

## **Stillwater Farm Service Agency**

334 North 9<sup>th</sup> Street  
Columbus, MT 59019  
Phone: (406) 322-5348  
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### **Stillwater County Committee**

Susan Arnold – Member  
Lance Eisenman – Vice-Chair  
Robert Yates – Chairman

### **Stillwater County Personnel & Ext.**

Dane Schneidt, CED -104  
Michelle Eder, PT -100  
Susan Pederson, PT -105  
Marsha Schultz, PT -106

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## **Sweet Grass Farm Service Agency**

US HWY 10 East  
P.O. Box 610  
Big Timber, MT 59011  
Phone: (406) 932-5159  
Fax: (406) 932-5285

### **Sweet Grass County Committee**

William "Toby" Cheatham, Jr -  
Vice-Chair  
Kevin Halverson –Chairman  
Sherri Tronrud – Member

### **Sweet Grass County Personnel & Ext.**

Dane Schneidt, CED – 2  
Marla Moen, PT – 2

### **DATES TO REMEMBER**

**March 16-May 14** – CRP Spring Grazing  
Period  
**May 15** – NAP pull off date  
**June 1** – DCP & ACRE signup deadline  
**June 15** – IRS consent form for AGI  
compliance due  
**July 15** – Production reporting deadline for  
ACRE farms  
**July 15** – Acreage Reporting Deadline  
**July 15** - Deadline to file 2009 NAP  
Application for Payment.  
**Notice of Loss for LIP** File within 30  
calendar days of when the loss of livestock is  
apparent



# FARM FOCUS

## March 2010

### **DCP/ACRE**

**DCP and ACRE Sign-up Deadline is June 1.** Sign-up for the 2010 Direct and Counter-cyclical Payment (DCP) Program and Average Crop Revenue Election (ACRE) will continue until June 1, 2010. USDA will not accept any late-filed applications.

FSA computes DCP Program payments using base acres and payment yields established for each farm and makes direct payments at rates established by statute regardless of marketing prices. For 2010, direct payments may be requested in advance based on 22 percent of the direct payment for each of the farm's commodities. Counter-cyclical payment rates vary with market prices and are issued only when the effective price for a commodity is statutorily set below its target price.

The ACRE program provides eligible producers a state-level revenue guarantee, based on the 5-year state Olympic average yield and the 2-year national market year average price. Under ACRE, producers will receive a direct payment reduced by 20% of the rate of a DCP participant and ACRE farms are not eligible for counter-cyclical payments. In addition, the loan rate for an ACRE farm is reduced by 30%. If an eligible ACRE commodity meets both the State trigger and Farm trigger, ACRE payments will be calculated using planted acreage of the commodity. The decision to enroll in the ACRE Program is irrevocable. The owner of the farm and all producers on the farm must agree to enroll in ACRE. Once enrolled, the farm shall be enrolled for that initial crop year and will remain in ACRE through the 2012 crop year.

Additional information on both DCP and ACRE can be found at <http://www.fsa.usda.gov/dcp> or contact your local FSA Office.

### **COMMODITY LOANS**

Producers have until March 31, 2010 to request a loan on their stored 2009 grain. This 9-month loan currently has a rate of 1.375%.

Commodity loans, also referred to as Marketing Assistance Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss or damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Commodity loan eligibility also requires you comply with conservation and wetland protection requirements, beneficial interest requirements, reporting how you use cropland acreage on the farm and ensuring that the commodity meets CCC minimum grade and quality standards. For commodities to be eligible they must have been produced by an eligible producer, be in existence and in a storable condition and be merchantable for food, feed or other uses as determined by CCC. The quality of the commodity in farm storage must be maintained throughout the term of the loan.

Producers do not have to participate in the Direct and Counter-Cyclical Program to be eligible for commodity loans. Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-3272 (voice) or (202) 720-6382 (TDD). USDA is an equal opportunity provider and employer."

## SURE SIGN-UP

Signup for the 2008 Supplemental Revenue Assistance Payments program (SURE) began on January 4, 2010. SURE 2008 is for those who suffered crop production losses during crop year 2008. SURE is an important component of the disaster portion of the 2008 Farm Bill and will provide financial assistance to producers who have suffered crop losses due to natural disaster.

SURE provides crop disaster assistance payments to eligible producers on farms that have incurred crop production or crop quality losses. The program takes into consideration crop losses on all crops grown by a producer nationwide. SURE provides assistance in an amount equal to 60 percent of the difference between the SURE farm guarantee and total farm revenue. The farm guarantee is based on the amount of crop insurance and Non-insured Crop Disaster Assistance Program (NAP) coverage on the farm. Total farm revenue takes into account the actual value of production on the farm as well as insurance indemnities and certain farm program payments.

To be eligible for SURE, producers must meet the risk management purchase requirement by either obtaining a policy or plan of insurance, under the Federal Crop Insurance Act or Non-insured Crop Disaster Assistance Program (NAP) coverage, for all economically significant crops (more than 5% of the total value of all the crops nationwide). For 2008 crops, producers had the opportunity to obtain a waiver of the risk management purchase requirement through a buy-in provision. In addition, producers must have suffered at least a 10 percent production loss on at least one crop of economic significance.

Producers may be eligible for SURE if they have a farming interest physically located in a county that was declared a primary disaster county or contiguous county by the Agriculture Secretary under a Secretarial Disaster Designation or in the absence of a Secretarial Disaster Designation, individual producers may also be eligible for SURE if the actual production on the farm is less than 50 percent of the normal production on the farm due to a natural disaster. For SURE, a farm is defined as all crops in which a producer had an interest nationwide.

Producers considered socially disadvantaged, a beginning farmer or rancher, or a limited resource farmer may be eligible for SURE without a policy or plan of insurance or NAP coverage.

For more information on the new SURE program, please visit your local FSA county office or <http://www.fsa.usda.gov/mt>.

### **2008 AND 2009 ELAP SIGNUP IS REOPENED:**

Late filed notices-of-loss and applications for payment are now be accepted for the 2008 and 2009 ELAP (Emergency Assistance for Livestock, Honey Bees, and Farm Raised Fish) program. An end to this late-filed signup period will be determined at a later date. ELAP provides emergency assistance to eligible producers of livestock, honey bees and farm raised fish that are not already covered under any other FSA disaster program authorized by the 2008 farm Bill. It should be noted that wolf depredation was recently approved as a livestock death loss condition under ELAP.

## NEW ADJUSTED GROSS INCOME COMPLIANCE PROCESS

USDA has finalized a Memorandum of Understanding with the Internal Revenue Service to establish an electronic information exchange process for verifying compliance with the adjusted gross income provisions for programs administered by USDA's FSA and Natural Resources Conservation Service. This agreement will ensure that payments are not issued to producers whose adjusted gross income (AGI) exceeds certain limits.

The electronic process that USDA developed with IRS reviews data from tax returns, performs a series of calculations, and compares these values to the AGI limitations from the 2008 Farm Bill FSA and NRCS will receive a record that indicates whether or not the program participant appears to meet the income limits. Written consent will be required from each producer or payment recipient for this process. No actual tax data will be included in the report that IRS sends to USDA. As part of the review and evaluation process, participants whose AGI may exceed the limits will be offered an opportunity to provide third party verification or other information to validate their income.

Any individual or entity that is required to file CCC-926 (Average Adjusted Gross Income Statement) as a condition of eligibility for FSA or NRCS programs for 2009 or 2010 must submit CCC-927 (for an individual) or CCC-928 (for an entity) directly to the IRS to authorize them to release data to the agency indicating compliance or possible non-compliance with the income limitations. The deadline for producers to submit the form to the IRS is June 15, 2010. It is important that the name and address you enter on the form exactly match what appears on your tax returns. Forms and a fact sheet explaining the process are available on our national website: <http://www.fsa.usda.gov/> or from your local County FSA office.

### **LIVESTOCK INDEMNITY PROGRAM (LIP)**

LIP provides assistance to eligible livestock owners and contract growers for eligible livestock deaths in excess of normal mortality due to adverse weather including losses due to floods, blizzards, disease, wildfires, extreme heat, and extreme cold. For 2010 losses, producers must file a notice of loss no later than 30 calendar days of when the loss of livestock is apparent. A notice of loss can be reported to the office by phone, fax, or e-mail. Eligible livestock deaths must have occurred in the calendar year for which benefits are being requested. An Application for payment may be filed at any time in 2010, but must be filed no later than 30 calendar days after the end of the calendar year in which the loss of livestock occurred.

Please contact the office for additional eligibility requirements. A list of eligible livestock is available at [www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt).

Persons with disabilities who require accommodations to participate in FSA programs should contact: Dane Schneidt, CED @ (406) 322-5348 ext. 104 (Stillwater County) or (406) 932-5159 ext. 2 (Sweet Grass)

## **FARM LOAN PROGRAM**

As Montana Farmers and Ranchers gear up for the 2010 production season, the FSA is here to help. A number of loan programs are available to assist your Farming/Ranching operation.

- Direct Operating Loans can go up to \$300,000 with a repayment of 1 to 7 years. You may purchase livestock, equipment, feed, seed and chemicals. Current interest rate 3%.
- Direct Farm Ownership Loans have a maximum amount of \$300,000 with a maximum term of 40 years. Loan funds can be used for the purchase of land, Construction of Farm Buildings or Other Improvements can be made. Current interest rate 5.125%.
- Beginning Farmer Down Payment for the purchase of Real Estate. Maximum loan amounts of 45% of the purchase price with a 20 year term. Maximum amounts of loans up to \$225,000 with an interest rate as low as 1.5%.
- Youth loans are available to youths ranging from 10 to 21 years of age with \$5,000 dollars available. Repayment is from 1 to 7 years. Interest rate can go as low as 3%. Must be for an agricultural related project. An advisor for a 4-H, FFA or similar organization will be needed.
- Emergency loans also available to producers in the event of a designated disaster. Limits of 100% of actual loss or maximum amount \$500,000. Repayment terms vary depending on use of loan proceeds.

As both commodity prices and agricultural inputs continue to be volatile, Farm Service Agency is here to help the American Farmer/Rancher in being successful to continue to produce high quality products. Please contact your local county FSA office to learn more about the many loan programs we have available.

## **WOOL, MOHAIR AND UNSHORN PELT LOANS AND LDPS AVAILABLE AT FSA**

Producers may now request 2010 crop Marketing Assistance Loans (MAL) or Loan Deficiency Payments (LDP) for 2010 sheared wool and mohair. Unshorn pelts from lambs slaughtered in 2010 are only eligible for LDPs. The 2010 crop year for wool, mohair, and unshorn pelts began on Jan. 1, 2010, and ends on Dec. 31, 2010.

The 2008 Farm Bill raised the loan rate for graded wool from \$1 per pound to \$1.15 per pound during crop years 2010 through 2012. Unlike previous years, there will be no regional loan rate differentials for 2010 through 2012 graded and ungraded wool. The national loan rate for ungraded wool through the 2012 crop year is \$.40 per pound and the mohair loan rate through 2012 is \$4.20 per pound.

Marketing loans are 9-month loans that provide interim financing for eligible producers, allowing them to store their products in order to market those products when prices are optimal.

An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity. LDPs are announced weekly on the Montana FSA website.

## **NRCS NEWS BRIEFS**

### **NRCS Programs and Signup Deadlines**

#### **2010 Environmental Quality Incentives Program**

The Environmental Quality Incentives Program (EQIP) is a voluntary program that provides financial and technical assistance to farmers and ranchers who face threats to soil, water, air, and related natural resources on their land. Through EQIP, the Natural Resources Conservation Service (NRCS) provides financial incentives to producers to promote agricultural production and environmental quality as compatible goals, optimize environmental benefits, and help farmers and ranchers meet Federal, State, Tribal, and local environmental regulations.

**The deadline for FY2011 EQIP applications will be June 1, 2010.**

#### **Conservation Stewardship Program**

Through CSP, NRCS will provide financial and technical assistance to eligible producers to conserve and enhance soil, water, air, and related natural resources on their land. Eligible lands include cropland, grassland, prairie land, improved pastureland, rangeland, nonindustrial private forest lands, agricultural land under the jurisdiction of an Indian tribe, and other private agricultural land (including cropped woodland, marshes, and agricultural land used for the production of livestock) on which resource concerns related to agricultural production could be addressed. Participation in the program is voluntary.

CSP encourages land stewards to improve their conservation performance by installing and adopting additional activities, and improving, maintaining, and managing existing activities on agricultural land and nonindustrial private forest land. The NRCS will make CSP available nationwide on a continuous application basis.

The entire operation must be enrolled and must include all eligible land operated substantially separate that will be under the applicant's control for the term of the proposed contract.

CSP offers participants two possible types of payments:

- Annual payment for installing and adopting additional activities, and improving, maintaining, and managing existing activities
- Supplemental payment for the adoption of resource-conserving crop rotations

**Deadline for Fiscal Year 2010 CSP signup is pending and will be announced when set.**

#### **NRCS Staff**

Stillwater: (406) 322-5348

Phil Sandoval ext 102

Ted Nelson ext 109

Sweet Grass: (406) 932-5159

Chuck Roloff ext 3

**NEW COUNTY COMMITTEES FOR 2010**

Chairman:	<b><u>Stillwater County Committee:</u></b> Robert Yates	<b><u>Sweet Grass County Committee:</u></b> Kevin Halverson
Vice Chair:	Lance Eisenman (Re-elected 2010)	William "Toby" Cheatham, Jr.
Member:	Susan Arnold	Sherri Tronrud (Elected 2010)

**Thank you to our County Committee members who serve the producers.  
You are a vital part of the Farm Service Agency.**



**REMEMBER**

**NO PAYMENTS CAN BE PROCESSED  
UNTIL YOUR ELIGIBILITY PAPERWORK  
HAS BEEN RETURNED!!**

**REMEMBER TO SUBMIT FORM CCC-927  
TO THE IRS!!**