

**Yellowstone County FSA**  
**1629 Ave. D, Bldg. A**  
**Billings, MT 59102**

#### **County Committee Members**

Forrest Ewen, Chairman  
Bart Erickson, Vice-Chairman  
Ken Uffelman, Regular Member  
Channis Whiteman, Minority Adv.  
Juanita Stovall, Minority Adv.

#### **FSA Office Personnel**

Nina Gonzalez, PT  
Jackie Gaglia, PT  
Lisa Pederson, PT  
Karen Sims, Farm Loan PT  
Mike Turley, Farm Loan Mgr.  
William Ballard, Farm Loan Mgr.  
Kevin Johnson, CED

#### **Dates to Remember:**

**June 15** – County Committee nomination process opens.

**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 1 - Final** day to sign crop reports.

**July 18** – Final day to file Livestock Compensation & Indemnity Program applications.

**August 1** – Deadline for reconstitutions and filing County Committee nomination forms.

**August 2-** Beginning date for critical use haying and/or grazing of CRP if previously approved.

**August 2-** management activities on CRP (if required) may begin.

**August 5 & 6** – Office closed (District meeting)

**September 30 – October 1** – Women Stepping Forward for Agriculture Symposium, Billings

**September 30** – Final day to provide signed 2008 DCP contracts.

Special accommodations will be made for the physically handicapped, vision or hearing impaired upon request. If accommodation is required, please contact Kevin Johnson, CED at (406) 657-6135.



### **Preliminary info concerning 2008 through 2012 DCP (New Farm Bill)**

The Food, Conservation, and Energy Act of 2008 (ACT), Pub. L. 110-234 was enacted into law on May 22, 2008. The Act provides for continuing the Direct and Counter Cyclical Program (DCP) for 2008 through 2012 and authorizes an Average Crop Revenue Election (ACRE) Program for 2009 through 2012. Federal regulations, program policies, and procedures are currently being drafted and developed and will be finalized over the next several months. In our area 2008 crops of barley, corn, oats, other oilseeds, and wheat are eligible for DCP under the Act. In 2009 pulse crops (chickpeas {large or small}, dry peas, lentils) are also included. Base acres in effect on September 30, 2007 will be in effect for 2008 DCP. The ACT does provide for adjustments in base acres when a CRP contract expires or is voluntarily terminated, or when cropland is released from coverage under CRP by the Secretary.

The percentage of base acres used to calculate direct payments will be 85% in 2008 and 2012 and 83.3% for 2009-2011.

Counter-Cyclical payments will be 85% for all years.

Direct payment rates for 2008 through 2012 years are as follows: Barley- \$0.24/bu., Corn-\$0.28/bu., Oats-\$0.024/bu, and Wheat-\$0.52/bu. Advance direct payments (22%) will be available for producer election for 2008 through 2011. The payment limitation amount for direct payments received, directly or indirectly, by a person or legal entity for crop years 2008 through 2012 is \$40,000. (Payment limitation amounts will be adjusted for participation in the ACRE Program in years 2009 through 2012.) The payment limitation amount for counter-cyclical payments received, directly or indirectly, by a person or legal entity for crop years 2008 through 2012 is \$65,000. (If it is estimated that a counter-cyclical payment for a covered commodity will be issued, producers on a farm for crop years 2008 through 2010 will be able to request partial advances for those counter-cyclical payments.) (Payment limitation amounts will be adjusted for participation in the ACRE Program in years 2009 through 2012.)

Target prices for 2008/2009 years are as follows: Barley-\$2.24/bu., Corn-\$2.63/bu., Oats-\$1.44/bu., and Wheat-\$3.92/bu.

2010-2012 target prices are: Barley-\$2.63/bu., Corn-\$2.63/bu., Oats-\$1.79/bu. and Wheat-\$4.17/bu.

### **Preliminary info concerning 2008 through 2012 DCP (continued) (New Farm Bill)**

Target prices for 2009 through 2012 years are as follows: Chickpeas Large \$12.81/cwt., Chickpeas, Small \$10.36/cwt., Dry Peas \$8.32/ cwt., Lentils \$12.81/cwt.

The Act authorizes ACRE Program payments. In crop years 2009 through 2012, producers who make an irrevocable election to receive ACRE Program payments will not receive counter-cyclical payments on the farm, be subject to a 20% reduction in direct payments for all covered commodities and be subject to a 30% reduction in marketing assistance loan rates for all covered commodities. The ACRE Program is not available until 2009. More information to be provided.

Producers who enroll in DCP must comply with applicable conservation requirements under the Food Security Act of 1985, Title XII, subtitle B (16 U.S.C. 3811 et seq.), comply with applicable wetland protection requirements under the Food Security Act of 1985, Title XII, subtitle C (16 U.S.C. 3821 et seq.), comply with the planting flexibility requirements, use the land on the farm in a quantity equal to the attributable base acres for the farm for an agriculture or conserving use and not for a nonagricultural commercial / industrial / or residential use, and effectively control noxious weeds and otherwise maintain the land according to sound agricultural practices if the land is not cultivated, file an annual acreage report, and file a production report if participating in the ACRE Program.

The ACT does prohibit direct / counter-cyclical / average crop revenue election payments to a producer on a farm, if the sum of the base acres on the farm is 10 acres or less.

**Signup for the 2008 Direct and Counter-Cyclical Program (DCP) will be accomplished via a mailing of contracts to current operators of farms as in past years. (We hope to have all contracts mailed by the end of July.) Operators are responsible for obtaining landowner signatures. Please note that signed contracts must be returned by September 30, 2008. There are no provisions for late filed contracts.**

### **New Payment Eligibility and Payment Limitation Provisions (New Farm Bill)**

The Food, Conservation, and Energy Act of 2008 (Act), Pub. L. 110-234, makes changes to the provisions for payment eligibility, payment limitation, and adjusted gross income (AGI). Under the ACT, the actively engaged in farming requirements remain applicable, the 3-Entity rule is eliminated; payments are limited through direct attribution to the individual and entity, instead of by "person" as previously defined; and the AGI limitation is changed.

For **2009**, the following requirements apply for payment eligibility: actively engaged in farming, cash rent tenant / family member / foreign person / husband & wife / minor child / and substantive change rules, scheme or device provisions, review of estates of more than 2 years, and preventing payments to deceased individuals. "Person" / permitted entity rules do not apply. In addition payments will be limited by direct attribution of payments. Under attribution, the payment limitation is applied by crediting individuals and entities with both the amount of payments they receive directly and also the amount they are considered to have received indirectly by holding an interest in an entity receiving payment. (example--- Joe Farmer farms as an individual and also holds interests in Farmer Inc., of which he is sole stockholder, and Farmer Family LLC, of which he holds 60% interest. Through attribution Joe will be credited for the payments received as an individual; as 100% stockholder of Farmer Inc.; and as 60% interest holder in Farmer Family LLC.)



For **2009** average adjusted gross income (AGI) limitations for 2009 payment eligibility apply to both individuals and entities. For commodity and price support programs, if the individual or entity has:

- nonfarm AGI greater than \$500,000, the individual or entity is not eligible for DCP or price support benefits

### New Payment Eligibility and Payment Limitation Provisions (New Farm Bill) cont.

- farm AGI greater than \$750,000, the individual or entity is not eligible for direct payments under DCP.

For conservation programs, if the individual or entity has:

- total AGI greater than \$1 million, the individual or entity is not eligible unless 66.66% is derived from farming, ranching, and forestry operations, as defined
- nonfarm AGI greater than \$1 million, the individual or entity is not eligible for conservation program benefits.

The definition of average AGI, derived from farming, ranching, and forestry operations, has been expanded to include income and benefits from:

- the production of all types of livestock and products produced or derived from livestock
- the production of farm-based renewable energy
- the processing, packing, storing, shedding, and transporting of farm, ranch, and forestry commodities, including renewable energy
- any activity related to farming, ranching, or forestry, as determined by the Secretary.

Any person or legal entity shall be ineligible for 2 years if they do any of the following:

- fail to comply with the payment limitation provisions
- adopt or participate in adopting a scheme or device to evade the payment limitation provisions
- intentionally conceal the interest of a person or legal entity in a farming operation.

Any person or legal entity shall be ineligible for up to 5 years if they do any of the following:

- knowingly engage in or assist in creating a fraudulent document
- fail to disclose material information relevant to administering payment limitation provisions
- commit other equally serious actions as identified by the Secretary.

### New Disaster Assistance Programs

#### Supplemental Revenue Assistance Program (SURE)

Crop production/quality losses are now covered in disaster counties (including contiguous cos.) included in the geographic area covered by a qualifying natural disaster declaration that is declared by the Secretary for production losses under the Consolidated Farm and Rural Development Act, Section 321. In addition, any farm in which during the calendar year the total loss of production of the farm because of weather is greater than 50% of the normal production of the farm is also covered. (Farm means the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the eligible producer.)

At a minimum to be eligible for SURE, crops must either be insured via Federal Crop or FSA's NAP. **For 2008, producers that did not purchase insurance who pay a fee in an amount applicable to the NAP or catastrophic risk protection fee no later than August 20, 2008 may be eligible for SURE.**

#### Livestock Indemnity Program (LIP)

LIP is available to eligible livestock producers on farms that have incurred livestock death losses in excess of normal mortality because of adverse weather, as determined by the Secretary.

#### Livestock Forage Disaster Program (LFP)

LFP will be available to eligible livestock producers who suffered grazing losses for eligible livestock because of drought, on land that is either native / improved pastureland or planted to a crop specifically for providing grazing. Rangeland, managed by a Federal agency, affected by fire that prohibits the producer from grazing also qualifies. A producer **must** have purchased a policy (Federal Crop {including pilot programs} or FSA's NAP), for the grazing land incurring the losses for which assistance is being requested. **For 2008, producers that did not purchase insurance who pay a fee in an amount applicable to the NAP or catastrophic risk protection fee no later than August 20, 2008 may be eligible for LFP.**

U. S. DEPARTMENT OF AGRICULTURE  
Yellowstone County FSA Office  
1629 Ave. D, Bldg. A  
Billings, MT 59102

PRESORT STANDARD  
U. S. POSTAGE  
**PAID**  
BOZEMAN MT 59715  
PERMIT #54

---

## New Disaster Assistance Programs (cont.)

### Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (EALHF)

The EALHF Program will provide emergency relief to producers of livestock (including horses), honey bees, and farm-raised fish because of losses from adverse weather or other conditions, such as blizzards and wildfires, as determined by the Secretary. EALHF is intended to cover disasters that are not adequately covered by any other disaster program.

### Estates / Revocable Trusts / LLC's

Recent changes now mandate that estates can no longer use the Social Security Number (SSN) of the deceased individual. Once a producer is deceased, payments must be made to the EIN (employee identification number). 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 a payment earning entity as an individual, may continue to use their SSN's as an identifying number. Beginning in FY 2009, Limited Liability Companies (LLC's) with one member must use a tax ID number.

### 2008 Loan Deficiency Payments (LDP)

LDP's are authorized for eligible 2008 crops under the new farm bill provisions. However, currently FSA posted county prices (pcp) are \$3 or more dollars per bushel above the loan rates for each commodity in Yellowstone County. LDP's would not be available for the applicable crop until the pcp for the crop fell below the loan rate (listed below). **The individual LDP request form, page 1 of the CCC-633 EZ form (Loan Deficiency Payment Agreement and Request), must be on file in this office prior to harvest and/or losing beneficial interest in the applicable crop, to be eligible for any anticipated LDP.** Contact Nina Gonzalez at 657-6135 ext. 107 to request page 1 of the form if you want to file.

### Yellowstone County 2008 Commodity Loan Rates

Winter Wheat - \$2.67/bu.  
Spring Wheat - \$2.68/bu.  
Barley - \$1.79/bu.

Corn - \$2.19/bu.  
Oats - \$1.21/bu.