes, such as hunting, pets, roping or for show.

Producers who wish to apply for this program must submit form FSA-900 to the local FSA office. The producer should include a copy of the grower contract if they

are a contract grower, as well as any other supporting documents required for determining eligibility.

Supporting documents must show evidence of loss, current physical location of livestock in inventory, and location of the livestock at the time of death. The quantity and kind of livestock that died as a direct result of the eligible disaster event may be documented by purchase records, veterinarian records, bank or other loan papers, or any other acceptable documents that verify the death of the livestock.

Livestock Compensation Program

To be eligible for LCP, producers must have:

- Either owned or cash-leased eligible livestock on the beginning date of the applicable disaster period(s); and
- Suffered an eligible feed loss from produced or purchased forage or feed, or incurred additional feed costs as a result of an eligible disaster event(s) during the applicable disaster period(s), and the feed lost or additional incurred feed costs were intended for use with eligible livestock.

To apply producers must complete form FSA-901 at their local FSA office, bring adequate proof that the feed loss or incurred additional feed costs were for the claimed eligible livestock and occurred as a direct result of an eligible disaster event during an eligible disaster period(s) in the calendar year for which the benefits are being requested.

For detailed explanations of eligible livestock and eligibility requirements, logon to the Montana FSA website at <http://www.fsa.usda.gov/mt>. A final date to apply for the livestock programs has not been announced.

Producers who feel they may qualify for this program should contact Darcia in our office for more information.

County Committee Election Complete

The County Committee election process is complete and Mary Nesbit was elected to serve a 3-year term on the Committee. She will be replacing Lynn Nordwick who served many, many years. A big "thank you" goes out to Lynn and a big "welcome" goes out to Mary.

Changing Financial Institutions

Almost all FSA payments are made electronically using direct deposit. This innovation has cut down on the number of missing and late payments and reduced the time required to move funds. It has been determined that the chance of having a problem with a payment is 20 times greater with checks than with direct deposit. Another benefit is that direct deposit to your account can be made within 48 hours.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the office so we can update our files to ensure continued uninterrupted service.

Base Restoration

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.



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.

Year End Reviews

Producers that have a farm loan with FSA are reminded they must provide data for their Year-End Analysis (YEA) to their loan officer each year. Borrowers are urged to provide this information timely so that their files can be maintained. The office will contact you for the data you will need to assist us.



Annie's Project

Montana Market Manager will usher Annie's Project into Montana starting in January 2008. Annie's Project will be delivered in six 3-hour sessions at 12 locations around Montana. Each Monday evening session will run from 5:00 – 8:00 p.m. Registration is \$100.

Class locations:

Bozeman – Burns Telecom Center, MSU
Culbertson – Roosevelt Memorial Hospital
Dillon – University of Montana – Western
Glasgow – Frances Mahon Deaconess Hospital
Great Falls – MSU College of Technology
Shelby – Marias Medial Center

Havre – MSU Northern
Lewistown – Central Montana Education Center
Miles City – Miles City Community College
Rapelje – Rapelje High School
Scobey – Scobey High School
Sidney – Agricultural Research Service Center

Annie's Project brings women together to find answers, sharpen business skills, grow confidence, recognize strength and build friendships in these six workshops. To register – go to www.montanamarketmanager.org/Education&Reference/WorkshopCalendar or call the Montana Grain Growers office at 406/761-4596.

Census of Agriculture Coming Soon

Beginning December 28, 2007, the National Agriculture Statistics Service (NASS) will mail out Census of Agriculture forms to collect data for the 2007 calendar year. Completed forms are due by February 4, 2008. Forms may be returned by mail or, for the first time, forms may be filled out online via a secure web site. Conducted every five years by USDA, the Census is a complete count of the nation's farm and ranches and the people who operate them. The Census looks at land use and ownership, operator characteristics, production practices, income and expenditures and other topics. The Census provides the only source of uniform, comprehensive agricultural data for every county in the nation. For more information about the 2007 Census of Agriculture, contact the NASS Montana Field Office at 406/441-1240 or 1-800-835-2612 or logon to the Montana Agriculture Statistics website at <http://www.agcensus.usda.gov>.

Roosevelt County FSA Office
P.O. Box 519
Culbertson, MT 59218
OFFICIAL BUSINESS

PRSR STD
US POSTAGE
PAID
Culbertson, MT
Permit No. 1

