

CONNECTIONS

**CONSERVATION DISTRICT, EXTENSION SERVICE, FARM SERVICE
AGENCY, & NATURAL RESOURCES & CONSERVATION SERVICE**

February, 2007

DCP ADVANCE PAYMENTS BEING MADE

Producers may receive 22 percent advance of the direct payment amount, beginning on December 1 of the program year. Final direct payments will be made on or after October 1, 2007.

Counter-cyclical payments may also be authorized for one or more covered commodities, depending on the projected and actual market prices. For the 2007 crop year, producers may elect to receive an advanced payment equal to 40 percent which will be issued after completing the first 6 months of the marketing year for the covered commodity and final payment, if any, are made after the end of the marketing year for the crop. Producers who do not elect to take the advance payment will receive the entire counter-cyclical payment at this time. The amount of a counter-cyclical payment is dependent upon the average of the actual prices received by farmers and during the marketing year. ♥



THERE'S A NEW FACE AT THE TOOLE COUNTY EXTENSION OFFICE!

By: Jeannie Olmstead

I'd like to introduce myself as Toole County's newest extension agent. My name is Jeannie Olmstead and my main areas of focus in extension will be agriculture, natural resource management and 4-H/youth development. I grew up in northeast Washington in a community called Elk which is about 1/2 hour north of Spokane. My family has a small farm/ranch where we raise registered Limousin cattle and alfalfa, grass and grain hay. I was also in 4-H 12 years growing up.

After high school I was a student at Washington State University where I earned a Bachelor's degree in Agribusiness with a minor in Crop Sciences. During my four years at WSU I worked in the Spring Wheat research program. I was still enjoying college when I graduated, so I continued my education at the University of Idaho. I graduated from there in December with a Master's degree in Plant Science, specializing in canola and mustard research.

I've been here about a month and have been happy with what I've seen. Shelby and Toole County have been very welcoming. I am looking forward to meeting everyone and becoming part of your community. ♥

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SIGNATURE REQUIREMENTS FOR SPOUSES AND MINORS

Husbands and wives can sign papers for one another in our office unless there is a written statement on file from a spouse who does not wish to grant signature authority. A spouse's authority does not entitle that spouse to review or receive Agency records of the other spouse. The county office will not provide records of a producer to that producer's spouse unless written authority to provide such records has been provided to the office.

Example: Joe and Jane Black, husband and wife, may sign documents on behalf of each other because no written notification denying such authority has been provided to the office. Jane Black has requested a copy of Joes' payments. The county office will not provide the records to Jane unless Joe provides *written authority* to release the records to Jane.

If you do not wish for your spouse to be able to sign papers on your behalf, please send us a letter as soon as possible.

Minor's signatures:

If the eligible producer is a minor, the county office will obtain the signature of BOTH the minor and one of the minor's parents. The parent is responsible for the actions of the minor and may be liable for any refunds, liquidated damages, etc.

If the parent's signature is NOT available, the following exceptions will apply:

- A minor's signature alone may be accepted if a Court has conferred the Right of Majority on the individual.
- A CCC-64, Surety Bond, is provided that will protect the government from any loss.
- If the program document is a Promissory Note or Loan Document, a financially responsible adult may co-sign it.
- If the program document is an FLP youth loan, the parent's signature may not be required.

If the minor's signature is NOT available, only an authorized adult who is Court appointed may

sign on behalf of the minor. A parent CANNOT sign for the minor unless they have been Court appointed. ♥

HIGHLY ERODIBLE LAND AND WETLAND CONSERVATION COMPLIANCE RULES

Landowners and operators are reminded that in order to receive payments from USDA, compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions are required. Farmers with HEL determined soils are reminded to follow tillage, crop residue and rotation requirements as specified in their conservation plan. Contact should be made with the USDA Service Center prior to conducting land clearing or drainage projects to ensure compliance. ♥

FRUIT AND VEGETABLE PLANTING RESTRICTIONS

Producers who are enrolled in the Direct & Counter-Cyclical Program may plant any crop EXCEPT FRUITS OR VEGETABLES (FAV) on contract acreage. Producers may plant fruits and vegetables on non-contract acres without penalty. Producers can determine their eligible acres by the following formula: Effective AG use acres (cropland) minus DCP contract acres (bases) & CRP acres on the farm. The acres left after the subtraction part of the formula are the acres available to plant fruits & vegetables. Producers that are thinking of planting garbanzo beans or other fruits and vegetables should contact their local FSA office if they are unsure of their available acres to plant. The penalties are quite severe if fruits and /or vegetables are over seeded. ♥

ANNUAL NOTICE OF AGRICULTURAL FOREIGN INVESTMENT DISCLOSURE ACT (AFIDA)

AFIDA was enacted to establish a nationwide system to monitor foreign ownership, purchases and sales of U.S. agricultural land. Foreign persons shall report any ownership, purchases, leases over 10 or more years, and sales of agricultural land. These transactions are required to be submitted on an FSA-153 form to USDA within 90 days of the date of the transfer. Any foreign person who acquired an interest in agricultural land, and either fail to file or knowingly submits a report that is false or inaccurate, is subject to a civil penalty of not more than 25% of the fair market value of the land on the date the penalty is assessed. ♥

MAKE SURE YOUR PROPER SIGNATURE AUTHORIZATION IS ON FILE

The Improper Payments Information Act of 2002 required every federal agency to identify programs and activities susceptible to possible improper payments. As a result, FSA has been reviewing every producer's eligibility file to determine who is authorized to sign FSA program documents in representative capacities and if the signature format is proper. If you are contacted by your local FSA Office, you will be asked to provide copies of signed legal documents specific to your organization. The documents that may be requested to verify ownership interest as well as signature authority for the organization are identified as follows:

Corporation: Articles of Incorporation, By-Laws, Corporate Resolutions, Corporate Meeting Minutes, Share Certificates, Share Registers, Share Receipts, Annual Report Filed with the Montana Secretary of State's Office.

Limited Liability Company: Articles of Organization, Operating Agreement, Annual Report Filed with the Montana Secretary of State's Office.

Limited Liability Partnership: Partnership Agreement.

Limited Partnership: Partnership Agreement.

General Partnership: Partnership Agreement, IRS Form 1065 and applicable Schedule K-1.

Trust: Trust Agreement.

Estate: Last Will and Testament, Court Orders of Appointment containing the signature of an officer of the issuing court, Court-approved certificate of letter of administration containing the signature of an officer of and issuing court, Certification by an officer of the issuing court that the evidence of authority is in full force and effect.

Joint Venture: IRS Form 1065 and applicable Schedule K-1.

For a complete listing of FSA signature requirements, contact your local FSA office or logon to the Montana FSA website at <http://www.fsa.usa.gov/mt> and click on the Signature Authority Pamphlet link under "In the News." ♥

**NAP Reminder – The final date to
purchase NAP coverage on all
crops (except honey and value
loss crops) is March 15, 2007!**

PERMITTED ENTITY RESTRICTIONS

Individuals holding, directly or indirectly, a substantial beneficial interest in an entity that receives payment subject to "permitted entity" provisions must designate that interest for the share to be paid. A substantial beneficial interest is an ownership interest of 10 percent or more in an entity, or less than 10 percent in an entity when any individual or entity has a direct or indirect interest of less than 10 percent in more than 1 entity earning payment **and** the County Committee determines that the arrangement was established for the purpose of circumventing the "permitted entity" provisions of the program. This determination applies to all interests of the "person" that are less than 10 percent.

Statutory provisions require that entities earning program benefits, such as corporations, limited partnerships, limited liability companies, trusts and estates, provide FSA with the name, address and ID number for each individual of the entity and each individual and entity in each lower level of embedded entities when applicable. These entities must also inform their members of the requirement for designating "permitted entities." One set of "permitted entities" applies to all programs subject to "permitted entity" designations. ♥

ACTIVELY ENGAGED IN FARMING

For an individual or entity to be considered "actively engaged in farming," the participant must make a significant contribution of land, capital, or equipment. The participant must also make a significant contribution of active personal labor or active personal management. The participant's contributions to the farming operation must be commensurate with his/her claimed share of the profits or losses from the farming operation and the contributions must be at risk. ♥

ANNUAL NOTICE OF PAYMENT ELIGIBILITY TO PRODUCERS

FSA program benefits may not be provided to any producers until the applicable payment eligibility determinations are made. A producer will remain ineligible until all required forms for the specific program 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 designation of “permitted entities”. All payment eligibility forms submitted by producers 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 & Counter –Cyclical Program payments, Marketing Loan

Gains, Conservation Reserve Program payments and possible Disaster related payments. Spouses may be determined to be “two” persons only if their determination is requested in writing and the applicable requirements are met by each spouse.

Any changes made in a farming operation made in an attempt to increase the number of “persons” must be made by the status date of **April 1, 2007**. The following types of changes in a farming operation must be made by the status date of **April 1, 2007**:

- A stockholder increases or decreases the number of shares in a corporation.
- A member of a joint operation increases or decreases ownership in the joint operation.
- A partnership gains or loses a partner.
- A corporation gains or loses a stockholder.
- A new corporation is formed.
- A new partnership is formed.

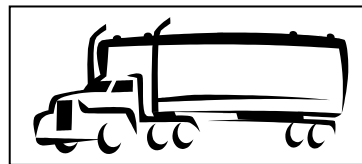
- A general partnership or joint venture changes to a corporation, limited liability company, limited partnership, or a limited liability partnership.
- A corporation, LLC, LLP or limited partnership changes to a general partnership or joint venture.
- A new trust is formed.

If any of these situations are done after April 1, 2007, you will very likely be ineligible for many of the payments from our office so it is crucial that you be aware of the April 1, 2007 date.

Please report any of the following changes to FSA as soon as they occur:

- A stockholder of a corporation dies.
- A partner of a partnership dies.
- The beneficiary of a trust dies.
- The owner of the land in a farming operation dies.
- Land is purchased or sold.
- A new cash lease or a new crop share lease is obtained.
- A lease changes from cash to crop or from crop to cash.
- A producer is no longer leasing a parcel of land.

Any change in the title of land. ♥



UNAUTHORIZED DISPOSITION OF LOAN GRAIN

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties are severe and a producers name will be placed on a loan violation list for a two-year period. Always call the office before any loan grain is fed, sold or moved. ♥

SERVICES OFFERED BY THE EXTENSION OFFICE

MSU Extension provides research based answers and advice on agriculture, horticulture, and family consumer science problems. We have full access to the specialists at Montana State University for assistance with your concerns. We also provide research based educational programs in our local communities utilizing research and expertise from MSU.

The Toole County Extension office is in the basement of the courthouse. Our office is staffed by an agriculture/natural resources agent, Jeannie Olmstead, and a horticulture/family consumer science agent, Alice Burchak. Some of the services extension provides includes, but is not limited to, those described below. If there is any way in which extension can assist you, please stop by or call us at 424-8350.

Nitrate analysis for forages and hay: Nitrate poisoning is a concern when feeding cattle grain hay, certain weeds, and occasionally alfalfa, especially in drought years. We can do a quick test in the office to detect if plants have potentially toxic levels of nitrates and we can assist you in sending samples to the MSU analytical lab to have the exact nitrate level determined.

Stock water testing: We can assist producers in sending water samples to the MSU analytical lab to test for alkalinity, hardness, dissolved solids and many other common water concerns. Having good quality stock water available makes a difference in animal health and productivity.

Plant identification: We can send samples of plants to the MSU plant identification specialist for free to have them identified. To use this service, bring us a fresh plant with the roots intact as well as information about where the plant was collected.

Insect identification: We can send samples of unknown insects to the MSU insect identification specialist for free to have them identified. To use this service, bring us a sample of the insect.

Plant Diagnostic Laboratory: If you have concerns about a poorly performing field or area

within a field, or plants in your yard or garden that appear to be performing poorly, contact the extension office. We will help you determine what could be wrong and how to address the problems. Samples of poorly performing plants can be taken and sent to MSU plant disease specialist for further diagnostic assistance.

Soil testing: Soil fertility testing is critical to properly fertilize fields and gardens. We can provide you with the tools to sample your soils, assistance with sampling, and contacts with soil nutrient testing labs where your soil samples can be sent.

Nutritional analysis on forage, grain and other feedstuffs: We can assist producers in sending samples of feedstuffs to the MSU analytical lab. We can then assist them in using the feed values of their feedstuffs to create balanced rations. ♥

COMBINATION LEASE PROVISIONS

Combination leases are leases that state the landowner will receive either a guaranteed minimum payment OR a share of the crop. For example, the lease may state that the landowner is to receive \$15.00/acre or 1/3 of the crop proceeds, whichever is greater. FSA considers combination leases to be SHARE leases. You are required to notify FSA if you have a lease that may fall under the combination lease provisions. ♥

CASH LEASE REQUIREMENT

The County Committee shall require either of the following if the landowner receives a “zero” crop share (cash lease):

- a written lease, rental agreement, or other document signed by the owner that proves the operator has the land cash leased for the 2007 crop year.
- the landowner’s signature on the CCC-509 (Contract to Participate) for 2007.

These provisions are in effect for every program year—so you will either have to have a cash lease on file or will have to get a landowner signature. ♥

ANNUAL PROGRAM REMINDERS:

Cooperation with RMA: The Agricultural Risk Protection Act of 2000 requires the Farm Service Agency (FSA) and the Risk Management Agency (RMA) to work together to improve program compliance and integrity of the Federal Crop Insurance Program. As a result of the passage of the 2000 Act, RMA and FSA are required to coordinate a plan to identify, address and reconcile discrepancies of all relevant producer-derived information, and to coordinate a monitoring program to include fact-finding relative to allegations of program fraud, waste, and abuse.

FSA will assist RMA and insurance providers in monitoring conditions throughout the growing season and conduct growing season inspections. All suspected cases of fraud, waste, and abuse concerning the Federal Crop Insurance Program will be referred to RMA. FSA will also assist RMA with auditing claims.

Producers may also report suspected cases of fraud, waste, and abuse to their local FSA County Office, the RMA Office or OIG.

Controlled Substance: Any person who is convicted under federal or state law of a controlled substance may be ineligible for USDA payments or benefits. Violations include planting, harvesting, or growing a prohibited plant. Prohibited plants include marijuana, opium poppies and other drug producing plants.

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

Under-Represented Groups: FSA solicits and accepts nominations of under-represented groups such as females and minority (American Indian or

Alaska Native, Asian, Black/African American, Hispanic/Latino, Native Hawaiian or Other Pacific Islander) producers for county committee representation. Please notify this office if you wish to be identified as a minority producer.

Farm Loans: FSA offers direct and guaranteed farm ownership and operating loan programs to farmers and ranchers who are temporarily unable to obtain private commercial credit. Rural youth loans, Beginning Farmer and Rancher, and assistance for socially disadvantaged persons are also available.

Loan and LDP Programs: USDA is required to annually publicize provisions of Loan and LDP Programs before the beginning of each crop year and making loans and LDP's for the current crop year. Loans and LDP's are available for the time of harvest until the loan availability date ends. Final loan availability date differs by crop.

Submission of Application via E-Government:

As required by the Freedom to E-File Act, eForms provides customers with the option to electronically access, fill out, and print paper forms, or obtain secure electronic access credentials for signing and transmitting forms and other documents electronically to their local Service Center.

Website: Producers may access FSA information and forms at www.fsa.usda.gov/mt. ♥



Summer Employment

The Animal and Plant Health Inspection Service (APHIS) – Plant Protection and Quarantine division is looking for temporary full time employees to work during the summer months. Two positions are available in Billings and Helena. Duties may include placing and servicing insect traps; collecting insects with nets and by hand; visually surveying for grasshoppers and other pests; utilizing GPS units and gathering data; and maintaining and submitting accurate records. Contact Joe Merenz at 406/449-5210 for further information. ♥

PAYMENT ELIGIBILITY REQUIREMENTS IN RELATION TO LOANS

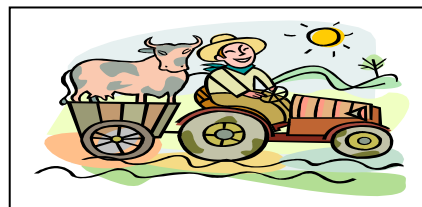
Many USDA programs that are administered by FSA require that the producer be determined “actively engaged in farming.” In general, an individual or entity must:

- Provide significant contributions of capital, land, or equipment to the farming operation and
- Provide significant contributions of active personal labor or active personal management to the farming operation and
- Make contributions or inputs to the farming operation that are commensurate to the profits and losses received from the farming operation, and
- Be at risk in the production of crops produced on the farm (for this to exist there must be the possibility that the producer could suffer a loss).

Landowners are exempt from item #2 only on the land that they own. To be considered a “significant” contribution, capital must NOT have been acquired through a loan that was obtained by, guaranteed by, or secured by any other individual, joint operation, or entity that has an interest in the farming operation. Therefore, to be considered as a “significant contribution”, capital may not be obtained through a loan that is guaranteed by or secured by the landowner in the farming operation. This financing regulation also applies to equipment and land. For example, if you are taking a bank loan for XYZ Corporation, you need to make sure the loans are completed that way and NOT under your personal name (ex—Joe Farmer). This is very important!!! Please contact FSA for clarification if the landowner in your farming operation obtained, guaranteed or secured the loan for the farming operation.

The “per person” payment limitations for current programs are:

DCP (direct)	\$40,000.00/year
DCP (counter cyclical)	\$65,000.00/year
LDP	\$75,000.00/year
NAP	\$100,000.00/year
CRP	\$50,000.00/year
EQIP	\$450,000.00 total thru 2007



ENVIRONMENTAL QUALITY INCENTIVE PROGRAM FOR 2007

Here at the Natural Resources Conservation Service, we are working on contracting the 2007 EQIP applications that were approved for funding. Unfortunately fewer applications could be funded in comparison to recent years. The reduced number of funded contracts is largely due to budget constraints which exist USDA – wide. Currently, USDA is operating on a continuing resolution, meaning that Congress has not formally approved a USDA budget.

To illustrate how this impacts our EQIP funding scenario, consider the past year’s EQIP funding: 2006 - \$525,000; 2005 - \$436,000; 2004 - \$324,000; 2003 - \$129,000. This year our initial funding allocation was for \$164,000. We have been able to award an additional \$49,000 worth of EQIP applications and are always hopeful that additional dollars may become available, for a sum of approximately \$213,000 in 2007. Realistically, however, we do not expect funding to be at the same levels as in the past 3 years.

In the world of politics, it seems that anything can happen, and you farmers generally know before our agency informs employees. With that bit of information, I still want to encourage producers that are considering conservation practices to apply for these programs, EQIP or WHIP (for wildlife habitat improvements). Recently, NRCS is trying to get into a pattern in which the program application deadline is June 1 for the following year. We are currently working on contracts for fiscal year 2007, but are still only able to schedule practices for 2008. This forces us to all be thinking ahead and planning ahead and to realize that funding decisions do not happen as quickly as we might hope.

If you are interested in exploring some of the conservation opportunities and programs that exist, please call or stop by to visit about them. Again, remember that applications need to be signed before June 1st for the 2008 funding period. ♥

DNRC SUMMER YOUTH CAMPS

Again this summer, the MT Department of Natural Resources and Conservation is hosting summer youth camps. Camp and contact information is as follows:

Montana Envirothon April 23-24, 2007 Lewistown, MT	The <i>Envirothon</i> offers hand-on instruction and problem solving for environmentally concerned students. Sponsorship is available through your local conservation district.
Montana Range Days June 18-20, 2007 Conrad, MT	<i>Montana Range Days</i> is an annual event that celebrates the importance of rangelands in Montana. Registration before June 1 is \$80/family or \$30/individual. Contact Kody Farkell at 406/278-7611 ext. 101 for further information.
Montana Natural Resources Youth Camp July 22-27, 2007 Lubrecht State Forest	Campers attending the Montana Natural Resources Youth Camp spend one week at the Lubrecht State Forest east of Missoula learning about forestry, water, soils, geology, range, wildlife, recreation and having a lot of fun. Registration is \$175.00. Scholarships are available through your local conservation district.
Montana Youth Range Camp July 23-27, 2007 Roundup, MT	Range Camp is a five-day program open to students ages 12-18. Registration is \$100. Sponsorship may be available through your local conservation district. For complete camp information logon to www.dnrc.mt.gov/cardd/camps/default.asp or by calling 406/444-6667

USDA SERVICE CENTER

Phone: 406-434-5234

FAX: 406-434-2718

CONSERVATION DISTRICT BOARD MEMBERS

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FSA OFFICE STAFF

Bob Hermance, County Executive Director (Ext 107) *email:* robert.hermance@mt.usda.gov
Ed Daugherty, Farm Loan Manager (Conrad-278-7611)

email: william.daugherty@mt.usda.gov

Rogene Halver- NAP, & Grain, Bin, & Farm Loans (Ext 103)

email: rogene.halver@mt.usda.gov

Carla McNamara-Payment Limitation & Direct Counter Cyclical Payment Program (Ext 101)

email: carla.mcnamara@mt.usda.gov

Dale White-CRP & Maps (Ext 106)

email: dale.white@mt.usda.gov

Lynda Fretheim-Certification & Maps (Ext 104) *email:* lynda.fretheim@mt.usda.gov

CASH-RENT TENANT RULE

The cash-rent tenant rule applies to any producer that rents land from another producer for cash or a crop share guaranteed as the amount of the commodity to be paid in rent. The provisions also apply to tenants who rent land for 0dollars or who farm the land in exchange for compensation other than cash, such as controlling weed on land not owned or barter arrangements. Any cash-rent tenant shall be ineligible to receive payment unless they make either of the following:

- a significant contribution of active personal labor
- a significant contribution of both active personal management and equipment.
- all applicable requirements to be considered “actively engaged in farming”

The following rules are followed if a significant contribution of equipment is necessary to meet the cash-rent tenant rule.

IF the cash-rent tenant	THEN:
provides the harvesting equipment	the rental value of harvesting equipment IS included when determining the total rental value of the equipment necessary to conduct the farming operation.
meets both of the following requirements: <ul style="list-style-type: none">• custom harvesting is used in the tenant’s farming operation• the custom harvester has no interest in the farm operation	<p>the rental value of harvesting equipment is NOT included when determining the total rental value of the equipment necessary to conduct the farming operation.</p> <p>Note: The rental value of harvesting equipment would still be considered in making “actively engaged in farming” determination.</p> <p>Example: Individual A, a cash-rent tenant, owns or leases all equipment for the operation except equipment needed for harvesting. Harvesting is custom hired. The custom harvester has no interest in the operation.</p> <p>The rental value of harvesting equipment shall NOT be included in determining the total rental value of equipment needed to conduct the farming operation for purposes of the cash-rent tenant rule.</p>
leases the equipment from the landowner	the lease and payment must at a fair market value and be made by Dec 1 st of each year.
leases the equipment from the same individual or entity that is providing hired labor to the farming operation	the contract for the equipment lease and the hired labor must be 2 separate contracts that reflect the fair market value of the lease equipment and the hired labor AND the cash-rent tenant must exercise complete control over the use of a significant amount of the equipment during the current crop year.



ADJUSTED GROSS INCOME (AGI) PROVISIONS

The Farm Security and Rural Investment Act of 2002 (the Act) provides that an individual or entity shall not be eligible to receive certain payments and benefits as specified in the Act if the average AGI of the individuals or entity exceeds \$2.5 million. However, an individual or entity whose average AGI does exceed \$2.5 million may be considered in compliance with this limitation if at least 75 percent of the average AGI was derived from farming, ranching, or forestry operations, as defined by the Secretary.

The Act also requires that individuals and entities must submit information and documentation about AGI to be eligible for payments and benefits subject to the AGI limitation. The AGI limitation is effective for the 2003 through 2007 crop, program, or fiscal years and applies to eligibility for:

- Direct and counter-cyclical payments
- Loan Deficiency payments
- Market Loan Gains
- Conservation Program payments

For an individual, the average AGI is based on the AGI as reported on the final income tax filings for the 3 years previous to the year for which benefits are requested. For 2005 payment eligibility purposes, the AGI amounts reported for the years 2004, 2003, and 2002 will be used. Any year in which AGI was zero, or there was no taxable income, will be excluded in the determination of AGI.

AGI certification will be accomplished by submitting either of the following:

- CCC-526
- A statement of AGI compliance with supporting documentation that is acceptable to FSA from a certified public accountant or an attorney.

Each entity and individual that is requesting payments or benefits subject to the AGI

provision must provide a certification. . For an entity such as corporations with stockholders, a LLC, or a trust, both the entity and each individual stockholder or interest holder must certify to compliance with the AGI provision, regardless of the interest held. Failure to comply with the AGI limitation will result in eligibility for payments and benefits subject to the AGI limitation. ♥



TAX INFORMATION MAILED FROM KANSAS CITY

During the last week of January, producers who have received payments from FSA should have also received a CCC-1099-G from the Kansas City office. A CCC-1099-G is a report to the Internal Revenue Service about FSA payments made to you in calendar year 2006. The CCC-1099-G is a service to help participating producers report taxable income. It is not intended to replace the program participant's responsibility to report income to the IRS.

If you received a CCC-1099-G, we recommend that you check the amounts shown with those in your records to see that the amounts are correct. Refunds will no longer be reported on the 1099-G, but will be available online from the FSA Financial Inquiries (FSA-FI) web-based database. Program participants with eAuthentication user ID's and passwords can access their refund information at FSA-FI and select "Inquiry Type 1099/Refund Reports". Refund amounts are displayed on the Producer's Year-to-Date Activity web page.

If you have a question concerning the 1099-G refund information, you may contact the county office for assistance locating the correct payment data. If you choose to visit the office, bring your CCC-1099-G with you. ♥

PREVENTED PLANTING CROP REPORTS

It is often difficult for the committee to make a determination that a producer with a claim for prevented planting was prevented from planting because of a natural disaster, or if the producer made a management decision not to plant. This is particularly true when drought is listed as the reason the producer did not plant the crop.

The Montana State FSA Committee feels that a producer not planting because of drought conditions is making a management decision and was not prevented from getting into the field to plant the crop. This determination applies only to crop acreage reporting for prevented planting acreage credit. National guidelines established for possible future disaster programs may be different in determining disaster losses. ♥

NATIONAL WILDLIFE FEDERATION vs. FARM SERVICE AGENCY

On September 25, 2006 a settlement agreement was signed by the National Wildlife Federation (NWF) and the Farm Service Agency as a result of the NWF's lawsuit against the Agency's CRP managed haying and grazing provision.

The settlement agreement affects CRP re-enrollments and extension contracts that were not approved by the local county committees by Sept. 25th. It also affects any existing CRP contract that did not have the managed haying and grazing provision in its Conservation Plan of Operations developed by NRCS. These contracts will be under the new managed haying and grazing provision agreed to in the settlement.

The new managed haying and grazing provisions are:

- The primary nesting and brood rearing season will be May 15 through August 1
- Managed haying frequency will be changed to no more than 1 in 10 years
- Managed grazing frequency will be changed to no more than 1 in 5 years. ♥

MEASUREMENT SERVICE REQUEST CHARGES

There are two types of basic measurement fees. The first is a \$20.00 farm visit fee and the second is a \$20.00 field visit fee for each measurement service requested. *(Any field changes done prior to July of 2005 will be placed on the new maps without a fee, anything done after that date will need to be requested and a fee paid before they can be changed on the maps.)*

Acreage Fees:

- \$8.00 for the first 10 acres
- \$8.00 plus \$.80 per acre for acres over 10 and up to 25 acres
- \$20.00 plus \$.02 per acre for each acre more than 25 acres.

Acreage Measurements (in office)

Each farm requesting acreage measurements made from imagery in the FSA office is charged at the basic fee **plus** the appropriate acreage fees. So if you have 55 acres to measure, it would cost \$40.60.

Acreage Measurements (on ground)

Each farm requesting acreage measurements made on the ground shall be charged at \$20.00 for the basic fee **plus** the field visit fee **plus** the appropriate acreage fees. If the same 55 acres is done by ground it would cost \$60.60.

Bin Measurements

Measurement fees for farm stored production shall be charged at the **greater** of the \$20.00 per bin site **or** 15 hundredths cent (\$0.0015) per bushel measured per bin site, **plus** the \$20.00 for the basic fee. The Toole County Committee has determined that a bin or hay site is one that is not more than 10 traveling miles apart. So if you have one bin site and 2 bins measured for a total of 26,500 bushels, it would cost \$59.75. ♥



Calendar of Events

Feb 19	Holiday, Office Closed
Mar 15	NAP Deadline
Mar 31	2006 Loan/LDP Deadline
Apr 1	Farm Change Deadline
May 1	NAP Pull-off Date

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Toole County FSA
1125 Oilfield Ave.
Shelby, MT 59474

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“Special accommodations will be made for the physically handicapped, vision or hearing impaired person upon request. If accommodation is required, please contact Bob Hermance, County Executive Director at the above address; call 406-434-5234; or email: robert.hermance@mt.usda.gov