



United States Department of Agriculture
Montana Farm Service Agency

**Montana
Farmer & Rancher
FSA Handbook**

2012

USDA



**UNITED STATES
DEPARTMENT OF
AGRICULTURE**

February 6, 2012

Dear Montana Farmers and Ranchers,

Our job at the Farm Service Agency (FSA) is to deliver to you the many programs we have been authorized by Congress to administer. Our goal is to do that in a fair and timely manner that provides the most benefits to Montana farmers and ranchers.

The programs we administer are many and complex. They range from our ongoing conservation and price support programs, NAP insurance and loan programs, to the Direct and Counter-cyclical Payment, ACRE and SURE crop disaster programs. Our livestock disaster programs - LIP, ELAP and LFP - need Congressional action to implement these programs, to help producers recover from losses caused by disasters occurring after Sept. 30, 2011.

The enclosed fact sheets provide detailed information for individual programs explaining eligibility requirements, deadline dates, forms to submit, and procedures to follow in order to participate and receive benefits from programs administered by FSA here in Montana. I hope this handbook will assist you in meeting your responsibilities for participation in our programs.

You can also visit us online at www.fsa.usda.gov/mt for an electronic version of this handbook, to view daily LDP rates, upcoming agricultural events, important deadlines and information and to learn how to conduct business with FSA electronically. If you have access to the Internet and would like to receive electronic farm program news bulletins and newsletters for the Montana State Office and your county FSA office(s), you can subscribe today at www.fsa.usda.gov/subscribe or contact your local county office for assistance.

We at FSA are proud to be serving Montana's number one industry.

Sincerely,



Dick Deschamps
Acting State Executive Director
Montana USDA Farm Service Agency



About Montana Farm Service Agency:

The Farm Service Agency (FSA) is an agency under the United States Department of Agriculture (USDA). FSA, formerly known as the Agricultural Stabilization Conservation Service (ASCS), was established during the 1930s to provide financial assistance to farmers and ranchers in maintaining viable and productive farm and ranch lands as a result of the dust bowl days. Divided into five districts, FSA maintains county offices across Montana. County committees, comprised of elected members, oversee how USDA programs are administered at the local level. Consisting of local farmers and ranchers, these three-to-five member boards review county office operations at the local level and help shape national USDA programs into programs that fit the needs faced by local producers. County committees have been instrumental in administering programs to fit the resource needs of the local communities. Today in Montana, FSA continues to administer federal programs through 49 county offices that provide incentives and compensate producers for protecting our natural resources. They, along with other USDA agencies, provide their customers an opportunity to do business electronically 24 hours a day seven days a week over the Internet. Currently, customers of USDA may receive a login; review their customer statement; sign up for a Loan Deficiency Payment (LDP); choose their DCP payment options; assign crop shares and sign and submit their DCP contracts; plus find forms and apply for programs, without ever leaving the comfort of their home. Contact your FSA office for further details on doing business with USDA electronically.

State Executive Director's Office:

Mailing Address: Montana FSA State Office, P.O. Box 670, Bozeman, MT 59771

State Office Physical Address: 10 East Babcock, 5th Floor, Bozeman, Montana

Hours: Monday to Friday, 7:30 a.m. to 4:30 p.m.

Website: www.fsa.usda.gov/mt | **Fax:** (406) 587-6887

Contact your County FSA Office:

For more information about FSA programs, call or visit your FSA county offices. To locate your county office online, log on to the Montana FSA Web site at: www.fsa.usda.gov/mt.

Accommodations:

Persons with disabilities who require accommodations to attend or participate in any FSA programs should contact the County Executive Director at the local FSA office or the Federal Relay Service at 202-720-2600.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, D.C., 20250-9410, or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.



Montana Farm Service Agency County Office Directory

County Code	County	Office Mailing Address	Phone #
001	Beaverhead*	420 Barrett Street, Dillon, MT 59725	406/683-3830
003	Big Horn, Crow Reservation, Northern Cheyenne Reservation	724 West Third, Hardin, MT 59034	406/665-3442
005	Blaine, Fort Belknap Reservation*	PO Box 307, 228 Ohio, Chinook, MT 59523	406/357-2320
007	Broadwater	415 South Front Street, Townsend, MT 59644	406/266-4253
009	Carbon	PO Box 509, 606 W Front Street, Joliet, MT 59041-0136	406/962-3300
011	Carter	PO Box 5, 308 S. Mormon Ave., Ekalaka, MT 59324	406/775-6355
013	Cascade*	#12 Third St NW, Suite 300, Great Falls, MT 59404	406/727-7580
015	Chouteau	PO Box 309, 1210 25th Street, Fort Benton, MT 59442-0309	406/622-5401
017	Custer*	3120 Valley Drive East, Miles City, MT 59301-5599	406/232-7905
019	Daniels	PO Box 127, 131 A Highway 5 East, Scobey, MT 59263	406/487-5366
021	Dawson	102 Fir Street, Glendive, MT 59330-3196	406/377-5566
023	Deer Lodge	1002 Hollenback Road, Suite B, Deer Lodge, MT 59722	406/846-2337
025	Fallon	PO Box 1516, 141 South 4th Street West, Baker, MT 59313-1516	406/778-2238
027	Fergus*	211 McKinley St., Suite 2, Lewistown, MT 59457	406/538-3489
029	Flathead	133 Interstate LN, Kallispell, MT 59901-2877	406/752-4242
031	Gallatin	3710 W. Fallon St. #D, Bozeman, MT 59718-6433	406/522-4000
033	Garfield	PO Box 329, 307 Main St., Jordan, MT 59337	406/557-2740
035	Glacier, Blackfeet Reservation*	1 3rd St. NE, Cut Bank, MT 59427	406/873-5618
037	Golden Valley	PO Box 5, 206 First Street North, Ryegate, MT 59074	406/568-2221
039	Granite	1002 Hollenback Road, Suite B, Deer Lodge, MT 59722	406/846-2337
041	Hill	Hill Co. FSA Office, 206 25 th Ave W. Suite #2, Havre MT 59501	406/265-6792
043	Jefferson	3 Whitetail Road, Whitehall, MT 59759-9635	406/287-3262
045	Judith Basin	121 Central Avenue, Stanford, MT 59479	406/566-2218
047	Lake, Flathead Reservation*	64352 US Highway 93, Ronan, MT 59864-8738	406/676-2811
049	Lewis and Clark	790 Colleen Street, Helena, MT 59601	406/449-5277
051	Liberty	PO Box 669, 18 Main Street, Chester, MT 59522-0669	406/759-5129

*denotes offices with Farm Loan Program staff

*JPC updated 1/21/2012

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053	Lincoln	141 Interstate LN, Kalispell, MT 59901-2877	406/752-4242
055	McCone	PO Box 187, 104 10th Street, Circle, MT 59215-0187	406/485-2744
057	Madison	3 Whitetail Road, Whitehall, MT 59759-9635	406/287-3262
059	Meagher	PO Box J, 4147 Highway 89, White Sulphur Springs, MT 59645	406/547-3521
061	Mineral	3550 Mullan Road, Suite 106, Missoula, MT 59808-5125	406/829-3395
063	Missoula	3550 Mullan Road, Suite 106, Missoula, MT 59808-5125	406/829-3395
065	Musselshell	109 Railroad Ave. East, Roundup, MT 59072	406/323-2067
067	Park	5242 Hwy. 89 South, Livingston, MT 59047-9611	406/222-0212
069	Petroleum	211 McKinley St., Suite 2, Lewistown, MT 59457	406/538-3489
071	Phillips, Fort Belknap Reservation	1120 US Hwy 191 S, Suite 2 Malta, MT 59538	406/654-1333
073	Pondera	406 North Main, Conrad, MT 59425-2706	406/278-7611
075	Powder River	PO Box 9, 114 N. Lincoln Ave., Broadus, MT 59317	406/436-2321
077	Powell	1002 Hollenback Road, Suite B, Deer Lodge, MT 59722	406/846-2337
079	Prairie	PO Box 626, 409 East Spring, Terry, MT 59349	406/635-5381
081	Ravalli	1709 North First Street, Hamilton, MT 59840-3357	406/363-1444
083	Richland*	2745 West Holly Street, Sidney, MT 59270	406/433-2103
085	Roosevelt, Fort Peck Reservation	PO Box 519, 508 6th St. E, Culbertson, MT 59218-0519	406/787-6262
087	Rosebud, Northern Cheyenne Reservation	PO Box 6, 270 South Prospect, Forsyth, MT 59327-0006	406/346-7333
089	Sanders	PO Box 639, 7487 MT Highway 200, Plains, MT 59859	406/826-3751
091	Sheridan, Fort Peck Reservation	119 North Jackson, Plentywood, MT 59254	406/765-1550
093	Silver Bow	3 Whitetail Road, Whitehall, MT 59759-9635	406/287-3262
095	Stillwater	334 North 9th Street, Columbus, MT 59019	406/322-5348
097	Sweet Grass	PO Box 610, 225 Big Timber Loop Rd, Big Timber, MT 59011	406/932-5159
099	Teton*	1102 Main Ave. NW, Choteau, MT 59422-0836	406/466-5351
101	Toole	1125 Oilfield Avenue, Shelby, MT 59474	406/434-5234
103	Treasure	PO Box 146, 211 Elliott Avenue, Hysham, MT 59038-0146	406/342-5551
105	Valley, Fort Peck Reservation*	54062 US Hwy 2 W, Suite 1, Glasgow, MT 59230-2846	406/228-4321
107	Wheatland	PO Box 669, 809 Second Ave., NW, Harlowton, MT 59036-0669	406/632-5622
109	Wibaux	502 2nd Ave., NW Wibaux, MT 59353-9040	406/796-2221
111	Yellowstone*	1629 Ave. D, Bldg A, Suite 2, Billings, MT 59102-3042	406/657-6135

*denotes offices with Farm Loan Program staff

*JPC updated 1/21/2012

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

April 2011

Farm Service Agency (FSA) Administered Programs

Agricultural Mediation Program

The Agricultural Mediation Program helps agricultural producers, their lenders, and other persons directly affected by the actions of USDA resolve disputes. A trained, impartial mediator reviews conflicts, identifies options, and assists in settling disputes between participants in many different USDA program areas. These include farm loans, farm and conservation programs, wetland determinations, rural water loan programs, grazing on national forest system lands, and pesticides.

Asparagus Revenue Market Loss Assistance Payment (ALAP) Program

The Asparagus Revenue Market Loss Assistance Payment program compensates producers for revenue losses resulting from imports during the 2004 through 2007 crop years. Eligible asparagus producers will receive a one-time market loss payment based upon the marketing category (fresh-market or processed-market) of their 2003-crop asparagus production quantity.

Average Crop Revenue Election (ACRE) Program

Producers on farms with a covered commodity or peanut base acres may elect to participate in the Average Crop Revenue Election (ACRE) Program that was authorized by the 2008 Farm

Bill. Under the ACRE Program, producers may receive revenue-based payments instead of price-based counter-cyclical (CC) payments issued under the Direct and Counter-cyclical Program (DCP). The following planted or considered planted crops may be eligible for ACRE payments: wheat, barley, oats, grain sorghum, corn, upland cotton, rice (medium and long grain), soybeans, other oilseeds, canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, peanuts and pulse crops (dry peas, lentils, and small and large chickpeas (garbanzo beans)).

Beginning Farmer and Rancher Loans

FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. A beginning farmer or rancher is an individual or entity who (1) has not operated a farm or ranch for more than 10 years, (2) meets the loan eligibility requirements of the program to which he/she is applying, (3) substantially participates in the operation, and, (4) for farm ownership loan purposes, does not own a farm greater than 30 percent of the median size farm in the county and has farmed for at least three years.

Biomass Crop Assistance Program (BCAP)

BCAP, created in the 2008 Farm

Bill, is a voluntary program for agricultural and forestland owners and operators. BCAP is intended to support the production and use of biomass crops for conversion to bioenergy. BCAP includes: 1) Matching Payments: Assists agricultural and forest land owners and operators with matching payments for the collection, harvest, storage and transportation (CHST) of eligible material by a qualified Biomass Conversion Facility (BCF), and 2) Project Areas: Supports establishing and producing eligible crops for the conversion to bioenergy on contracts up to 5 years for annual and non-woody perennial crops or up to 15 years for woody perennial crops. Support may include annual payments and cost-share assistance to establish eligible crops.

Boll Weevil Eradication Loan Program

The Boll Weevil Eradication Loan Program provides low interest loans to nonprofit organizations that work collaboratively with state agencies, USDA's Animal and Plant Health Inspection Service, and the National Cotton Council to eradicate the boll weevil. The program objective is to assist producers and state government agencies in the eradication of boll weevils from cotton producing areas and ensuring the pest is not re-introduced.

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Conservation Loan Program (CL)

FSA makes and guarantees CLs to implement conservation techniques that will conserve natural resources. Direct CLs can be obtained through local FSA offices. Guaranteed CLs are available from lenders working with FSA. CL funds can be used to implement conservation practices approved by the Natural Resources Conservation Service (NRCS), such as the installation of conservation structures; establishment of forest cover; installation of water conservation measures; establishment or improvement of permanent pastures; implementation of manure management; and the adaptation of other emerging or existing conservation practices, techniques or technologies.

Conservation Reserve Program (CRP)

CRP is a voluntary program available to agricultural producers to help safeguard environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

Conservation Reserve Enhancement Program (CREP)

CREP is a derivative program of the Conservation Reserve Program (CRP). CREP is a voluntary program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife

habitat, and safeguard ground and surface water. The program is a partnership among producers; tribal, state, and federal governments; and, in some cases, private groups.

Dairy Indemnity Payment Program (DIPP)

The Dairy Indemnity Payment Program pays dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination.

Dairy Product Price Support Program (DPPSP)

Under this program, FSA supports the price of nonfat dry milk, butter and cheddar at statutory minimum levels through the purchase of such products made from cow's milk produced in the United States. The established prices are uniform for all regions of the United States and may be increased by the Secretary when considered appropriate. Reductions that cause the purchase price to fall below the minimum purchase prices can only be temporarily adjustments made in accordance with the 2008 Farm Bill. The DPPSP is authorized through December 31, 2012.

Debt for Nature Program

The Debt for Nature Program, also known as the Debt Cancellation Conservation Contract

Program, is available to persons with FSA loans secured by real estate who may qualify for cancellation of a portion of their FSA indebtedness in exchange for a conservation contract with a term of 50, 30, or 10 years. A conservation contract is a voluntary legal agreement that restricts the type and amount of development and farming practices that may take place on portions of a landowner's property. Contracts may be established on marginal cropland and other environmentally sensitive lands for conservation, recreation, and wildlife purposes.

Direct and Counter-cyclical Program (DCP)

DCP was authorized by the 2008 Farm Bill through the 2012 crop year and provides income support to producers. DCP payments do not depend on the current production choices of the farmer; instead, they are based on historically-based acreage and yields. Producers on a farm with established base acres may annually enroll the farm in a DCP contract. Depending on the farm's planting history, a farm may have base acres established for one or more of the following covered commodities: barley, corn, grain sorghum (including dual-purpose varieties), oats, canola, crambe, flax, mustard, pulse crops, rapeseed, safflower, sesame and sunflower (including oil and non-oil varieties), peanuts, rice (excluding wild rice), soybeans, upland cotton, and wheat.

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Direct Farm Ownership Loan Program

FSA direct farm ownership loans (FO) may be made to purchase farmland, construct or repair buildings and other fixtures, and promote soil and water conservation. To qualify for a direct loan, the applicant must be unable to obtain credit from commercial credit sources, able to show sufficient repayment ability and pledge enough collateral to fully secure the loan.

Direct Operating Loan Program

FSA direct farm operating loans (OL) may be made to purchase items such as livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance, and other operating expenses. They can also be used to pay for minor improvements to buildings, costs associated with land and water development, family subsistence, and refinancing debts under certain conditions. To qualify for a direct loan, the applicant must be unable to obtain credit from commercial credit sources, able to show sufficient repayment ability and pledge enough collateral to fully secure the loan.

Domestic and Foreign Food Assistance

USDA, through FSA, donates food to the Bureau of Indian Affairs, as well as federal, state, and other private and nonprofit agencies in the United States. Food items are used for school lunch programs, summer camps for children, the Women, Infants, and Children program, and other organizations and charities that help needy persons. Also,

agricultural commodities are donated to international relief agencies to help feed people around the world. The Foreign Agricultural Service (FAS) of USDA organizes the delivery of the donated food to international development and humanitarian organizations operating in dozens of countries. Food donations also assist in the FAS Food for Progress program, which assists countries working to transition to market-oriented economies.

Downpayment Farm Ownership Loans

Downpayment Farm Ownership loans were developed to help socially disadvantaged and beginning farmers and ranchers purchase a farm or ranch. These loans provide a way for retiring farmers to transfer their land to a future generation of farmers and ranchers.

Economic Adjustment Assistance to Users of Upland Cotton

The Commodity Credit Corporation (CCC) issues payments to eligible domestic users of upland cotton. The program is designed to stimulate investment to maintain a globally competitive U.S. textile industry. Payments are made to eligible domestic users who enter into an agreement with the CCC. The payment rate is four cents per pound from Aug. 1, 2008, through July 31, 2012, and three cents per pound beginning Aug. 1, 2012. Proceeds received under this program must be used for capital investments that relate to manufacturing upland cotton into cotton products.

Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish (ELAP)

ELAP was authorized by the 2008 Farm Bill to provide emergency relief to producers of livestock, honeybees, and farm-raised fish and covers losses from disaster such as adverse weather or other conditions, such as blizzards and wildfires not adequately covered by any other disaster program.

Emergency Conservation Program (ECP)

ECP provides funding for farmers and ranchers to rehabilitate farmland damaged by wind erosion, floods, hurricanes, or other natural disasters, and for carrying out emergency water conservation measures during periods of severe drought. The natural disaster must create new conservation problems, which, if not treated, would; 1) impair or endanger the land, 2) materially affect the productive capacity of the land, 3) represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area, and 4) be so costly to repair that federal assistance is or will be required to return the land to productive agricultural use.

Emergency Forest Restoration Program (EFRP)

EFRP provides payments to eligible owners of nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore land damaged by a natural disaster. Subject to availability of funds, locally elected county committees are authorized to implement

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EFRP for all disasters except drought and insect infestations, which are authorized at the FSA national office. EFRP program participants may receive financial assistance of up to 75 percent of the cost to implement approved emergency forest restoration practices as determined by county FSA committees.

Emergency Loan Program (EM)

FSA provides EM loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. EM loans may be made to farmers and ranchers who own or operate land located in a county declared by the president as a disaster area or designated by the Secretary of Agriculture as a disaster area or quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance). Emergency loan funds may be used to 1) restore or replace essential property, 2) pay all or part of production costs associated with the disaster year, 3) pay essential family living expenses, 4) reorganize the farming operation, and 5) refinance certain debts.

Extra Long Staple (ELS) Cotton Competitiveness Payments

ELS Cotton Competitiveness Payments are made to domestic users and exporters of ELS cotton when the market prices of domestically produced versus foreign grown ELS cotton are such that payments are necessary to improve the competitiveness of domestically produced cotton in the world market.

Farm Storage Facility Loan Program

The Commodity Credit Corporation (CCC), through FSA, may make loans to producers to build or upgrade farm storage and handling facilities for rice, soybeans, dry peas, lentils, small chickpeas, peanuts, hay, renewable biomass, sunflower seeds, canola, rapeseed, safflower, flaxseed, mustard seed, and other oilseeds as determined and announced by CCC. Corn, grain sorghum, oats, wheat, barley, fruits and vegetables are also eligible, subject to program requirements.

Farmable Wetlands Program (FWP)

The Farmable Wetlands Program (FWP) is a voluntary program to restore up to one million acres of farmable wetlands and associated buffers by improving the land's hydrology and vegetation. Eligible producers in all states can enroll eligible land in the FWP through the Conservation Reserve Program (CRP). Producers plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and enhance wildlife habitat on land enrolled in CRP. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years. FWP is designed to prevent degradation of wetland areas, increase sediment trapping efficiencies, improve water quality, prevent soil erosion and provide habitat for waterfowl and other wildlife.

Feedstock Flexibility Program (FFP)

FFP is designed to avoid sugar loan forfeitures to the Commodity Credit Corporation (CCC) by diverting sugar from food use to ethanol production. Every September, the Secretary of Agriculture announces the amount of sugar (if any) for the CCC to purchase and to be made available for sale to ethanol producers. Raw, refined and in-process sugars are eligible for purchase. Such sugar can be purchased from any marketer located in the United States.

Grassland Reserve Program (GRP)

GRP is a voluntary program for landowners to protect, restore, and enhance grasslands on their property. USDA's NRCS and FSA jointly implement GRP to conserve vulnerable grasslands from conversion to cropland or other uses and conserve valuable grasslands by helping maintain viable ranching operations.

Grassroots Source Water Protection Program

The Grassroots Source Water Protection Program (GSWPP) is a joint project by the FSA and the nonprofit National Rural Water Association (NRWA) designed to help prevent source water pollution in states through voluntary practices installed by producers and other landowners at the local level. GSWPP uses onsite technical assistance capabilities of each state rural water association that operates a source water protection program in the state. State rural water associations deliver assistance in devel-

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oping source water protection plans within watersheds for the common goal of preventing the contamination of drinking water supplies.

GRAZE-OUT Program

The GRAZE-OUT Program, authorized by the 2008 Farm Bill, provides for payments for 2008 through 2012 crop years to eligible producers who elect to use their acreage planted to wheat, barley, oats, or triticale for grazing by livestock and agree to forgo any other harvesting of the commodity on such acreage during the applicable crop year. GRAZE-OUT payments are subject to the same basic eligibility requirements as commodity loans and loan deficiency payments.

Guaranteed Farm Ownership Loan Program

FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Farm Ownership Loans (FO) may be made to purchase farmland, construct or repair buildings and other fixtures, develop farmland to promote soil and water conser-

vation, or to refinance debt.

Guaranteed Operating Loan Program

FSA guaranteed loans provide lenders (banks, Farm Credit System institutions, credit unions) with a guarantee of up to 95 percent of the loss of principal and interest on a loan. Farmers and ranchers apply to an agricultural lender, which then arranges for the guarantee. The FSA guarantee permits lenders to make agricultural credit available to farmers who do not meet the lender's normal underwriting criteria. A percentage of guaranteed loan funds is targeted to beginning farmers and ranchers and minority applicants. Guaranteed Operating Loans (OL) may be made to purchase items needed such as livestock, farm equipment, feed, seed, fuel, farm chemicals, repairs, insurance, and other operating expenses. OLs also can be used to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance debts under certain conditions.

Homestead Protection Program

If FSA has exhausted all loan servicing options and foreclosures on a property as required by law, the Homestead Protection Program allows the borrower to lease, with an option to purchase, their primary residence and up to 10 adjoining acres for up to 5 years.

Indian Tribal Land Acquisition Program (ITLAP)

ITLAP loans enable Indian tribes to purchase privately held lands that lie within their reservations. Loan funds may be used to pay expenses incidental to the purchase of the land, but not for land development.

Livestock Forage Disaster Program (LFP)

LFP was authorized by the 2008 Farm Bill to provide assistance to livestock producers for forage losses due to drought and losses due to wildfire on rangeland managed by a federal agency.

Livestock Indemnity Program (LIP)

LIP was authorized by the 2008 Farm Bill to provide assistance to livestock producers for livestock deaths from disaster events, in excess of normal mortality.

Milk Income Loss Contract (MILC) Program

The MILC Program financially compensates dairy producers when domestic milk prices fall below a specified level. The payment trigger price is adjusted each month if certain feed cost components that make up the feed adjustment price also fall below a specified level. MILC payments are made monthly when the milk price falls below the established price per hundredweight and are issued by CCC based upon selection of a production start month by producers

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the dairy operation. Payments are issued up to a maximum eligible quantity per dairy operation per fiscal year of 2,985,000 million pounds through August 31, 2012. The production cap in September 2012 is reduced to 2.4 million pounds per operation.

Noninsured Crop Disaster Assistance Program (NAP)

NAP provides financial assistance to eligible producers affected by drought, flood, hurricane, or other natural disasters. NAP covers noninsurable crop losses and planting prevented by disasters. Landowners, tenants, or sharecroppers who share in the risk of producing an eligible crop are eligible. Eligible crops include commercial crops and other agricultural commodities produced for food, including livestock feed or fiber for which the catastrophic level of crop insurance is unavailable. Also eligible for NAP coverage are controlled-environment crops (mushroom and floriculture), specialty crops (honey and maple sap), and value loss crops (aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod).

Nonrecourse Marketing Assistance Loan (MAL) and Loan Deficiency Payment (LDP) Programs

MALs provide producers interim financing at harvest time to meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. MALs allow producers to store production at harvest

for a more orderly marketing of commodities throughout the year. MALs for covered commodities are nonrecourse because the commodity is pledged as loan collateral and producers have the option of delivering the pledged collateral to the Commodity Credit Corporation as full payment for the loan at maturity. A producer who is eligible to obtain a loan, but who agrees to forgo the loan, may obtain a LDP. A LDP is the amount by which the applicable loan rate exceeds the alternative loan repayment rate for the respective commodity.

Primary Loan Servicing Program

The Primary Loan Servicing Program gives options to borrowers who, due to reasons beyond their control, are unable to make the scheduled payments on their debt to the Government. These options may include consolidation, rescheduling or reamortization, deferral, interest rate reduction, and writedown. The program allows delinquent and/or financially distressed FSA borrowers to attain, or maintain, a current loan status - while at the same time allowing the borrower to regain a more solid financial footing for the long term.

Recourse Seed Cotton Loans

Recourse seed cotton loans are made available by the Commodity Credit Corporation (CCC) to producers through March 31 of the year following the calendar year in which the cotton crop is normally har-

vested. Seed cotton pledged as collateral for a loan must be tendered to CCC by an eligible producer and must be in existence and in good condition at the time of disbursement of loan proceeds, in addition to other requirements. A producer must repay the seed cotton loan principal, interest, and the charges before pledging the cotton for a nonrecourse loan or before a loan deficiency payment can be approved. Seed cotton loans mature on demand by CCC but no later than May 31 following the calendar year in which such crop is normally harvested.

Reimbursement Transportation Cost Payment Program (RTCP) for Geographically Disadvantaged Farmers and Ranchers

RTCP provides assistance to geographically disadvantaged farmers and ranchers by reimbursing them for a portion of the transportation cost of their agricultural commodity, or transporting inputs used to produce an agricultural commodity during a fiscal year. Producers eligible for RTCP include farmers and ranchers from 1) Hawaii, 2) Alaska, 3) Commonwealth of Puerto Rico, 4) Guam, 5) American Samoa, 6) Commonwealth of the Northern Mariana Islands, 7) Federated States of Micronesia, 8) Republic of the Marshall Islands, 9) Republic of Palau, and 10) Virgin Islands of the United States.

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State Acres for Wildlife Enhancement (SAFE)

SAFE is a voluntary program available under CRP's continuous signup. SAFE is designed to address state and regional high-priority wildlife objectives. Producers within a SAFE area can submit offers to voluntarily enroll acres in CRP contracts for 10-15 years. In exchange, producers receive annual CRP rental payments, incentives and cost-share assistance to establish, improve, connect or create higher-quality habitat.

Sugar Loan Program and Sugar Marketing Allotments

The Sugar Loan Program provides nonrecourse loans to processors of domestically-grown sugarcane and sugar beets to stabilize America's sugar industry. The Commodity Credit Corporation (CCC) establishes marketing allotments for sugar from domestically-produced sugar beets and sugarcane. Allotments are assigned based on estimates of sugar consumption, stocks, production, and imports for a crop year with the intent being that the total allotment quantity minimizes forfeitures of sugar to CCC under the sugar loan program.

Sugar Storage Facility Loan Program

FSA may make loans to processors of domestically-produced sugarcane and sugar beets for the construction or upgrading of storage and handling facilities for raw sugars and refined sugars. Loans may be made only for the purchase

and installation of eligible storage facilities, permanently affixed handling equipment, or the remodeling of existing facilities.

Supplemental Revenue Assistance Payments Program (SURE)

SURE was authorized by the 2008 Farm Bill and provides assistance to producers suffering crop losses due to natural disasters. SURE is available for crop losses due to natural disasters occurring through Sept. 30, 2011, and covers crop revenue losses from quantity or quality deficiencies only in those counties and contiguous counties declared disaster areas by the Agriculture Secretary or in cases where the overall production loss exceeds 50 percent. SURE payments are calculated based on 60 percent of the difference between the SURE Disaster Program Guarantee and the Total Farm Revenue.

Tobacco Transition Payment Program (TTPP)

TTPP provides payments over a ten-year period to quota holders and producers of quota tobacco to help them make the transition from the federally-regulated tobacco marketing quota and price support loan programs. Eligible tobacco quota holders and producers receive payments under this program in 10 installments in each of the 2005 through 2014 fiscal years.

Trade Adjustment Assistance for Farmers (TAAF)

TAAF provides technical assistance and cash benefits to eligible producers of raw agricultural commodities, such as fish or blueberries, after an associated industry group petitions the Secretary for assistance. If the national average price in the most recent marketing year for a commodity is less than 80 percent of the national average price in the preceding 5 marketing years as a result of increased imports of that commodity, producers may be eligible for TAAF assistance.

Transition Incentive Program (TIP)

The TIP, authorized by the 2008 Farm Bill, provides \$25 million through 2012 to promote the transition of expiring CRP land from a retired or retiring owner or operator to a beginning or socially disadvantaged farmer or rancher for the purpose of returning some or all of the land to production using sustainable farming techniques. An owner or operator must be a retired or retiring farmer or rancher on land under a CRP contract and agree to sell, have a contract to sell, or long-term lease the land under CRP contract to a beginning or socially disadvantaged farmer or rancher by October 1, of the year the CRP contract expires. TIP provides up to two additional CRP annual rental payments to a retired or retiring owner or operator of land under an expiring CRP contract if the land is sold or leased to a non-family member beginning or socially disad-

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vantaged farmer or rancher by October 1, of the year the CRP contract expires. TIP provides up to two additional CRP annual rental payments to a retired or retiring owner or operator of land under an expiring CRP contract if the land is sold or leased to a non-family member beginning or socially disadvantaged farmer or rancher for the purpose of returning some or all of the land to production using sustainable grazing or crop production methods.

Tree Assistance Program (TAP)

TAP was authorized by the 2008 Farm Bill and provides partial reimbursement to orchardists and nursery tree growers for replanting, salvage, pruning, debris removal and land preparation if losses due to natural disasters exceed 15 percent.

United States Warehouse Act (USWA)

The USWA authorizes the Secretary to issue licenses to public warehouse operators who voluntarily request regulation through licensing under the USWA to store agricultural products, including bulk grain, cotton, peanuts, sugar and other agricultural products. FSA administers USWA by providing licensing of warehouse operators, regulation of paper and electronic warehouse receipt providers, protection for depositors through bonding or other financial assistance and compliance examinations. The USWA provides for the use of warehouse receipts and re-

quires warehouse operators to accept agricultural products for storage without discrimination. Under the USWA, the facilities meet and are maintained at established standards. The USWA allows FSA to enforce a uniform regulatory system for the protection of depositors and the agricultural commodities stored in the licensed facilities.

Voluntary Public Access and Habitat Incentive Program

The Voluntary Public Access and Habitat Incentive Program (VPA-HIP) is a competitive grant program available only to states and tribal governments. Up to \$50 million is available through fiscal year 2012. The primary objective of the VPA-HIP is to encourage owners and operators of privately-held farm, ranch and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing, under programs implemented by state or tribal governments. The funding provided by the VPA-HIP helps states and tribal governments to greatly increase access and recreational experiences by using that funding to provide higher rental payments, provide technical and conservation services to landowners and increase acreage enrolled for public access.

Youth Loans

FSA makes loans to individual rural youths, between the ages of 10 and 20 years, to establish and operate agriculture-related

income-producing projects of modest size in connection with their participation in 4-H clubs, the Future Farmers of America and similar organizations. The project must be planned and operated with the help of the organization adviser, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience.

More Information

For more information about FSA programs, contact your local FSA office or USDA Service Center, or visit the FSA website at www.fsa.usda.gov.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs 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, political beliefs, genetic information, reprisal, or because all of part of an individual's income is derived from any public assistance program. (Not all 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

December 2009

Actively Engaged in Farming and Payment Limits

Overview

For more than 20 years, Congress and USDA have worked to ensure that farm program benefits only go to farmers who are actively engaged in farming. The 2008 Farm Bill required program participants to meet specific provisions to receive farm program benefits. Here is a summary of those provisions to be eligible for payments.

Actively Engaged in Farming

To be eligible for payments and benefits under specified programs, all program participants, either individuals or legal entities, must provide significant contributions to the farming operation to be considered as “actively engaged in farming.” Contributions can consist of capital, land, and/or equipment, as well as active personal labor and/or active personal management. The management contribution must be critical to the profitability of the farming operation and the contributions must be at risk.

Additional payment eligibility requirements

Each partner, stockholder or member with an ownership interest must contribute active personal labor and/or active personal management to the farming operation on a regular

basis. The contribution must be identifiable and documentable; as well as separate and distinct from the contributions made by any other partner, stockholder or member. If any partner, stockholder or member with an ownership interest fails to meet this requirement, program payments will be reduced by the corresponding share held by that partner, stockholder or member. There is an exception allowed for legal entities, such as corporations, if total direct payments received both directly and indirectly, by the legal entity and its members do not exceed \$40,000.

Exceptions to these general requirements

Landowners may be considered “actively engaged in farming” if they contribute the owned land to the farming operation and in return, receive rent or income for the use of the land. The landowner’s share of the profits or losses from the farming operation must also be commensurate with the landowner’s contributions to the farming operation and the contributions must be at risk.

Spouses may both be considered “actively engaged in farming” if one spouse makes all of the requisite and at-risk contributions.

Sharecroppers may be con-

sidered “actively engaged in farming” if the sharecropper makes a significant contribution of active personal labor to the farming operation and in return, receives a specified share of the crop(s) produced on the farm. The sharecropper’s share of the profits or losses from the farming operation must be commensurate with the sharecropper’s contributions and the contributions must be at risk.

A cash-rent tenant will be ineligible to receive payments on the cash-rented land unless the tenant makes a significant contribution of active personal labor. If the cash-rent tenant does not provide labor, he or she must make a significant contribution of both active personal management and equipment to the farming operation. All other “actively engaged in farming” requirements apply as well.

Foreign Persons

Foreign persons, other than registered aliens, are not eligible to receive any program benefits including commodity loans, unless that person provides a significant contribution of capital, land, and active personal labor to the farming operation.

Notification requirements

Every legal entity earning payment subject to these

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rules must report to their local FSA committee the name and social security number of each person who owns, either directly or indirectly, any interest in such legal entity. The legal entity is also required to inform all members of the rules regarding payment eligibility and payment limitation.

Payment Limitations**Direct Attribution**

The 2008 Farm Bill establishes a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Such limitations on payments are controlled by direct attribution. Program payments made directly or indirectly to a person are combined with the pro rata interest held in any legal entity that received payment, unless the payments to the legal entity have been reduced by the pro rata share of the person.

Program payments made directly to a legal entity are attributed to those persons that have a direct and indirect interest in the legal entity, unless the payments to the legal entity have been reduced by the pro rata share of the person. Payment attribution to a legal entity is tracked through four levels of ownership. If any part to the ownership interest at the fourth level is owned by another legal entity, a reduction in payment will be applied to the payment entity in the amount that represents the indirect interest of the

fourth level entity in the payment entity.

Common attribution

Common attribution is crediting payments made to person or legal entity collectively to one limitation due to a unique or specific relationship between the persons or legal entities. Common attribution applies to a minor child and a parent or legal guardian; and a parent organization over a secondary organization when the parent organization exercises control over the secondary organization.

Ownership interest for direct attribution

For the purposes of the direct attribution of payments, ownership interest that a person or legal entity holds in a legal entity on June 1 of the current year is used. Direct attribution of payments is not applicable to cooperative associations of producers. The payments will instead be attributed to the members of the association that produced the commodities marketed by the association on behalf of the members.

Minor child rules

June 1 of the current year is the date by which a child is considered to be a minor for payment attribution purposes. Payments received both directly and indirectly by a minor child are attributed to the parent or legal guardian.

Payment Limits**Person**

Payments made directly or indirectly to a person cannot exceed the annual amounts specified in Table.

Joint Operations and General Partnerships

Payments made, directly or indirectly, to a joint operation such as a general partnership, cannot exceed, for each payment specified in Table 1, the amount determined by multiplying the maximum payment amount specified for a program by the number of persons and legal entities that comprise the ownership of the joint operation. Payments to the joint operation will be reduced by an amount that represents the direct or indirect ownership in the joint operation by any person or legal entity that has reached the maximum limitation.

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Legal entities

Payments made directly or indirectly to a legal entity cannot exceed the annual amounts specified in Table. Payments made to a legal entity will be reduced by an amount that represents the direct or indirect ownership in the legal entity by any person or legal entity that has reached the maximum limitation.

Additional Information

This Fact Sheet provides general guidelines only. Please contact your local FSA office or USDA Service Center for further details on payment eligibility and payment limitation provisions.

More Information

To find more information about FSA programs, contact your local FSA office or USDA Service Center, or visit the FSA on the World Wide Web at <http://www.fsa.usda.gov>.

Table

Program Payment Type	Limitation (In Dollars)			
	2009	2010	2011	2012
Commodity programs				
Direct payments on covered commodities except peanuts		40,000/1		
Direct payments on peanuts		40,000/1		
Counter-cyclical and ACRE payments on covered commodities except peanuts		65,000/2		
Counter-cyclical and ACRE payments on peanuts		65,000/2		
Price support programs		No limits		
Conservation programs				
CRP annual rental payment		50,000		
EQIP (all contracts for FY 2009-12)		300,000		
CSTP (all contracts for FY 2009-12)		200,000		
GRP		50,000		
WRP		50,000		
WHIP		50,000		
Disaster and Livestock assistance programs				
NAP		100,000		
SURE, LIP, LFP and ELAP		100,000		
TAP		100,000		
Other programs				
TAA		10,000 /3		

1. If the person or legal entity has a direct or indirect interest in payments earned on a farm that is in ACRE, this limitation will reflect a 20 percent reduction in direct payments on each farm that is participating in ACRE.

2. Under ACRE, this amount will be a combined limitation for counter-cyclical and ACRE payments. If a person or legal entity has a direct or indirect interest in payments earned on a farm participating in ACRE, this limitation will reflect an increase for the amount that the direct payments were reduced.

3. TAA payments and counter-cyclical payments received by a person or legal entity for the same program or fiscal year are limited to combined total of \$65,000 if counter-cyclical payments are received for covered commodities or peanuts; or a total of \$130,000 if counter-cyclical payments are received for both covered commodities and peanuts.



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Agriculture



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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

Agricultural Mediation Program



Background

The U.S. Department of Agriculture's (USDA) Agricultural Mediation Program helps agricultural producers, their lenders, and other persons directly affected by the actions of USDA resolve disputes. Through mediation, a trained, impartial person (mediator) helps participants review their conflicts, identify options, and agree on solutions.

Mediation is a valuable tool for settling disputes in many different USDA program areas. These include farm loans, farm and conservation programs, wetland determinations, rural water loan programs, grazing on national forest system lands, and pesticides. USDA's Farm Service Agency (FSA) administers the program, reauthorized by the United States Grain Standards Act of 2000.

How Mediation Works

Persons disputing USDA actions that directly affect them are offered the opportunity to request mediation services as part of the Department's informal appeals process. However, parties must request mediation before an appeal hearing is held with USDA's National Appeals Division. USDA customers may accept or decline the offer to participate in mediation.

If mediation is requested, FSA mediation officials suggest steps participants should take to prepare for mediation. Mediation officials then assign one or more mediators to the case. Participants may accept or eliminate these mediators. Once a mediator is accepted, all potential parties are advised that a mediation process is underway and given a chance to participate.

The mediator schedules a time and place to meet that is convenient to all parties. Mediation length can vary from a few hours to several days, depending on the complexity of issues and the number of participants. If an agreement is not reached, the case is closed and all parties remain free to pursue other available administrative appeals or legal actions.

Mediators

Unlike a judge or arbiter, a mediator has no decision-making authority, but is there to help participants resolve problematic issues and settle disputes. Successful mediation is based on the cooperation and involvement of all participants.

The Montana FSA Agency maintains a list of mediators. This list includes mediators that have been selected for their experience in mediation, as well as their experience with government and agricultural/environmental issues. The list expands as more mediators express a desire to be

included and decreases as mediators elect not to participate.

Selection of Mediators

A Blanket Purchase Order (BPA) will be established by FSA with each mediator on a fiscal year basis. The BPA will be the vehicle of payment for the Agency's share of the cost of mediation. When the producer requests mediation, mediators will be contacted on a rotating basis and asked if they wish to participate in the mediation. Once two mediators have agreed to accept the case if offered, the producer will be given the choice of which mediator to use. The producer's choice will be the mediator assigned to the case. The mediator will also be responsible to communicate in writing the results of the mediation to the Agency and the other participants in the mediation.

Selection of Agency Representative

The State Executive Director (SED) will be responsible for selecting the Agency representative to attend the mediation session. The Agency representative will not be authorized to make any concessions or commitments on behalf of the Agency without prior appropriate authorization.

Mediation Benefits for Lenders and Borrowers

Successful mediation benefits participants in the following ways:

- Mediation may settle disputes within a participant's financial means, providing a low-cost alternative to appeals or to often expensive litigation and bankruptcy.
- The program may reduce stress caused by lengthy litigation. While it can take years for a case to filter through the courts, mediation generally takes only a few meetings to complete.
- Mediation is confidential. Documents are not used for any other legal action against the participants.
- Mediators can also provide referrals for producers and lenders and informally discuss with them issues or concerns.

Mediation Cost to Participants

Certain states have a certified mediation program. This means that, at the request of the Governor, FSA has helped the state develop a mediation program authorized or administered by a state government agency or by the Governor, Montana is not a certified state. The responsibility of mediation cost is as follows:

Agency responsibility

The agency will be responsible for reimbursement to the mediator the following costs:

- Meeting room rental
- Correspondence cost (i.e. postage, phone calls, FAX costs, duplicating costs, excluding time;
- A prorated share of mediators time, including preparation, mediation and follow-up time;
- A prorated share of mileage, per diem and lodging and other associated travel costs.

Participant(s) Responsibility

The other parties involved in mediation will be responsible for reimbursement to the mediator the following costs:

- A prorated share of mediators time, including preparation, mediation and follow-up time;
- A prorated share of mileage, per diem and lodging and other associated travel costs.

Note: *For these purposes, prorated means an equal share divided among the parties involved in the mediation. For example, if the Agency and one producer are involved, the Agency pays fifty percent of the identified costs; if the Agency, a producer and creditor are involved in mediation, the Agency will pay thirty-three and one third percent. Representatives of any party are not considered an additional party.*

Obligation

The parties involved in mediation, including the Agency, will be required to sign agreeing to the terms of the mediation prior to any costs being incurred by any party.

State Mediation Program Contacts

If you have questions regarding mediation or a disputed matter with the Montana Farm Service Agency, please contact your local FSA office or Dick Deschamps, Chief Administrative Officer at the Montana State FSA office at 406-587-6875.

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United States
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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011



Appeals

Background

The National Appeals Division (NAD) of the U.S. Department of Agriculture (USDA) was established by the Secretary of Agriculture on October 20, 1994, pursuant to the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994. The Act consolidated the appellate functions and staffs of several USDA Agencies to provide for independent hearings and reviews of adverse Agency decisions.

NAD is responsible for all administrative appeals arising from program activities or assigned Agencies, as well as such other administrative appeals arising from decisions of Agencies of USDA designated by the Secretary. NAD appeals involve program decisions of the Farm Service Agency (FSA), Risk Management Agency (RMA), Natural Resources Conservation Service (NRCS), and Rural Development (RD).

NAD Process

Who can appeal to NAD?

A participant in a program administered by certain USDA agencies that has received an adverse decision by the agency may be able to appeal the adverse decision to NAD to adjudicate if the agency erred in its decision.

What can be appealed to NAD?

The law provides that a decision by an agency over which NAD had jurisdiction, which is adverse to a

participant, can be appealed to NAD by the participant.

Some adverse decisions may be initially determined by an agency as not appealable, but the FSA State Executive Director or the Director of NAD may finally determine if it is appealable. A timely request may be made to NAD for determination of the appealability of a specific adverse decision and the Director determines if:

- the adverse decision is a matter of general applicability and not subject to appeal, or
- adverse to the individual participant and thus appealable.

How to File an Appeal

An appeal must be in writing and must be submitted by the participant who receives the adverse decision. The appeal must be signed personally by an appellant, but does not need to be notarized.

An appeal in Montana should be filed at:

Western Regional Office

755 Parfet Street
Suite 494
Lakewood, Colorado 80215-5506
Phone: 1-800-541-0483
(303) 236-2862
TTY: 1-800-497-0253
Fax: (303) 236-2820

An appeal must be received in the Western Regional Office no later than 30 calendar days after the participant received a NAD

determination that an agency decision is appealable. The appeal should state what agency decision is being appealed and should include a copy of the adverse decision and a brief statement of why the decision is wrong. A copy of the appeal request should be sent to the agency.

How the Appeal is Processed

When a perfected appeal is received in the Western Regional Office, it is assigned to a Hearing Officer. An appellant may elect a:

- telephone-hearing,
- request a record review, or;
- an evidentiary hearing in person.

The Hearing Officer will consider the agency record, together with evidence submitted by the appellant and the agency. The hearing will be conducted in a manner that will obtain the facts relevant to the matters at issue. There are no formal rules of evidence. An in-person hearing will be held in the appellant's state of residence or at a location that is otherwise convenient. A tape recording constitutes the official record of the hearing and the parties have a right to a copy of the official records.

The Prehearing Teleconference

The hearing officer may hold a telephone conference call with the appellant and the agency before the hearing. The prehearing conference is designed to attempt to resolve the dispute or narrow

the issues involved. During the prehearing teleconference, the hearing officer assures that everyone is prepared for the hearing, and sets the time and place of the hearing. Stipulations may be made, the need for specific witnesses discussed, and the need for certain evidence decided.

The Hearing

Hearings are scheduled within 45 days of the date the appeal was received in the Western Regional Office. At the hearing, the appellant and the agency may present relevant testimony and documentary evidence. The hearing officer conducts the hearing in a manner to afford the appellant an opportunity to prove by preponderance of evidence that the agency's decision was erroneous. The Hearing Officer is not bound by previous finding of fact on which the agency's decision was based, and issues a determination consistent with the laws and regulations of the agency and their generally applicable interpretations. The Hearing Officer may leave the hearing record open for a reasonable period following the hearing for the submission of additional information. At the end of that period, the hearing record is deemed closed.

The Appeal Determination

The hearing officer issues a determination in the case within 30 days of closing the hearing record if the hearing was in-person or by telephone. If the appellant requested a record review, a determination is issued within 45 days of receipt of the request for a record review.

In the determination, the hearing officer determines if the appellant proved that the agency erred in its adverse decision.

The determination may be subject to a review by a NAD Director, if a timely request is made by the

appellant or the head of the agency.

If no request for a Director's review is timely filed, the hearing officer's determination becomes final.

The Director's Review

If the hearing officer determined that the agency erred, the head of the agency has 15 business days from receipt of the determination to request that the Director review the hearing officer's determination. The request must be signed by the head of the agency and must include specific reasons why the hearing officer's determination is wrong, including citations of law or regulation the agency believes that determination violates.

If the hearing officer determined that the agency was not in error, the appellant has 30 calendar days from the day he/she receives the determination to request that the Director review the hearing officer's determination. An appellant's request for a Director's review must be signed by the appellant and must include specific reasons why the appellant believes the hearing officer's determinations are wrong.

For Additional Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at www.fsa.usda.gov/mt. The telephone numbers are usually listed in the telephone directory under the United States Government, U.S. Department of Agriculture.

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Assigning FSA and CCC Payments

Overview

An "assignment of payment" is a service provided by the Farm Service Agency (FSA) for producers. Producers who are eligible to receive specified program payments from FSA or Commodity Credit Corporation (CCC) programs may arrange to have all or part of their payments assigned directly to another party either by electronic funds transfer (EFT) using the Automated Clearing House (ACH) method or by check. This allows a third party, such as a person or entity, to receive a selected program payment directly from FSA/CCC in lieu of receiving the payment from a producer.

How to Assign a Program Payment

To assign eligible FSA or CCC program payments, producers must either use the web-based Assignment application or submit a completed form CCC-36, Assignment of Payments.

Payments issued to assignees (third parties) can be processed through the Electronic Funds Transfer (EFT) system. The assignee must complete and sign SF-3881, ACH Vendor/Miscellaneous Payment Enrollment, to initiate EFT transactions. Multi-year assignments are acceptable for programs that are eligible: Direct and Counter-Cyclical Payment Program (DCP), Average Crop Revenue Election (ACRE) and Conservation Reserve Program (CRP).

Eligible Programs for Assigned Payments

Many FSA and CCC programs are eligible for assignment of payments. Producers may assign program payments, as specified by program law or regulation, for FSA and CCC programs that have been publicly announced except for FSA or CCC loans or purchase agreement proceeds.

Assignment Conditions

An assignment of payment may be for any purpose and must be

for a specific amount, but cannot be used:

- for a reassigned payment
- when the assigned payment is the subject of an administrative appeal
- when the dollar amount being assigned is not stated.

Producers must inform the FSA county office immediately of any changes affecting an assigned payment, such as when an assigned amount needs to be reduced or an assignment needs to be terminated. After the assignment is established, the assignee must concur before a change is applied or an assignment is terminated.

Overpayments of Assigned Payments

The assignee agrees to repay promptly to the Federal Government any amount by which the assigned payment exceeds the amount secured by the assignment. The assignor (producer) and assignee agree that they will promptly notify the county FSA office of a change affecting an assignment. The assignment may be revoked at any time by written request signed by the assignee.

Assignment Payment Priority

If there is any indebtedness owed by the producer to the Federal government on the day a payment is being made, the amount may be subtracted from the assigned payment before it is made to the assignee according to the special provision related to assignments as stated on the reverse side of form CCC-36, Assignment of Payment.

Gaining Access to the Web Based Assignment Application

In order to protect personal

identity, an assignor or assignee must first register for a level 2 account with USDA's e-Authentication system to obtain a user ID and password. The process is easy and starts on-line by creating a user ID and password and confirming the user's e-mail address. On the USDA Web site at www.usda.gov, click on the link to "View USDA Customer Statement." From there, the user can request to get a log on ID.

Once an assignor or assignee has obtained a level 2 e-Authentication ID, the secured FSA Financial Services Web site becomes available to complete an assignment for the assignor or assignee registered to the user ID. Log on to the FSA Web site at www.fsa.usda.gov, and select "Online Services" from the top banner. From the "Online Services" page, select "Financial Services" under the "Related Topics" banner.

For additional information to gain access to the web-based assignment application, and other FSA financial services, including "Financial Inquiries for FSA Producers," contact your local FSA county office.

For More Information

For additional information on assigning FSA and CCC program payments and other FSA programs and services, contact your FSA county office, or visit FSA's Web site at <http://www.fsa.usda.gov>.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs 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 Ave. SW, Washington, DC 20250-9410, or call (800) 795-3272



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Average Adjusted Gross Income, 2009-2012

Overview

The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) requires the implementation of the average adjusted gross income (AGI) limitations for program eligibility for the 2009-2012 program years. The average AGI provisions are applicable to the majority of programs administered by the Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS).

Applicability

All persons and legal entities requesting certain program payments, either directly or indirectly, are subject to the average AGI provisions. If persons or legal entities whose average AGI for the three taxable years preceding the immediate taxable year exceeds the qualifying limits, they are ineligible for the applicable program payment. If program payments are issued to an entity, general partnership or a joint venture, they will be reduced by an amount that is commensurate with the direct and indirect interest of any member or interest holder who is non-compliant with the average AGI provisions.

Compliance and Verification Procedure

The 2008 Farm Bill requires audits of persons and legal entities determined most likely to exceed the AGI limitations. The U.S. Department of Agriculture (USDA) and the Internal Revenue Service (IRS) have developed an electronic information exchange process strictly for

the purpose of average AGI verification. This process involves a series of calculations on certain line items on IRS tax forms for the applicable three-year period to arrive at the average amounts and then compares these values to the average AGI limitations. USDA receives indicators when a program participant appears to meet the AGI requirements. USDA does not receive any actual tax data. The cases that appear to exceed the average AGI limitations will be evaluated by FSA state office or headquarters personnel.

Average AGI Certification and Written Consent

Participants in Commodity Credit Corporation (CCC) programs subject to average AGI rules must annually certify their eligibility to receive program benefits. The IRS also requires written consent from the individual or legal entity to provide USDA verification of the average AGI. Such annual AGI certification and written consent are accomplished by completion of form CCC-931, Average Adjusted Gross Income (AGI) Certification and Consent To Disclosure of Tax Information.

The form allows for the selection of the appropriate year for which certification and consent must be completed for an individual or legal entity. Completion of Part A is required to provide the annual AGI certification. In lieu of Part A, individuals or legal entities may choose to submit an acceptable statement from a certified public accountant or an attorney; however, all program participants are required to complete Part B. Completion of Part B authorizes the IRS to perform the average AGI calculations

and to disclose this information to FSA. Failure to provide the certification and consent will require refund of applicable program payments received from FSA and NRCS. Form CCC-931 may be obtained from local FSA and NRCS offices or online at:
<http://www.fsa.usda.gov/cc931>.

Definitions

Adjusted Gross Income: AGI is the legal entity's or individual's IRS-reported adjusted gross income, or a comparable measure as determined by CCC.

Adjusted Gross Farm Income: Income from activities related to farming, ranching or forestry is considered adjusted gross farm income. (See Table 1).

Adjusted Gross Nonfarm Income: The difference between adjusted gross income and adjusted gross farm income is considered the adjusted gross nonfarm income.

Legal Entity: The term "legal entity" includes a corporation, joint stock company, association, limited partnership, charitable organization, or similar entity, including any such entity or organization participating in the operation as a partner in a general partnership, a participant in a joint venture, a grantor in a revocable trust, or as a participant in a similar entity.

Multiple AGI Limitations

Different income thresholds will be used to determine eligibility for different CCC programs as described in Table 2.

FACT SHEET**Average Adjusted Gross Income**

January 2012

A person or legal entity with:

- Average Adjusted Gross Nonfarm Income exceeding \$500,000 is ineligible for all commodity program payments and benefits
- Average Adjusted Gross Farm Income exceeding \$750,000 is ineligible for Direct and Counter-cyclical Program (DCP) Direct Payments
- Average Adjusted Gross Income (all income, both farm and nonfarm) exceeding \$1 million is ineligible for 2012 DCP direct payments
- Average Adjusted Gross Non-farm Income exceeding \$1 million is ineligible for conservation programs, unless at least 66.66 percent of total AGI was farm income.

Note: This limitation may be waived on a case-by-case basis for the protection of environmentally sensitive land of special significance.

Base Period for Determining Average AGI

A three-year average AGI will be used to determine whether an individual or legal entity qualifies to receive program benefits subject to AGI rules. Base years for computing average AGI are:

For Crop Year...	AGI Base Years Are...
2009	2005, 2006, 2007
2010	2006, 2007, 2008
2011	2007, 2008, 2009
2012	2008, 2009, 2010

Annual certifications of AGI compliance are required from each individual and legal entity requesting CCC program payments either directly or indirectly. Annual certifications are made on form

CCC-931 or by a statement from a certified public accountant or an attorney.

Tracking of AGI Through Entity Ownership

If the participant is a general partnership or a joint venture, AGI certifications are required from each member who is an individual or entity and from each embedded interest holder.

If the participant is an entity, AGI certifications are required from the participating entity and from each interest holder who is an individual or entity and from each embedded interest holder.

Compliance with AGI rules will be tracked through four levels of legal entity ownership. If individuals or entities within those four levels do not comply with average AGI provisions, payments will be reduced by an amount commensurate with the ineligible share.

Definition of Farm Income

General farm income includes income derived from the production of crops and livestock from farming, ranching and forestry and other income reported on Schedule F of the IRS tax forms. See Table 1 for more information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs 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, political beliefs, genetic information, reprisal, or because all of part of an individual's income is derived from any public assistance program. (Not all 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, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

FACT SHEET**Average Adjusted Gross Income**

January 2012

Table 1. Source of Adjusted Gross Farm Income.

INCOME RELATED TO LIVESTOCK AND CROPS	OTHER TYPES OF INCOME
Production of livestock, including but not limited to: <ul style="list-style-type: none"> - cattle, sheep, goats, swine - elk, reindeer, bison, deer - horses - poultry - fish and other aquaculture products used for food - honeybees 	The sale of land that has been used for agriculture The sale of, including the sale of easements and development rights to: <ul style="list-style-type: none"> - farm land, ranch land or forestry land - water or hunting rights - environmental benefits
The feeding, rearing or finishing of livestock	The rental or lease of land or equipment used for farming, ranching or forestry operations, including water or hunting rights
Products produced by or derived from livestock	
Production of crops, specialty crops and unfinished raw forestry products	Any payment or benefit, including benefits from risk management practices, crop insurance indemnities and catastrophic risk protection plans
The processing, packing, storing, shedding and transporting of farm, ranch and forestry commodities, including renewable energy	Payments and benefits authorized under any program made applicable to payment eligibility and payment limitation rules
	Production of farm-based renewable energy
Any other activity related to farming, ranching or forestry as determined by the Deputy Administrator.	
Any income reported on the Schedule F or other schedule used by the person or legal entity to report income from farming, ranching or forestry operations to the IRS.	
In addition to all of the above, and specifically when the average adjusted gross farm income is at least 66.66 percent of the average AGI: <ul style="list-style-type: none"> • The sale of equipment to conduct farm, ranch, or forestry operations • The provision of production inputs and services to farmers, ranchers, foresters, and farm operations. 	

Table 2. Applicability of AGI Thresholds to Various CCC Programs

PROGRAM	APPLICABLE AGI LIMITATION
Commodity and Disaster programs including: DCP, ACRE, SURE, ELAP, LFP, LIP, TAP, NAP	The three-year average Nonfarm AGI shall not exceed \$500,000.
DCP Direct Payments	The three-year average Nonfarm AGI shall not exceed \$500,000 and the three-year average Farm AGI shall not exceed \$750,000.
Price Support benefits including Market Gains, Loan Deficiency Payments and MILC payments.	The three-year average Nonfarm AGI shall not exceed \$500,000.
All Conservation Programs administered by FSA and NRCS including: CRP, AMA, AWEP, CSTP, CCPI, EQIP, FRPP, WRP, WHIP	The three-year average Nonfarm AGI shall not exceed \$1 million, unless at least 66.66% of the total AGI was adjusted gross farm income. Note: This limitation may be waived on a case-by-case basis for environmental sensitive land of special significance.
All other programs	As determined by federal regulation for each program.



United States
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Agriculture



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

E-Government (Doing Business with FSA Electronically)



Background

USDA has made changes in the way it does business with its customers. USDA now provides information electronically to agricultural producers. E-Government is a way for the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and Rural Development (RD) to provide information systems that allow customers to receive USDA services electronically.

Producer Participation

For those interested in accessing USDA programs and services electronically, a Level 2 Account is needed. Instructions for obtaining a Level 2 account are available in a step-by-step format on the Montana FSA website at <http://www.fsa.usda.gov/mt> and by clicking on "I Want To" "Do Electronic Business with FSA on my Home Computer." The website for obtaining a Level 2 account is <http://www.eauth.egov.usda.gov/eauthCreateAccount.html> and click on Level 2 access.

Getting Started

Producers who want to conduct their business with USDA electronically using the Internet will need to have a Level 2 Account.

The producer will then:

- Fill out the online registration form,
- Create a user ID and password

- Respond to the confirmation e-mail the system sends to you.

The producer will receive a confirmation email within a few days and **must** respond to that email. If the e-mail is not answered within 7 days, the entire process must be redone.

To complete the sign-up for the Level 2 Account, the producer must:

- Take an official identification (state ID, state driver's license, military ID, or passport to the local USDA Service Center
- Ask to see a Local Registration Authority (LRA) – a USDA employee who can certify your identity and activate your USDA eAuthentication Account
- Request that the LRA ensure that you have a record in the Service Center Customer Database (SCIMS).

The LRA (which is an USDA employee) will:

- Verify your identity against your official identification
- Activate your USDA eAuthentication Level 2 account;
- Check the SCIMS database for your customer record.

When registered with Level 2 access, the customer has the ability to retrieve and submit forms on-line, review their 1099-G form, review FSA payment summary, Conservation program contracts, conservation plan information, and USDA Service Center locations. Producers may also sign up for programs on-line without ever leaving the comfort of their home.

Features

- The Customer Statement allows farmers and ranchers un-precedented online access to their business activities with USDA. Includes their year-to-date 1099G form.
- The site is very secure. To protect your identity, the Customer Statement does not show your Social Security number or Taxpayer ID. Instead, your information is linked to your USDA ID.
- Financial Inquiries allows producers the ability to generate reports showing their current and historical financial information related to FSA programs.
- View and print submitted contracts at any time.

For More Information

Your local USDA Service can provide answers to your questions regarding working with USDA electronically or you can log on to the Montana FSA homepage at: <http://www.fsa.usda.gov/mt>



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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012



E-Government - Quick Guide

Background

With the enactment of the Freedom to E-File Act, agriculture producers may access USDA information electronically. E-Government is a way for the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and Rural Development (RD) to provide information systems that allow customers to receive USDA services from home. Producers may apply for USDA programs on-line or view the current status of USDA services and individual program activity.

Helpful Internet Sites

- **Montana FSA Home Page** (www.fsa.usda.gov/mt) is the local link to programs affecting Montana.
- **eGovernment** <http://www.eauth.egov.usda.gov/eauthCreateAccount.html> is used by USDA customers to obtain accounts that will allow access to USDA Web applications and services via the Internet.
- **USDA Home Page** (www.usda.gov) provides information on USDA agencies and offices, featuring the latest program news, initiatives, policies and services.
- **National FSA Home Page** (www.fsa.usda.gov) is the national FSA website, with links to local offices, program sign-ups, forms, conservation programs, loans, fact sheets, and news releases.
- **National NRCS Home Page** (www.nrcs.usda.gov) is the national NRCS website, its programs, news and technical references. There are links for farmers and ranchers, communities, homeowners, teachers and students, and others who have business with NRCS or need information.
- **Montana NRCS Home Page** (www.mt.nrcs.usda.gov) provides information pertinent to producers on important sign-up dates and programs suited to Montana's natural resources.
- **eLDP** is an Internet-based service allowing producers to request Loan Deficiency Payments (LDP) on line and, in most cases, receive approval and payment by direct deposit within 48 hours.
- **eForms** (<http://forms.sc.egov.usda.gov/eforms/mainervlet>) provides online access to more than 300 USDA forms to view or print out. These are the forms most commonly used by FSA, NRCS, and RD.
- **TechReg** (<http://techreg.usda.gov>) makes it easy for farmers, ranchers and other USDA customers to find certified Technical Service Providers for their county, or for individuals to register and become certified.
- **eFOTG** (<http://www.nrcs.usda.gov/technical/efotg>) gives USDA customers access to electronic Field Office Technical Guides for each state. The guides contain technical information about the conservation of soil, water, air, and related plant and animal resources. Guides used in each field office are localized so they apply specifically to the geographic area for which they are prepared.
- **eDCP** (<http://www.fsa.usda.gov/edcp>) is an on-line service allowing producers to enroll in DCP online.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

April 2011

FSA County Committee Election

Overview

The election of agricultural producers to Farm Service Agency (FSA) county committees is important to ALL farmers and ranchers, whether beginning or long-established with large or small operations. It is crucial that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and the U.S. Department of Agriculture (USDA).

County committee members are a critical component of the operations of FSA. They help deliver FSA farm programs at the local level. Farmers and ranchers who serve on county committees help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers.

County committees provide local input on:

- Commodity price support loans and payments
- Conservation programs
- Incentive, indemnity and disaster payments for some commodities
- Emergency programs
- Payment eligibility

FSA county committees operate within official

regulations designed to carry out federal laws. County committee members apply their judgment and knowledge to make local decisions.

Election Period

June 15, 2011 – The nomination period begins. Request nomination forms from the local USDA Service Center or obtain online at <http://www.fsa.usda.gov/elections>.

Aug. 1, 2011 – Last day to file nomination forms at the local USDA Service Center

Nov. 4, 2011 – Ballots mailed to eligible voters

Dec. 5, 2011 – Last day to return voted ballots to the USDA Service Center

Jan. 2, 2012 – Newly elected county committee members take office.

Who Can Vote

Agricultural producers of legal voting age may be eligible to vote if they participate or cooperate in any FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm also may be eligible to vote. Members of American Indian tribes holding agricultural land are eligible to vote if voting requirements are met. More

information about voting eligibility requirements can be found in the FSA fact sheet titled “FSA County Committee Election - Eligibility to Vote and Hold Office as a County Committee Member.” Producers may contact their local USDA Service Center for more information.

Nominations

To become a nominee, eligible individuals must sign nomination form FSA-669A. The form includes a statement that the nominee agrees to serve if elected. This form is available at USDA Service Centers and online at <http://www.fsa.usda.gov/elections>.

Nomination forms for the 2011 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 1, 2011.

Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the county committee. Individuals may nominate themselves or others as a candidate. Additionally, organizations representing minority and women farmers or ranchers may nominate candidates. Nomination forms are filed for the county committee of the office that administers a producer’s farm records.

FACT SHEET**FSA COUNTY COMMITTEE ELECTION**

April 2011

Don't Miss Out on Voting

Ballots will be mailed to voters by Nov. 4, 2011, and must be returned to the FSA county office or postmarked by Dec. 5, 2011. Eligible voters must contact their local FSA county office before the final date if they did not receive a ballot.

Uniform Guidelines

USDA issued uniform guidelines for county committee elections to help ensure that FSA county committees fairly represent the agricultural producers of a county or multi-county jurisdiction, especially minority and women producers. Minorities are African-Americans, American Indians or Alaska Natives, Hispanics, Asians, Native Hawaiian or other Pacific Islanders. The guidelines govern the FSA county committee election process and are designed to increase participation of minorities and women.

The following are just some of the specifics of the guidelines that are now in effect:

- If no valid nominations are filed, the Secretary of Agriculture may nominate up to two individuals to be placed on the ballot.
- County committees must annually review local administrative area boundaries to ensure the fair representation of minority and women producers in their county or multi-county

jurisdictions.

- FSA county offices shall actively locate and recruit eligible candidates identified as minority and women farmers and ranchers as potential nominees for the county committee elections through outreach and publicity, including the development of partnerships with community-based organizations.

To read the guidelines in their entirety, visit the County Committee Elections page at <http://www.fsa.usda.gov/elections>.

In addition to minority and women producers, USDA strongly encourages beginning farmers to actively seek a position on a county committee.

Role of Advisors

In addition to elected members, FSA county committees may also include advisors. Advisors are appointed to county committees in counties or multi-county jurisdictions that have significant numbers of minority or women producers and lack such members on FSA county committees. Advisors play an important role by providing diverse viewpoints and by representing the interests of minorities and women in decisions made by county committees. FSA state committees officially appoint advisors who are recommended by county committees or community-based organizations.

For More Information

For more information about FSA county committees, visit a local FSA or USDA Service Center or the website at <http://www.fsa.usda.gov/elections>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

April 2011

FSA County Committee Election - Eligibility to Vote and Hold Office as a County Committee Member

Prospective Voter Requirements

A person who meets the requirements in No. 1 or No. 2 below, as well as No. 3, is eligible to vote.

1. Be of legal voting age and have an interest in a farm or ranch as either:

- An individual
- The authorized representative of an entity

2. Not of legal voting age, but supervises and conducts the farming operations of an entire farm.

3. Participates or cooperates in any U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) program that is provided for by law.

Discrimination Prohibited

USDA prohibits discrimination in all its programs 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.

Types of Eligible Voters

1. Individual Voter

An individual voter is someone who meets one or more of the following:

- Is eligible to vote in one's own right
- Is a partner of a general partnership
- Is a member of a joint venture

2. Nonindividual Voter

A nonindividual voter is a legal entity, such as a:

- Corporation, estate, trust, limited partnership or other business enterprise, excluding general partnerships and joint ventures
- State, political subdivision of a state or any state agency

Only the designated representative may cast a vote for the entity.

3. Interpretation of Voting Eligibility for Spouses in Community Property States

In community property states, the spouse of an eligible voter is eligible to vote.

4. American Indian Tribal Lands

Every member of an American Indian tribe is considered a landowner if the land in question is tribally owned or held in trust for the tribe by the United States. Members of American Indian tribes holding agricultural land are eligible to vote if voting requirements are met.

Voting Eligibility

1. Local Administrative Areas

A county or multi-county jurisdiction served by a county committee is divided into three to 11 Local Administrative Areas (LAA). Each LAA is represented by one member on the county committee. A person may only vote in one LAA in which he or she participates or cooperates in FSA programs or programs administered by FSA.

2. Multiple Farm Interests in Same County or Area

Eligible voters who participate or cooperate in FSA programs on separate farms in more than one LAA in the same county or multi-county jurisdiction may only cast one ballot. Such voters must choose only one LAA in which they wish to cast their ballots.

FACT SHEET

FSA County Committee Election - Eligibility to Vote and Hold Office as a County Committee Member

April 2011

3. Multi-County Jurisdictions

Eligible voters with separate farming interests in more than one county or committee jurisdiction are eligible to vote in the election conducted for each jurisdiction's committee. Voting is limited to one LAA in which farming interests are located. Only one vote may be cast in each county or multi-county jurisdiction.

Eligibility to Hold Office

To hold office as a county committee member, a person must meet each of the basic eligibility requirements described below:

1. Participate or cooperate in a program administered by FSA
2. Be eligible to vote in a county committee election
3. Reside in the LAA in which the person is a candidate

NOTE: In special cases, this requirement may be waived. Check with the local FSA office.

4. A person must not have been:

- Removed or disqualified from the office of county committee member, alternate or employee
- Removed for cause from any public office or have been convicted of fraud, larceny, embezzlement or any other felony

- Dishonorably discharged from any branch of the armed services

People uncertain about their eligibility to vote in the county committee election should contact their local FSA office. Affirmation of eligibility to vote must be determined in order for a vote to count in an election.

Any candidate may request that all voted ballots for an individual county committee election be returned to the respective FSA state office in lieu of being returned to the FSA county office. This request must be in writing and submitted to the local FSA county executive director prior to the announced end of the nomination period.

During the election period, individuals not receiving a ballot in the mail may obtain a ballot directly from their FSA county office. The ballot must be cast on or before the election deadline.

For More Information

For more information about FSA county committees, visit a local FSA or USDA Service Center or the website at <http://www.fsa.usda.gov/elections>.

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Geographical Information System (GIS)

According to the 2008 Farm Bill

Overview

In order for the USDA Farm Service Agency (FSA) to determine producer benefits for most program areas, FSA must know the specific crop acreage or other land use information.

In the past, FSA used aerial photos or visited farms to assist producers with determining acres or other land-based information.

In the last decade, FSA has modernized its aerial maps and implemented Geographical Information System (GIS) and Global Positioning (GPS) technology. GIS and GPS are helping FSA measure land features by allowing computer-generated maps to interact with databases that store information about land. This will assist local FSA offices in:

- Helping producers continue to exercise sensible land stewardship;
- Provide quicker, more accurate information for decision-making purposes; and
- Reduce the amount of time a producer must spend working with FSA in order to participate in FSA programs.

Geographic Information Systems

Geographic Information Systems are composed of both hardware and software that allows users to analyze information, conduct business more efficiently and

display results of these efforts on maps. Since virtually all Farm Service Agency actions are tied to specific locations they can essentially all be mapped. For FSA, a GIS can have many uses such as farm records management, disaster assessments, future planning activities and various management assessments.

GIS stores spatial and geographic information for three different types of areas:

- Places that have area, like farms, fields, wetlands, and neighborhoods;
- Places without area, such as the location of a grain bin, building, or tractor; and
- Places that have a beginning and end, such as major highways, private roads, and streets.

GIS stores this and other data and uses satellite imagery or aerial photography as a basemap for the overlay of these layers. GIS allows for much more detailed information than is contained in a hard copy map with a color-coded legend. Each layer can store and display vast amounts of information, such as soil types, crops, land boundaries, place names, and populations.

Common Land Unit

The most critical component of GIS is the development of the Common Land Unit (CLU) data

layer. A CLU in other words is a field. The CLU layer will ultimately include all farm fields, rangeland, and pastureland.

Global Positioning Systems

GPS is an accompanying technology that can be integrated with GIS for even greater analysis of real world information. GPS handheld units can calculate the user's exact location.

Integrating GIS and GPS Technologies

FSA is integrating GIS layers and GPS information to increase the efficiency, accuracy, and timeliness of FSA program administration. GPS data layers, ortho-photography, soils layers, public land survey data, and many other data layers can be placed on top of each other inside one GIS project.

GIS and GPS help FSA store and utilize information on field boundaries of land and attributes for each field, such as field number, crop type, and producer information. Aerial photography, grain bins, private roads, and field boundaries can all be displayed in GIS at the same time. Each of these layers, excluding the aerial photography, has a database associated with it which stores detailed information.

How FSA is Using GIS and GPS

FSA is using GIS and GPS effectively in these program areas:

Farm Commodity Programs

- Assist producers in making informed decisions about program participation and benefits,
- Measure and inventory fields, acres, and land-use categories;
- Identify and map environmentally sensitive acreage;
- Map and appraise type and extent of crop damage due to natural disaster events, such as hail, flooding, or tornados;
- Map and inventory farm site information, such as storage facilities and well heads, when needed for program implementation; and
- Maintain and share farm records and maps digitally with producers.

Farm Loan Program

- Track the location of farms under loan;
- Determine the location of farms, buildings, and structures for appraisals; and
- Locate areas of environmental concern, including easements,

wetlands, and highly erodible land.

Conservation Programs

- On demand assessment of possible CRP acres; and
- Determine eligibility in conservation programs.

Emergency Preparedness

- Assess the impact of disasters on agricultural facilities;
- Assess the impact of weather events to help determine emergency declarations;
- Determine agricultural enterprises within the plume area during a REP exercise;
- Assist with homeland security; and
- Locate environmental hazards.

Compliance Programs

- Verify compliance with program rules by checking farm acreage, field layout, and field boundaries; and
- Identify discrepancies between reported crops and actual crops.

Price Support Programs

- Collect location and capacity information on storage facilities; and
- Identify areas eligible for disaster assistance programs.

Producer Benefits

Producers may request copies of USDA imagery, farm and field boundaries, and soils data to help them with crop planting strategies; mapping and monitoring fertilizer and herbicide application; and decision-making on the farm.

For Additional Information

Additional information may be obtained from the state FSA GIS coordinator or through the Montana FSA website at <http://www.fsa.usda.gov/mt>.

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United States
Department of
Agriculture



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012



Outreach

Background

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) provides educational information regarding farm commodity and conservation programs to all interested individuals.

FSA implements outreach activities to individuals, especially the underserved, or those individuals who have historically not participated in the Agency's programs and services.

Underserved customers include:

- Farmers/ranchers and landowners/operators with limited resources, minority groups (including American Indians, Alaskan Natives, and Aleuts), women, and the physically challenged who may need, but have not fully benefited from, USDA assistance;
- Individuals and groups who have not participated in or have received limited benefits from FSA programs that may improve their quality of life and/or the environment;
- Rural and urban community members;
- Members of religious minorities;

- Small specialty crop farmers, organic farmers, and other farmers with production practices which are different from most farmers in the area.

FSA's goal is to increase the participation of underserved customers in programs offered.

To ensure maximum participation in FSA programs and services for underserved customers, FSA works with its partners and customers to eliminate the following barriers:

- All forms of discrimination, including racial, ethnic, cultural, and gender prejudices;
- Language, communication, transportation, and FSA program requirements and signup procedures;
- Limited access to FSA programs in remote areas.

FSA Employees:

- Provide resources to assist underserved farmers and ranchers improve their income through better farm management and financial planning;
- Provide information on all FSA programs including loan programs for those who are unable to obtain conventional credit;
- Work with federal, state and local agencies and land-grant and Tribal colleges to provide technical assistance,

- training, and enhanced program delivery to underserved communities;
- Assist customers in understanding USDA programs and applying for program benefits;
- Provide program and service information to all customers in a customer-friendly and timely manner.

FSA in Montana

- Provides office time on all seven of Montana's reservations. Contact the local county FSA office for specific office hours on your reservation. FSA will continue to collaborate with the Intertribal Agriculture Council to help American Indians improve access to FSA programs.
- In cooperation with other USDA agencies hosts the Women Stepping Forward for Agriculture Symposium addressing pertinent issues facing women involved in Montana agriculture. This event is held in the fall and moves to different geographical areas throughout the state. For 2012, the symposium will be held Sept. 25-27-, 2012 in Great Falls.
- During 2012, FSA in Montana will focus on providing FSA program information to all Montana residents.

- Ensures equal representation of minorities and underserved customers on local FSA county committees.
- Provides educational information regarding programs administered by FSA through media sources, Montana agricultural and community organizations, schools, and state and federal agencies.
- Provides educational materials to Montana schools stressing the importance of Agriculture to Montana.
- Maintains the Montana FSA website at <http://www.fsa.usda.gov/mt> which includes important program information and signup deadlines pertinent to Montana producers.
- Attends career fairs, natural resource symposiums and agricultural organization conventions to provide program information and career opportunities offered through FSA.

For Additional Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at www.fsa.usda.gov/mt. The telephone numbers are usually listed in the telephone directory under the United States Government, U.S. Department of Agriculture.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Payment Limitations and Financing Provisions Frequently Asked Questions



Q. If two partnerships – whose members are the same – are financed with a single loan or line of credit and they have no equipment or land contributions, will they be actively engaged in farming?

A. No, because the contributions of capital do not come from separate and distinct accounts.

Q. If multiple farming operations operate out of a joint bank account instead of separate accounts, can those operations be considered separate farming operations?

A. No, separate and distinct operations must maintain separate and distinct accounts. Furthermore, if they had established separate accounts in addition to the joint account, but the contributions were made (bills paid, etc.) from the joint account, then the requirement for separate “persons” is not met.

Q. Can an individual partner in a partnership use his/her share of the partnership’s assets to secure individual capital?

A. No, the individual must provide security separate and distinct from any other person with an interest in his farming operation, or in whose farming operation that individual has an interest in. However, the partnership itself may obtain the necessary financing using its own assets as security.

Q. Can partners in a partnership co-sign or guarantee the financing for that partnership?

A. Yes, additionally, the FSA County Committee (COC) may consider those partners who do not sign the note as not sharing in the joint operation’s financial risk.

Q. Can a farm manager or agent make capital contributions for a farming operation (pay bills, etc.) if the farming operation later reimburses the agent from a separate and distinct account?

A. No, eligible contributions must be direct out-of-pocket contributions.

Q. Can a farming operation be financed by the landlord without affecting the tenant’s payment limitation determination?

A. No, financing cannot come from any individual, joint operation or entity that has an interest in the farming operation. A landlord or landowner is automatically considered to have an interest in the operation, regardless of the type of lease agreement.

Q. Can a trustee of an irrevocable trust co-sign or guarantee the financing for that trust without affecting the trust’s payment limitation determination?

A. Yes, as long as the trustee does not have an interest in the Trust’s farming operation such as the

Trust leasing land from the Trustee.

Q. If a farm operating plan is approved by FSA, and changes occur to the structure of the financing later in the crop year, is the producer required to inform FSA of these changes?

A. Yes, these changes must be immediately reported to FSA because the changes may affect the initial determination. Failure to report changes may result in ineligibility and require a refund of payments.

Q. Does FSA review financial documents?

A. Yes, FSA may also review bank accounts and accounting ledgers, and request tax records to ensure all requirements have been met and the producer has followed their Farm Operating Plan (CCC-902), as certified.

For Additional information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at <http://www.fsa.usda.gov/mt>.

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2012 Montana Farmer & Rancher FSA Handbook

Conservation Programs

- ❖ CRP - Conservation Reserve Program
- ❖ CRP -General Signup 43 & EBI (*March 12-April 6, 2012*)
- ❖ CRP - Continuous Signup
- ❖ CRP - Duck Nesting Habitat Initiative
- ❖ CRP - Highly Erodible Land Initiative (Continuous Signup)
- ❖ CRP - State Acres for Wildlife Enhancement (SAFE)
- ❖ CRP - Transition Incentives Program
- ❖ CRP Wetlands Initiatives
- ❖ Conservation Reservation Enhancement Program (CREP)
- ❖ CREP - Montana's Missouri/Madison River systems
- ❖ Farmable Wetlands Program
- ❖ Grassland Reserve Program
- ❖ Source Water Protection Program
- ❖ Voluntary Public Access and Habitat Incentive Program (VPA-HIP)



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
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January 2012



Conservation Reserve Program

Authorization

The Conservation Reserve Program (CRP) was initiated in the 1985 Farm Bill and allowed farmers and ranchers to enter into contracts and plant grasses and trees on highly erodible cropland to prevent erosion.

2011 marks the 25th anniversary of the implementation of the first CRP contracts. Through those 25 years, CRP has made impressive achievements. In Montana alone, tons of soil are saved from erosion each year, which means Montanan's have fresher air and cleaner, safer water for drinking, recreation and wildlife habitat.

The 2002 Farm Bill amended the Conservation Reserve Program (CRP) to include the Managed Haying and Grazing option.

Overview

CRP is a voluntary program that offers annual rental, and cost-share assistance to establish approved cover on eligible cropland.

The program encourages farmers to plant long-term resource-conserving covers to improve soil, water quality, and wildlife resources. Cost-share assistance is available in an amount equal to not more than 50 percent of the eligible costs of establishing approved practices. Contract duration is between 10 and 15 years.

CRP is administered by FSA. The Natural Resources Conservation Service, Cooperative State Research and Education Extension Service, state forestry agencies, and local soil and water conservation districts provide technical support.

Eligible Land

To be eligible for placement in CRP, land must be:

- Cropland that is planted or considered planted to an agricultural commodity during four out of the six crop years from 1996 through 2001 (including field margins),
- and which is physically and legally capable of being planted in a normal manner to an agricultural commodity.

Additional Requirements for Cropland

In addition to the eligible land requirements, cropland must meet one of the following:

1. Have a weighted average Erosion Index (EI) of 8 or higher or be considered highly erodible land according to the conservation compliance provisions;
2. Be considered a cropped wetland;
3. Be subject to scour erosion;
4. Be located in a national or state CRP conservation priority area;

5. Be cropland associated with or surrounding noncropped wetlands.

Ranking Criteria

General Signup

Offers for CRP contracts are ranked according to the Environmental Benefits Index (EBI).

Data is collected for each of the EBI factors, based upon the relative environmental benefits for the land offered. Each eligible offer is ranked nationally in comparison to all others and selections are made from that ranking.

EBI Factors:

1. Wildlife habitat benefits resulting from covers on contract acreage;
2. Water quality benefits from reduced erosion, runoff, and leaching;
3. On-farm benefits of reduced erosion;
4. Benefits that will likely endure beyond the contract period;
5. Air quality benefits from reduced wind erosion;
6. Benefits of enrollment in conservation priority areas where enrollment would contribute to the improvement of identified adverse water quality, wildlife habitat, or air quality; and
7. Cost is calculated at the national level.

Producer Eligibility Requirements

A producer must have owned or operated the land for at least 12 months prior to close of the general signup period, unless:

- The new owner acquired the land as a result of death of the previous owner;
- The only ownership change occurred due to foreclosure where the owner exercised a timely right of redemption in accordance with state law; or
- The circumstances of the acquisition present adequate assurance to CCC that the new owner did not acquire the land for the purpose of placing it in CRP. Only the national FSA office can approve such a waiver.

Rental Rates

The rental rates are based on the relative productivity of soils within each county and the average dryland cash rent or the cash-rent equivalent.

The soil rental rates for each county have recently been updated and are available at your local county FSA office. The maximum CRP rental rate for each offer is calculated in advance of enrollment.

Producers may offer land at that rate or may offer a lower rental rate to increase the likelihood that their offer will be accepted.

Payment Limitation

The total CRP annual payment (including annual rental payments, signing incentive payments, practice incentive payments,) for an eligible "person" shall not exceed **\$50,000** per fiscal year. The total CRP annual payment is a combined total of all CRP programs, which includes general CRP, continuous CRP, Conservation Reserve Enhancement Program, Farmable Wetlands Program and FWP.

Other Payments

The restoration of wetlands is encouraged by offering a one-time incentive payment equal to 25 percent of the cost of restoring the hydrology of the site. This is in addition to the 50-percent cost share provided to establish approved cover.

Producer Responsibilities

All participants subject to a CRP contract must agree to the following, but are not limited to:

1. Carry out the terms and conditions of such CRP contract.
2. Implement the conservation plan in accordance with the schedule of dates included in such conservation plan.
3. Not allow unauthorized grazing, harvesting or other commercial use of any crop from the cropland subject to such contract.
4. Establish and maintain the required vegetative or water cover and the required practices.
5. Comply with noxious weed laws of the State of Montana or local jurisdiction on such land.
6. 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 to provide such maintenance as necessary, or may be specified in the CRP conservation plan, to avoid an adverse impact on surrounding land, taking into consideration water quality, wildlife, and other needs.

Mid-Contract Management Activity

All CRP participants with contracts effective beginning with signup 26 are required to perform

management activities as part of their approved conservation plan. These management activities shall be designed to ensure plant diversity and wildlife benefits, while ensuring protection of the soil and water resources. Management activities are site specific and are used to enhance the wildlife benefits for the site. Management activities **must** be completed before the end of year 6 for contracts with a 10 year contract length, or before the end of year 9 for contracts with a 15 year contract length. In no case should management activities occur during the last 3 years of the CRP contract.

Continuous Signup

For detailed information on the CRP Continuous Signup, see FSA Fact Sheet: "*CRP Continuous Signup*" included in this handbook.)

For More Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at <http://www.fsa.usda.gov/mt>

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE

February 2012

Conservation Reserve Program, General Sign-Up 43, March 12-April 6, 2012

Overview

USDA's Farm Service Agency (FSA) will hold a Conservation Reserve Program (CRP) general sign-up from March 12 through April 6, 2012.

CRP is a voluntary program that helps agricultural producers use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant long-term, resource-conserving covers to control soil erosion, improve water and air quality and develop wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Contract duration is between 10 to 15 years. Accepted contracts for CRP sign-up 43 will begin on Oct. 1, 2012.

FSA administers CRP, while other USDA agencies and partners provide technical support. More detailed information on CRP is available in the FSA fact sheet, "**Conservation Reserve Program.**"

Submitting CRP Offers

Land that is not currently enrolled in CRP may be offered for enrollment during CRP sign-up 43. In addition, CRP participants with contracts expiring on Sept. 30, 2012, may submit offers.

To submit CRP offers, produc-

ers must visit their local FSA office. FSA will accept offers only during the sign-up period. To find a local FSA office, visit the USDA website at <http://offices.sc.egov.usda.gov/locator/app>.

Eligible Producers

To be eligible for CRP enrollment, a producer must have owned or operated the land for at least 12 months prior to the end of the CRP sign-up period, unless:

- The new owner acquired the land due to the previous owner's death;
- The ownership change occurred due to foreclosure where the owner exercised a timely right of redemption in accordance with state law or;
- The circumstance of the acquisition present adequate assurance to FSA that the new owner did not acquire the land for the purpose of placing it in CRP.

Eligible Land

To be eligible for placement in the CRP general sign-up, land must be cropland (including field margins) that is planted, or considered planted, to an agricultural commodity four of the six crop years from 2002 to 2007, and be physically and legally capable of being planted

(no planting restrictions due to an easement or other legally binding instrument) in a normal manner to an agricultural commodity. Alfalfa or other multiyear grasses and legumes grown in a rotation not to exceed 12 years may be eligible for CRP sign-up 43.

Additional Cropland Requirements

In addition to the eligible land requirements, for general sign-up, cropland must meet one of the following criteria:

- Have a weighted average erosion index of eight or higher;
- Be expiring CRP acreage or;
- Be located in a national or state CRP conservation priority area.

CRP Payments

FSA provides CRP sign-up 43 participants with annual rental payments, including certain incentive payments and cost-share assistance:

Rental Payments

- In return for establishing long-term, resource conserving covers, FSA provides rental payments to participants. FSA bases rental rates on the relative productivity of the soils within each county and the average dryland cash rent

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or cash-rent equivalent. County office staff working with the producer will calculate the maximum CRP rental rate for each offer prior to enrollment. Producers may offer land below the rate to increase the likelihood that FSA will accept their offer.

Cost-Share Assistance

- FSA provides cost-share assistance to participants who establish approved cover on eligible cropland. The cost-share assistance cannot exceed 50 percent of the participant's costs to establish approved practices.

Ranking CRP Offers

FSA will rank offers for CRP sign-up 43 according to the Environmental Benefits Index (EBI). FSA collects data (primarily based on location, soils information and selected conservation practice) and determines the environmental indices for the land offered.

FSA ranks each eligible offer in comparison to all other offers and selects from that ranking. After the sign-up ends, the Secretary will decide where to make the EBI cutoff. Those who have met previous sign-up EBI thresholds are not guaranteed a contract under this sign-up. Producers may consult with local FSA and NRCS staff on how to maximize EBI points and increase the likelihood that their offer will be accepted.

More information on EBI for CRP sign-up 43 is available by reading the FSA fact sheet, "**Conservation Reserve Program Sign-up 43, Environmental Benefits Index.**"

CRP Continuous Sign-up

In addition to CRP sign-up 43, producers at any time can participate in CRP continuous sign-up, in which producers can enroll the most environmentally sensitive land.

More information on CRP continuous sign-up is available in the FSA fact sheet "**Conservation Reserve Program Continuous Sign-up.**"

For More Information

For more information on CRP, contact a local FSA office, or visit FSA's website at <http://www.fsa.usda.gov/crp>

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To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

February 2012

Conservation Reserve Program Sign-Up 43 Environmental Benefits Index (EBI)

Overview

USDA's Farm Service Agency (FSA) will hold a Conservation Reserve Program (CRP) general sign-up from March 12 through April 6, 2012.

CRP is a voluntary program that helps agricultural producers use environmentally sensitive land for conservation benefits. Producers enrolled in CRP plant or maintain long-term, resource-conserving covers to control soil erosion, improve water and air quality and enhance wildlife habitat.

More information on CRP sign-up 43 is available in the FSA fact sheet, "**Conservation Reserve Program General Sign-up 43, March 12 through April 6, 2012.**"

Ranking CRP Offers

FSA will rank offers for CRP sign-up 43 according to the Environmental Benefits Index (EBI). FSA collects data for each EBI factor based on the relative environmental benefits for the land offered. EBI rankings are unique for each tract of land offered into CRP.

FSA assigns each offer a point score based on the offer's relative environmental factors. Each offer competes with all other offers. FSA determines offer acceptability based on the ranking results.

For CRP sign-up 43, FSA will use the following EBI factors to assess the environmental benefits for the land offered:

- Wildlife habitat benefits resulting from covers on contract acreage (N1);
- Water quality benefits from reduced erosion, runoff and leaching (N2);
- On-farm benefits from reduced erosion (N3);
- Benefits that will likely endure beyond the contract period (N4);
- Air quality benefits from reduced wind erosion (N5) and;
- Cost (N6).

N1 - Wildlife Factor Point score: 0 to 100

Factor N1 is an evaluation of the expected wildlife benefits of the offer and is comprised of three subfactors (N1a-c). The formula for $N1 = N1a + N1b + N1c$.

• N1a - Wildlife Habitat Cover Benefits (0 to 50 points)

This subfactor is an evaluation of the wildlife habitat cover offered. FSA assigns points for cover practice planting mixtures based on the potential value to wildlife within each state. FSA awards higher scores for cover types that are more beneficial to wildlife. Local USDA Service Centers have a list of approved planting mixes and the assigned point scores for each cover mix. Point scores are based on the weighted average score for cover mixes the producer selects. Native mixes of diverse species generally receive the highest point scores. Eligible cover practices under the N1a criteria are in Table 1.

(Producers should note that

wildlife habitat cover selection is the most critical factor impacting wildlife benefits. Optimum cover types significantly increase the point score for this factor).

• N1b - Wildlife Enhancement (0, 5, or 20 points)

This subfactor provides up to 20 points for actions producers take to enhance the wildlife benefits for the offered acreage. Enhancement to the acreage is necessary in order to receive the points. For example, to receive 20 points producers may offer to establish a minimum of 10 percent of the acreage offered to pollinator habitat. Eligible practices under the N1b criteria are provided in Table 2.

• N1c - Wildlife Priority Zones (0 or 30 points)

FSA consulted with farm, commodity, wildlife and environmental groups to develop high-priority wildlife areas that would benefit from being enrolled in CRP. For land located within this defined geographic area, points are awarded for planting cover mixes to benefit wildlife species. This subfactor provides 30 points if at least 51 percent of the offered acreage is located within the wildlife priority zone and the weighted average N1a score is greater than or equal to 40 points.

N2 - Water Quality Benefits from Reduced Erosion, Runoff and Leaching Point Score: 0 to 100

One of CRP's main goals is to reduce the amount of sediment, nutrients and pollutants that enter our nation's waterways. Factor N2 is an evaluation of the poten-

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tial impacts that CRP may have on both surface and groundwater quality. N2 is comprised of three subfactors (N2a-c). The formula for $N2 = N2a + N2b + N2c$.

- **N2a - Location (0 or 30 points)**

This subfactor is an evaluation of the benefits of improving ground or surface water quality impaired by crop production. States have identified water quality zones for protection. At least 51 percent of the acreage offered must be within an approved water quality zone to receive 30 points. Local USDA Service Centers have detailed maps of the approved water quality zones.

- **N2b - Groundwater quality (0 to 25 points)**

This subfactor is an evaluation of the predominant soils, the potential leaching of pesticides and nutrients into groundwater, and the impact to people who rely on groundwater as a primary source of drinking water. Point scores are based on the weighted average leach index for soils offered for enrollment and the population that utilizes groundwater for drinking.

- **N2c - Surface water quality (0 to 45 points)**

This subfactor is an evaluation of the amount of sediment that may be delivered into streams or other water courses and the human population that may be affected. This factor is determined by potential water erosion, distance to the water and the watershed in which the offer is located.

N3 - Erosion Factor Point score: 0 to 100

CRP helps maintain the long-term productivity of the land for future generations. Factor N3 is an evaluation of the potential for the

land to erode as the result of either wind or water erosion. This factor is measured using an Erodibility Index (EI). FSA awards points for the weighted average of the higher value of either the wind or water EI, based on the results from Table 3.

N4 - Enduring Benefits Factor Point Score: 0 to 50

Factor N4 is an evaluation of the likelihood for certain practices to remain in place beyond the CRP contract period. N4 values are determined by calculating the weighted average score for all practices in Table 4.

N5 - Air Quality Benefits From Reduced Wind Erosion Point Score: 0 to 45 points

Factor N5 is an evaluation of the air quality improvements by reducing airborne dust and particulate caused by wind erosion from cropland. In addition, this factor has points for the value of CRP land that provides carbon sequestration. This factor is comprised of four subfactors (N5a-d). The formula for $N5 = N5a + N5b + N5c + N5d$.

- **N5a - Wind Erosion Impacts (0 to 25 points)**

FSA will determine the potential for the site to have wind erosion damage. FSA will award points based on potential wind erosion and the amount of population that may be impacted by the erosion. The potential wind erodibility is based on a climatic factor (wind speed, wind direction and duration of wind events) and soil erodibility.

- **N5b - Wind Erosion Soils List (0 or 5 points)**

A list of soils that are susceptible to wind and contribute significantly to nonattainment of air quality

standards has been developed.

These soils have a dominant component of volcanic or organic materials that are highly erodible and can be transported great distances on the wind. If at least 51 percent of the offered acres are comprised of these soils, the offer is awarded five points.

- **N5c - Air Quality Zones (0 or 5 points)**

FSA awards a maximum of five points if at least 51 percent of the acreage offered is located in an air quality zone that contributes to nonattainment of air quality standards and the calculated weighted wind EI is equal to or greater than three.

- **N5d - Carbon Sequestration (3 to 10 points)**

The subfactor is an evaluation of the benefits of sequestering greenhouse gases by practice over the expected life of the practice. FSA awards points based on a weighted average of carbon sequestration benefits for all practices using the value in Table 5.

N6 - Cost

Factor N6 is an evaluation of the cost of environmental benefits per dollar expended. This factor assists in optimizing environmental benefits per dollar for CRP rental payments. Factor N6 is comprised of two subfactors (N6a and N6b). The formula for $N6 = N6a + N6b$.

- **N6a - Cost (point value determined after end of sign-up based on actual offer data)**

Offers with lower per acre rental rates may increase chances of being accepted.

- **N6b - Offer Less Than Maximum Payment Rate (0 to 25 points)**

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Offers equal to the maximum payment rate will receive 0 points. Offers below the maximum payment rate will receive points according to the value in Table 6.

EBI Threshold for Acceptance

After CRP sign-up 43 ends on April 6, 2012, FSA will analyze and rank all eligible offers. The Secretary of Agriculture will then determine the EBI threshold used to accept offers. Because CRP is a highly competitive program, producers who would have met previous sign-up EBI cutoffs are not guaranteed an offer acceptance under CRP sign-up 43.

Making CRP Offers More Competitive

While the United States has over 360 million acres of cropland, the maximum CRP enrollment authority is 32 million acres. As such, the demand to enroll land in CRP is expected to be greater than the amount that FSA can accept.

To make offers more competitive, producers should consider the following:

- The single most important producer decision involves determining which cover practice to apply to the acreage offered. Planting or establishing the highest scoring cover mixture is the best way to improve the chances of offer acceptance.
- Producers should only offer the most environmentally sensitive land. Where possible, subdividing fields to include only the most sensitive acreage can substantially increase the point score for erosion and improve the water quality score and/or air qual-

ity score. Producers should consider enhancing covers for the benefit of wildlife or establishing pollinator habitat. In addition, producers may plant and manage hardwood or softwood trees that increase wildlife habitat values or restore certain rare and declining habitats. These potentially increase the EBI score in subfactors N1a and N4.

- Producers should consider accepting a lower payment rate than the maximum amount FSA is willing to offer.

FSA also encourages producers to consult with local USDA experts on steps to take to maximize EBI points and increase the likelihood that an offer will be accepted.

For More Information

For more information on CRP, contact a local FSA office or visit FSA's CRP website at <http://www.fsa.usda.gov/crp>

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FACT SHEET**CRP Sign-Up 43 Environmental Benefits Index**

February 2012

Table 1 – Cover Practices (CP) for the N1a Criteria		Point Score
CP1 – Permanent introduced grasses and legumes		
Existing stand of one to three species or planting new stand of two to three species of an introduced grass species		10
Existing stand or planting mixture (minimum of four species) of at least 3 introduced grasses and at least one forb or legume species best suited for wildlife in the area.		40
CP2 – Establishment of new permanent native grasses and legumes		
Existing stand (minimum of one to three species) or planting mixed stand (minimum of three species) of at least two native grass species and at least one forb or legume species beneficial to wildlife.		20
Existing stand or planting mixed stand (minimum of five species) of at least 3 native grasses and at least one shrub, forb, or legume species best suited for wildlife in the area.		50
CP3 – Tree planting (general) 2/		
Southern pines (softwoods) – Solid stand of pines/softwoods (existing, according to state developed standards, or planted at more than 550 trees per acre).		10
Northern conifers (softwoods) – Solid stand of conifers/softwoods (existing, according to state developed standards, or planted at more than 850 trees per acre).		10
Western pines (softwoods) – Solid stand of pines/softwoods (existing, according to state developed standards, or planted at more than 650 trees per acre).		10
Southern pines (softwoods) – Pines/softwoods existing or planted at a rate of 500 to 550 per acre depending upon the site index (state-developed standards) with 10 to 20 percent openings managed to a CP4D wildlife cover.		50
Northern conifers (softwoods) – Conifers/softwoods existing or planted at a rate of 750 to 850 trees per acre depending upon the site index (state-developed standards) with 10 to 20 percent openings managed to a CP4D wildlife cover.		50
Western pines (softwoods) – Pines/softwoods existing or planted at a rate of 550 to 650 per acre depending upon the site index (state-developed standards) with 10 to 20 percent openings managed to a CP4D wildlife cover.		50
CP3A – Hardwood tree planting		
Existing or planting solid stand of nonmast producing hardwood species.		10
Existing or planting solid stand of a single hard mast producing species.		20
Existing or planting mixed stand of two hardwood species best suited for wildlife in the area.		30
Existing or planting mixed stand (three or more species) of hardwood species best suited for wildlife in the area.		50
Existing or planting stand of Longleaf pine or Atlantic white cedar - Planted at rates appropriate for the site index.		50
CP4B - Permanent wildlife habitat (corridors), noneasement.		
Existing stand or planting mixed stand (minimum of four species) of either grasses, trees, shrubs, forbs, or legumes planted in mixes, blocks, or strips best suited for various wildlife species in the area. A wildlife conservation plan must be developed with the participant.		40
Existing stand or planting mixed stand (minimum of five species) of either predominantly native species including grasses, forbs, legumes, shrubs, or trees planted in mixes, blocks, or strips best suited to providing wildlife habitat. Only native grasses are authorized. Introduced grasses are not authorized for and cannot be included in cover mixes for 50-point N1a scores for CP4B. A wildlife conservation plan must be developed with the participant.		50

FACT SHEET**CRP Sign-Up 43 Environmental Benefits Index**

February 2012

Table 1 – Cover Practices (CP) for the N1a Criteria	
	Point Score
CP4D - Permanent wildlife habitat, noneasement	
Existing stand or planting mixed stand (minimum of four species) of either grasses, trees, shrubs, forbs, or legumes planted in mixes, blocks, or strips best suited for various wildlife species in the area. A wildlife conservation plan must be developed with the participant.	40
Existing stand or planting mixed stand (minimum of five species) of either predominantly native species including grasses, forbs, legumes, shrubs, or trees planted in mixes, blocks, or strips best suited to providing wildlife habitat. Only native grasses are authorized. Introduced grasses are not authorized for and cannot be included in cover mixes for 50-point N1a scores for CP4D. A wildlife conservation plan must be developed with the participant.	50
CP12 –Wildlife food plot <u>3/</u>	
Wildlife food plots are small non-cost-shared plantings in a larger area. Wildlife food plots will never be the predominant cover.	NA
CP25 –Rare and declining habitat restoration <u>4/</u>	
Existing stand or seeding or planting will be best suited for wildlife in the area. Plant species selections will be based upon Ecological Site Description data.	50
CP42 – Pollinator Habitat	
Existing stand or planting of a diverse mix of multiple species suited for pollinators.	50
Footnotes:	
<u>1/</u> Cover that is existing or will be established must accomplish the purpose of the practice.	
<u>2/</u> State Conservationist may revise the Field Office Technical Guide (FOTG) on planting rate to be consistent with CRP. The opening for southern and western pines must be a minimum of two acres up to a maximum of five acres in size for fields of 20 acres and larger. For smaller fields, the size is based on a percentage. Opening in northern conifers will be one-half to two acres in size. The opening may include buffers on the interior of the field. Field edges (borders) may be used if they are irregular in shape and average 30 feet in width. Natural regeneration of native herbaceous or shrubby vegetation with required maintenance may be permitted within open areas if it is consistent with USDA Natural Resources Conservation Service (NRCS) technical standards and the Northern Bobwhite Conservation Initiative, and has concurrence from state fish and wildlife service (FWS) or U.S. FWS officials. Open areas of native grasses and/or shrub planting best suited for wildlife in the area is considered CP3 for EBI scoring and contract purposes.	
<u>3/</u> CP12 acreage is not included in the weighted average point score. For example, a 50-acre offer with 45 acres planted to CP25 and five acres planted to a wildlife food plot would calculate a weighted average using only the 45 acres of the CP25 planting. This calculates as follows: 45 acres x 50 points (CP 25 EBI score) = 2,250 points. 2,250 points / 45 acres = 50 points.	
<u>4/</u> Technical practice standards for the selected habitat type must meet applicable standards and be approved by FSA at least 30 calendar days before the beginning of sign-up.	

FACT SHEET

CRP Sign-Up 43 Environmental Benefits Index

February 2012

Table 2 - Practices for the N1b Criteria							
Practice	Point Score						
Conversion of at least 51 percent of a primarily monoculture stand to a mixture of native species that provides wildlife benefits.	20						
Establishment of pollinator habitat (CP42) that remains in the location of the CRP-1. The habitat size, shape, and composition must meet the following requirements: <table border="1" data-bbox="261 443 1170 632"> <thead> <tr> <th>CRP Acreage Offered</th> <th>Habitat Size Requirement</th> </tr> </thead> <tbody> <tr> <td>Less than 10 acres</td> <td>At least one acre of pollinator habitat. Habitat areas must be at least 0.5 acre.</td> </tr> <tr> <td>10 acres or greater</td> <td>At least 10 percent of the acreage offered in pollinator habitat. Habitat areas must be at least 0.5 acre.</td> </tr> </tbody> </table>	CRP Acreage Offered	Habitat Size Requirement	Less than 10 acres	At least one acre of pollinator habitat. Habitat areas must be at least 0.5 acre.	10 acres or greater	At least 10 percent of the acreage offered in pollinator habitat. Habitat areas must be at least 0.5 acre.	20
CRP Acreage Offered	Habitat Size Requirement						
Less than 10 acres	At least one acre of pollinator habitat. Habitat areas must be at least 0.5 acre.						
10 acres or greater	At least 10 percent of the acreage offered in pollinator habitat. Habitat areas must be at least 0.5 acre.						
Annual or permanent food plot (CP12) that remains in the same location for the contract length, or rotated food plot (CP12) for which the location on the contract is moved during the contract length consistent with the NRCS Field Office Technical Guide up to 10 percent of a field, not to exceed 5 acres per field.	5						

Table 3 - Erodibility Index Points <u>1/</u>					
EI	Points	EI	Points	EI	Points
4	1	10	22	16	79
5	2	11	29	17	92
6	4	12	37	18	97
7	7	13	46	19	98
8	11	14	56	20	99
9	16	15	67	21+	100

1/ EI of less than 4 = 0 points

Table 4 - Practices for the N4 Criteria	
Practice	Point Score
New hardwood tree, longleaf pine, and/or Atlantic white cedar plantings (CP3A) and CP25 (Rare and declining habitat restoration) if the plant community is existing or will be established to primarily trees.	50
Existing or enhanced stand of hardwood tree, longleaf pine, and/or Atlantic white cedar plantings (CP3A).	40
New pine/softwood tree (CP3).	30
Rare and declining habitat restoration (CP25) where the plant community is existing or will be established to a primarily grass and/or shrub complex, or CP42.	25
Existing pine/softwood tree - original contract signed as CP3.	20
CP1, CP2, CP4B, CP4D.	0

FACT SHEET**CRP Sign-Up 43 Environmental Benefits Index**

February 2012

Practice	Point Score
CP3 (Tree planting - general), CP3A (Hardwood tree planting), and CP25 (Rare and declining habitat restoration) planted to trees.	10
CP25 (Rare and declining habitat restoration) planted to grass/shrub complexes, and CP42 (Pollinator Habitat).	5
CP4B (Permanent wildlife habitat (corridors), noneasement) and CP4D (Permanent wildlife habitat, noneasement).	4
CP1 (Permanent introduced grasses and legumes) and CP2 (Establishment of permanent native grasses).	3
CP12 (Wildlife food plot).	0

Percent Below Maximum Payment Rate	N6b Points
1	2
2	4
3	6
4	8
5	10
6	12
7	14
8	16
9	18
10	20
11	21
12	22
13	23
14	24
>=15	25



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE

January 2012

Conservation Reserve Program (CRP) Continuous Sign-Up

Overview

USDA Farm Service Agency's (FSA) Conservation Reserve Program (CRP) is a voluntary program that helps agricultural producers use environmentally sensitive land for conservation benefits. CRP participants plant long-term, resource-conserving covers to improve the quality of water and air, control soil erosion and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance.

FSA administers CRP while other USDA agencies and partners provide technical support. More detailed information on CRP is available in the FSA fact sheet "Conservation Reserve Program."

CRP Continuous Sign-Up

Environmentally sensitive land devoted to certain conservation practices may be enrolled in CRP at any time under continuous sign-up. Offers are automatically accepted provided the land and producer meet certain eligibility requirements. Offers for continuous sign-up are not subject to competitive bidding. Continuous sign-up contracts are 10 to 15 years in duration.

To offer land for continuous sign-up, producers should contact their local FSA office. To find your local office, visit FSA's website at: <http://offices.sc.egov.usda.gov/locator/app>

Contract Effective Date

For continuous sign-up, the effective date of the CRP contract is the first day of the month following the month of approval. In certain circumstances, producers may defer the effective date for up to six months.

If the acreage is currently under CRP contract and is within one year of the scheduled expiration date, the effective date is Oct. 1 following the expiration date.

Eligible Producers

To be eligible for CRP continuous sign-up enrollment, a producer must have owned or operated the land for at least 12 months prior to submitting the offer, unless:

- The new owner acquired the land due to the previous owner's death;
- The ownership change occurred due to foreclosure where the owner exercised a timely right or redemption in accordance with state law; or
- The circumstances of the acquisition present adequate assurance to FSA that the new owner did not acquire the land for the purpose of placing it in CRP.

Eligible Land

To be eligible for placement in CRP, land must be cropland that is planted or considered planted to an agricultural commodity four of the previous six crop years from 2002 to 2007, and is physically and legally capable of being planted (no planting restrictions due to an easement or other legally binding

instrument) in a normal manner to an agricultural commodity.

Eligible Practices

The land must be eligible and suitable for any of the following conservation practices:

- Riparian buffers;
- Wildlife habitat buffers;
- Wetland buffers;
- Filter strips;
- Wetland restoration;
- Grass waterways;
- Shelterbelts;
- Living snow fences;
- Contour grass strips;
- Constructed Wetlands;
- Restoration of Aquaculture Wetlands;
- Wildlife Habitat Restoration within approved State Areas for wildlife Enhancement Projects;
- Salt tolerant vegetation; and
- Shallow water areas for wildlife.

Land within an Environmental Protection Agency (EPA) designated public wellhead area also may be eligible for enrollment on a continuous basis.

CRP Continuous Sign-Up Payments

FSA provides CRP continuous sign-up participants with annual rental payments, including certain incentives and cost-share assistance:

- Rental Payments

In return for establishing long-term, resource-conserving covers,

FACT SHEET**CRP Continuous Sign-up**

July 2010

FSA provides annual rental payments to participants. FSA bases rental rates on the relative productivity of the soils within each county and the average dryland cash rent (using data provided by National Agricultural Statistical Service) or cash rent equivalent as guidelines. The maximum CRP rental rate for each offer is calculated in advance of enrollment.

The per-acre annual rental rate may not exceed the calculated rate determined in advance of enrollment. While continuous sign-up acceptance is not determined by a competitive offer process, producers may elect to receive an amount less than the maximum payment rate.

- Cost-Share Assistance
 - An upfront signing incentive payment (CRP-SIP) up to \$100 per acre for eligible participants who enroll certain practices. The one-time SIP will be made after the contract is approved and all payment eligibility criteria are met; and
 - A practice incentive payment (PIP) equal to 40 percent of the eligible installation costs for eligible participants who enroll certain practices. The one-time PIP will be issued after the practice is installed, eligible costs are verified and other payment eligibility criteria are met.

For More Information

For more information on CRP continuous sign-up, contact your local FSA office or visit FSA's website at: <http://www.fsa.usda.gov/crp>

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

April 2012

Conservation Reserve Program: Duck Nesting Habitat Initiative

Overview

USDA Farm Service Agency's (FSA) Conservation Reserve Program (CRP) Duck Nesting Habitat Initiative aims to restore up to 200,000 acres of certain wetlands located outside of the 100-year floodplain in Iowa, Minnesota, Montana, North Dakota, and South Dakota. Restoring these wetlands will provide nesting ducks with critical habitat, nesting cover, security from predators, and food. The initiative is estimated to increase duck numbers by 90,000 birds annually.

Benefits

This initiative will further CRP's large-scale achievements in protecting our country's wetlands and wildlife. CRP has restored two million wetland and wetland buffer acres nationwide. Through wetland restoration, CRP is credited with adding 2 million new ducks to our country's flyways each year.

Creating an additional 200,000 acres of large wetland complexes will:

- Provide vital habitat for upland ducks, sandhill cranes, and many other wildlife species;
- Filter runoff;
- Recharge groundwater supplies;
- Protect drinking water;
- Reduce downstream flooding; and
- Provide recreational opportunities, such as bird watching and hunting.

Eligibility

Enrollment is limited to Prairie Pothole Region land located outside the 100-year floodplain. For land with fewer than 25 duck pairs per square mile, participants may continue to enroll acreage at a 4-to-1 upland-to-wetland ratio under Conservation Practice (CP) 23A, Wetland Restoration, Non-floodplain. This means for every one acre of wetlands, there must be four acres of surrounding upland habitat.

For land with 25 or more duck pairs

per square mile, participants may enroll acreage up to a 10-to-1 upland-to-wetland ratio under CP37, Duck Nesting Habitat. The purpose of this practice is to increase duck populations by restoring the functions and values of wetland ecosystems that have been devoted to agricultural use.

Cropland must be suitably located and adaptable to the establishment of wetlands. Land eligible for the program must be capable of being restored to CRP wetland standards. Wetlands must include a buffer that will protect water quality and provide quality nesting habitat.

In addition, the producer must satisfy the basic eligibility and cropping historical criteria for CRP. These requirements are listed in the CRP fact sheet available on FSA's web site at <http://www.fsa.usda.gov/crp>.

To determine individual eligibility for the initiative, landowners should check with their local FSA office.

Hydrology

The site's hydrology must be restored. Vegetation in the wetland area will either be established or allowed to revegetate naturally.

Payments

FSA will offer the following types of payments:

- Annual Rent Payments for which FSA offers financial incentives of up to 20 percent of the soil rental rate for field windbreaks, grass waterways, filter strips, and riparian buffers;
- An upfront incentive payment (CRP-SIP) up to \$100 per acre for eligible participants who enroll certain practices. The one-time SIP will be made after the contract is approved and all payment eligibility criteria are met;
- A practice incentive payment (CRP-PIP) equal to 40 percent of

the eligible installation costs for eligible participants who enroll certain practices. The one-time PIP will be issued after the practice is installed, eligible costs are verified, and other payment eligibility criteria are met; and

- Cost-share Assistance of up to 50 percent of eligible practice installation costs.

Sign-up

Program sign-up at local FSA offices began Oct. 1, 2006, and will run continuously (meaning eligible land may be enrolled at any time) until 200,000 acres have been enrolled.

For More Information

More information on the CRP Duck Nesting Habitat Initiative is available at local FSA offices and on FSA's web site at <http://www.fsa.usda.gov>

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Conservation Reserve Program - Highly Erodible Land Initiative (Continuous Sign-Up)

Overview

USDA's Farm Service Agency's (FSA) Conservation Reserve Program (CRP) is a voluntary program that helps agricultural producers safeguard environmentally sensitive land. CRP participants plant long-term, resource-conserving covers to improve the quality of water, control soil erosion, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance.

FSA administers CRP, while other USDA agencies and partners provide technical support. More detailed information on CRP is available in the FSA fact sheet, "Conservation Reserve Program."

CRP Highly Erodible Land Initiative

Up to 500,000 acres of highly erodible cropland (defined as an Erodibility Index (EI) of 20 or greater) devoted to certain conservation practices may be enrolled in CRP at any time under continuous sign-up. Offers are accepted provided that certain eligibility requirements are met. Offers for continuous sign-up are not subject to competitive bidding. Continuous sign-up contracts are for a 10-year duration.

To offer land for continuous sign-up, producers should contact their local FSA office. To find your local office, visit FSA's website at: <http://offices.sc.egov.usda.gov/locator/app?state=us&agency=fsa>.

What Are the Benefits of Enrolling Highly Erodible Land?

On average, Highly Erodible Lands (EI >20) have an erosion rate in excess of 20 tons per acre per year. This erosion contributes to significant reductions in water quality and in the Western states it helps impair the air quality (dust storms) and offsite impacts such as windblown soil filling drainage ditches.

The conversion of highly erodible land to wildlife friendly conservation covers also will provide substantial benefits to wildlife while reducing soil erosion.

Producers that enroll in the practices will receive 10 years of annual rental payments plus up to 50 percent of the cost to establish the conservation cover. The payment rate will be dependent on the county where the land is located and the type of soils presented on the land offered for enrollment. Dependent on the location of the site producers have a number of cover options including: (1) native grasses; (2) wildlife cover mixes; and (3) trees, if suitable. A conservation plan must be developed in consultation with USDA's Natural Resources Conservation Service (NRCS) to assist in the establishment and management of the cover.

How Do I Find Out If My Land Qualifies for the Program?

Producers can stop by a local FSA office to determine what lands may qualify for the initiative. FSA uses the NRCS soil survey data

along with Geographic Information Systems to be able to identify which lands on a given farm are eligible. A producer can identify the field or a portion of a field that they would like to protect and within a few minutes FSA can determine if the land is Highly Erodible (EI greater than or equal to 20).

A producer may also want to visit either the NRCS or local soil and water conservation district office to assist them in determining if their land maybe eligible.

Contract Effective Date

For continuous sign-up, the effective date of the CRP contract is the first day of the month following the month of approval. In certain circumstances, producers may defer the effective date for up to 6 months.

If the acreage is currently under CRP contract and is within one year of the scheduled expiration date, the effective date is Oct. 1 following the expiration date.

Eligible Producers

To be eligible for CRP continuous sign-up enrollment, a producer must have owned or operated the land for at least 12 months prior to submitting the offer, unless:

- The new owner acquired the land due to the previous owner's death;
- The ownership change occurred due to foreclosure where the owner exercised a timely right or redemption in accordance with state law; or
- The circumstances of the acqui-

FACT SHEET**CRP - Highly Erodible Land Initiative**

January 2012

sition present adequate assurance to FSA that the new owner did not acquire the land for the purpose of placing it in CRP.

Eligible Land

To be eligible for placement in CRP, land must be cropland (including field margins) that is all of the following:

- Planted or considered planted to an agricultural commodity 4 of the previous 6 crop years from 2002 to 2007
- Physically and legally capable of being planted in a normal manner to an agricultural commodity; and
- Have a weighted average Erodibility Index of 20 or greater. The Erodibility Index uses the higher of the Erodibility Index for wind or water erosion.

Eligible Practices

Also, the land must be eligible and suitable for any of the following conservation practices:

- Introduced grasses and legumes (only as needed as determined by the Technical Service Provider)
- Permanent native Grass – wildlife friendly
- Tree planting – wildlife friendly
- Hardwood tree planting – wildlife friendly
- Permanent Wildlife Habitat
- Rare and Declining Habitat – wildlife friendly

Highly Erodible Land Initiative Payments

FSA provides CRP continuous sign-up participants with rental payments, including any incentives, and cost-share assistance:

- *Rental Payments*

In return for establishing long-term, resource-conserving covers, FSA provides annual rental payments to participants. FSA bases rental rates on the relative productivity of the soils within each county and the average dryland cash rent or cash rent equivalent. The maximum CRP rental rate for each offer is calculated in advance of enrollment.

While continuous sign-up acceptance is not determined by a competitive offer process, producers may elect to receive an amount less than the maximum payment rate.

- *Cost-Share Assistance*

FSA provides cost-share assistance to participants who establish approved cover on eligible cropland. The cost-share assistance can be no more than 50 percent of the participant's cost to establish approved practices.

There are no other financial incentive payments for the initiative.

For More Information

For more information on CRP continuous sign-up, contact your local FSA office or visit FSA's website at: <http://www.fsa.usda.gov/crp>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2011

Conservation Reserve Program - State Acres for Wildlife Enhancement (SAFE)

Overview

The United States Department of Agriculture (USDA) announced the first projects approved under the continuous Conservation Reserve Program (CRP) State Acres for Wildlife Enhancement (SAFE) initiative in 2008. SAFE is a voluntary program available under CRP's continuous signup. SAFE is designed to address state and regional high-priority wildlife objectives. Producers within a SAFE area can submit offers to voluntarily enroll acres in CRP contracts for 10-15 years. In exchange, producers receive annual CRP rental payments, incentives and cost-share assistance to establish, improve, connect or create higher-quality habitat. Available SAFE acres are allocated to projects approved by the Farm Service Agency (FSA). To date, 732,840 acres have been allocated to 89 approved SAFE projects in 34 States and Puerto Rico. This fact sheet provides a brief summary of each project.

Alabama

Alabama Black Belt Prairie Restoration SAFE

The goal of the Alabama Black Belt Prairie Restoration SAFE project is to enroll 3,800 acres in CRP to improve native grassland habitats for rare, threatened, endangered and declining species that are dependent on native prairie communities found within the Black Belt Prairie region of Alabama.

Arkansas

Arkansas Wetlands SAFE

The goal of the Arkansas Wetlands SAFE project is to enroll 3,500 acres in CRP to benefit targeted species to include the bald eagle, American black bear, American black duck and the Mississippi kite. In addition, many species on Arkansas' list of greatest conservation concern in the State Wildlife Action Plan, including habitat needs related to the ivory-billed woodpecker, will benefit from this habitat restoration.

Arkansas Trees SAFE

The goal of the Arkansas Trees SAFE project is to enroll 5,000 acres in CRP to restore trees, primarily hardwoods, to create habitat that will benefit the following species: American woodcock, swallow-tailed kite, bald eagle and American black bear.

Arkansas Grass SAFE

The goal of the Arkansas Grass SAFE project is to enroll 5,700 acres in CRP to restore early successional habitat that will benefit bobwhite quail as the focused species. In addition, another 53 species on Arkansas' list of greatest conservation concern in the State Wildlife Action Plan will potentially benefit from this SAFE.

Colorado

Colorado Lesser Prairie Chicken SAFE

The goal of the Colorado Lesser Prairie Chicken SAFE is to restore and enhance 9,900 acres of short and midgrass sand sagebrush prairie to maintain and enhance lesser prairie chicken populations in Colorado.

Colorado Plains Sharp-tailed Grouse SAFE

The goal of the Colorado Plains Sharp-tailed Grouse SAFE is to improve nesting and brood rearing cover for plains sharp-tailed grouse (PSTG) populations in northern Colorado through the re-enrollment and enhancement of 1,475 acres of existing grassland habitat in CRP that serve as critical habitat for the bird's population in the state.

Colorado Shortgrass Prairie SAFE

The goal of the Colorado Shortgrass Prairie SAFE is to preserve the integrity and expand the extent of shortgrass prairie managed for wildlife species in eastern Colorado. Project partners hope to accomplish this by enrolling 1,475 acres in CRP.

Colorado Western Slope Grouse SAFE

The goal of the Colorado Western Slope Grouse SAFE is to restore and enhance habitat for the Columbian sharp-tailed grouse, greater sage grouse and Gunnison sage-grouse. The program seeks to enroll 5,850 acres in CRP.

Georgia

Georgia Restoring Native Pine Savanna SAFE

The goal of the Georgia Restoring Native Pine Savanna SAFE is to establish and maintain 8,800 acres of pine savanna habitat for northern bobwhite and other species that depend on native groundcover (grass/forb/shrub) and are in decline.

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Idaho**Idaho Columbian Sharp-tailed Grouse SAFE**

The goal of the Idaho Columbian Sharp-tailed Grouse SAFE is to enroll 64,300 acres in CRP to increase quality grassland, shrub steppe, mountain brush and riparian habitat for the Columbian sharp-tailed grouse.

Illinois**Illinois Mercer County SAFE**

The goal of the Illinois Mercer County Pheasant SAFE is to increase pheasant habitat within the county by 800 acres over a five-year period by enrolling land in CRP. The project emphasizes the establishment of permanent native grasses and forbs that will also benefit other species of upland wildlife.

Illinois Prairie Habitat SAFE

The goal of the Illinois Prairie Habitat SAFE is to restore grassland and wetland habitats in upland landscapes occupied by tallgrass prairie and herbaceous wetlands. Enrolling 20,600 acres in CRP will benefit the Massassauga rattlesnake and other wetland prairie species such as Kirkland's watersnake and the northern crawfish frog.

Illinois Spoon River SAFE

The goal of the Illinois Spoon River SAFE project is to enroll 3,600 acres in CRP to enhance habitat primarily for pheasants. Other upland game and song bird species will also benefit from the increased acreage of habitat, thus providing increased economic and recreational opportunities.

Illinois Sangamon SAFE

The goal of the Illinois Sangamon SAFE project is to enroll

2,000 acres in CRP in Sangamon County, Ill., to benefit northern bobwhite quail and many other grassland species, including four state listed species: the northern harrier, Franklin's ground squirrel, Kirtland's water snake and the lined snake.

Indiana**Indiana Bat SAFE**

The goal of the Indiana Bat SAFE project is to enroll 2,100 acres in CRP to restore forest habitat and forested riparian habitat for the Indiana Bat which occurs throughout the state and is a federally listed endangered species.

Indiana Northern Bobwhite SAFE

The goal of the Indiana Northern Bobwhite SAFE project is to enroll 5,875 acres in CRP to restore grassland and shrubland habitats for the northern bobwhite quail. This species has declined significantly throughout the state, as well as the Midwest, and is of significant social and economic value to the people of Indiana.

Indiana Henslow's Sparrow SAFE

The goal of the Indiana Henslow's Sparrow SAFE project is to enroll 3,075 acres in CRP to restore grassland habitat for the Henslow's sparrow which is at-risk and has suffered significant declines throughout the state and Midwest. More specifically, the project will restore grassland habitat and maintain the cover in a diversity of successional stages and vegetation structure that meets the nesting and brood rearing requirements of the Henslow's sparrow as well as other grassland songbirds.

Indiana Sedge Wren/Grasshop-**per Sparrow SAFE**

The goal of the Indiana Sedge Wren/Grasshopper Sparrow SAFE project is to enroll 2,050 acres in CRP to restore wetland and grassland complexes as migratory habitat for shorebirds and nesting habitat for the sedge wren and grasshopper sparrow. Their populations are at-risk and have suffered significant population declines. Indiana is a significant migratory corridor for these species.

Iowa**Iowa Early Successional/Neotropical Birds SAFE**

The goal of the Iowa Early Successional/Neotropical Birds SAFE practice is to enroll 3,500 acres in CRP to develop habitat required by numerous bird species that are showing nationwide decline.

Iowa Gaining Ground SAFE

The goal of the Iowa Gaining Ground SAFE is to increase populations of ring-necked pheasant, dickcissel, bobolink and eastern meadowlark by enrolling 31,650 acres in CRP. The project seeks to enhance native plant communities in buffers around and near existing remnants of native prairie.

Iowa Grand River SAFE

The goal of the Iowa Grand River SAFE is to restore native habitat for five grassland dependant bird species of greatest conservation need in the Kellerton Bird Conservation Area in southeast Ringgold County. This will be accomplished by enrolling 4,500 acres of cropland or other acreage in CRP to create higher quality native grasslands.

Kansas**Kansas Upland Game Birds**

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The goal of the Kansas Upland Game Birds SAFE project is to improve populations of bobwhite quail and other grassland-associated wildlife by creating nesting/brood-rearing habitat on portions of crop fields. This SAFE effort will establish and maintain 30,100 acres in CRP consisting of diverse native grass and forb cover. Quail, pheasant and other grassland birds are species that will benefit from SAFE enrollments.

Kansas Lesser Prairie-Chicken Habitat SAFE

The goal of the Kansas Lesser Prairie-Chicken Habitat SAFE project is to enroll 30,000 acres in CRP to restore mixed-grass prairies to maintain and enhance lesser prairie-chicken populations. The lesser prairie-chicken is a candidate for federal listing as a threatened or endangered species.

Kentucky**Kentucky Early Successional and Bottomland Hardwood Restoration SAFE**

The goal of the Kentucky Early Successional and Bottomland Hardwood Restoration SAFE project is to enroll 8,600 acres in CRP to benefit the northern bobwhite quail, which is a species that has suffered significant population decline throughout the state and is of significant social and economic value to the people of Kentucky.

Louisiana**Louisiana Gulf Coast Prairies SAFE**

The goal of the Louisiana Gulf Coast Prairies SAFE project is to enroll 3,500 acres in CRP to restore grassland and shallow water habitats in the Gulf Coast Prairies region of Louisiana.

Louisiana Bayou Bartholomew SAFE

The goal of the Louisiana Bayou Bartholomew SAFE project is to identify, protect and restore critical examples of quality mussel and bald eagle habitat known to occur in the Bayou Bartholomew Watershed by enrolling 1,700 acres in CRP. The project will restore targeted areas to bottomland hardwood, native grasses and riparian buffers.

Maine**Maine New England Cottontail SAFE**

The goal of the Maine New England Cottontail SAFE project is to restore New England cottontail (NEC) rabbit habitat in York and Cumberland counties in Maine. The historic range of the NEC is estimated to have shrunk by over 83 percent.

Maine Upland Sandpiper SAFE

The goal of the Maine Upland Sandpiper SAFE project is to enroll 2,250 acres to develop and maintain nesting and brood-rearing habitat for at-risk grassland birds and restore or enhance grassland vegetation for upland sandpipers, bobolinks and meadowlarks.

Michigan**Michigan Diverse Grassland SAFE**

The Michigan Diverse Grassland SAFE seeks to enroll 7,500 acres of diverse native grassland to benefit a variety of rare or declining species and species of significant importance. The project area is the lower peninsula of Michigan.

Michigan Native Pollinators SAFE

The goal of the Michigan Na-

tive Pollinators SAFE is to enroll 2,500 acres of practices over the next five years to benefit native pollinators. These practices will consist of grasslands which provide diverse sources of nectar and pollen along with bare soil patches for ground nesting pollinators. Bees, butterflies and moths are among the pollinators that will benefit.

Minnesota**Minnesota Back Forty SAFE**

The goal of the Minnesota Back Forty SAFE project is to enroll 33,900 acres to restore and enhance habitat for ring-necked pheasant populations. The project seeks to build upon existing habitats to enhance waterfowl, greater prairie chicken and grassland bird populations.

Mississippi**Mississippi Black Bear SAFE**

The goal of the Mississippi Black Bear SAFE project is to enroll 4,950 acres to increase habitat for the federally threatened Louisiana black bear and the state-endangered American black bear. The project seeks to restore native bottomland hardwood forests in portions of the Mississippi Alluvial Valley, which has been identified as an important zone for black bear recovery.

Mississippi Black Belt SAFE

The goal of the Mississippi Black Belt SAFE is to enroll 2,500 acres in CRP to increase native grassland habitats for rare, threatened, endangered and declining species in the Black Belt Prairie region of Mississippi.

Mississippi Bobwhite Quail SAFE

The goal of the Mississippi

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Bobwhite Quail SAFE is to enroll 9,450 acres to increase native grassland habitats in Mississippi for northern bobwhite quail populations within three years by restoring quality native grassland habitat.

Missouri**Missouri Bobwhite Quail SAFE**

The goal of the Missouri Bobwhite Quail SAFE project is to enroll 14,650 acres in CRP to provide nesting and brood-rearing habitat necessary for bobwhite quail. The project will provide and maintain 25 percent of bare ground for quail brood-rearing, which research has shown is needed to sustain optimum bobwhite quail populations.

Missouri Sand Grassland SAFE

The goal of the Missouri Sand Grassland SAFE project is to enroll 3,250 acres in CRP to restore sand prairie, sand woodland and sand savannas in specific land-type associations in Southeast Missouri with unique sandy soils, benefiting state endangered and state species of conservation concern, including the Illinois chorus frog, eastern spadefoot toad and northern bobwhite.

Missouri Nesting Habitat SAFE

The goal of the Missouri Nesting Habitat SAFE project is to enroll 3,700 acres in CRP within six Missouri Conservation Opportunity Areas to significantly increase available nesting habitat to benefit the state endangered greater prairie-chicken and other grassland-dependent birds.

Montana**Montana Pheasant Winter Cover SAFE**

The goal of the Montana Pheasant Winter Cover SAFE is to enroll

10,000 acres to provide blocks of grass or shrub cover for ring-necked pheasant and other upland birds near existing permanent winter cover.

Montana Prairie Pothole SAFE

The goal of the Montana Prairie Pothole SAFE is to enroll 7,700 acres to expand habitat for ducks, ring-necked pheasant, Hungarian (gray) partridge, native sharp-tailed grouse and neotropical birds by supplementing existing habitat by seeding herbaceous vegetation in areas of high wetland densities or that are adjacent to semi-permanent wetlands.

Montana Sagebrush SAFE

The goal of the Montana Sagebrush SAFE is to enroll 1,000 acres to restore cropland to sagebrush habitat suitable for a variety of wildlife, including sage grouse and other sagebrush obligate birds such as sage sparrow and sage thrasher.

Nebraska**Nebraska Tallgrass SAFE**

The goal of the Nebraska Tallgrass SAFE is to enroll 11,450 acres to expand habitat in the Nebraska's tallgrass prairie region for greater prairie chickens.

Nebraska Upland Birds SAFE

The goal of the Nebraska Upland Birds SAFE is to enroll 15,950 acres to enhance habitat for upland wildlife such as upland game birds, including northern bobwhite quail and ring-necked pheasant.

New Jersey**New Jersey Grassland SAFE**

The goal of the New Jersey Grassland SAFE project is to enroll 400 acres in CRP to benefit rare and declining grassland-dependent

birds across New Jersey, such as bobolink, vesper sparrow, eastern meadowlark, northern bobwhite quail, grasshopper and savannah sparrows, and upland sandpiper.

New Jersey Raritan-Piedmont SAFE

The goal of the New Jersey Raritan-Piedmont SAFE project is to enroll 300 acres in CRP to benefit grassland birds by protecting and restoring habitat.

New Jersey Agricultural Heritage SAFE

The goal of the New Jersey Agricultural Heritage SAFE project is to enroll 300 acres in CRP to benefit grassland nesting birds by restoring native warm- and cool-season grasslands embedded within large agricultural landscapes.

New Mexico**New Mexico Lesser Prairie Chicken SAFE**

The goal of the New Mexico Lesser Prairie Chicken SAFE project is to enroll 2,600 acres in CRP in the eastern part of the state to benefit the lesser prairie chicken by restoring native grasslands for breeding and brood-rearing. In eastern New Mexico, this bird and other species have been petitioned for listing under the Endangered Species Act.

New York**New York Grassland SAFE**

The goal of the New York Grassland SAFE project is to enroll 4,900 acres in CRP to benefit grassland birds such as the grasshopper sparrow, Vesper's sparrow, Henslow's sparrow, eastern meadowlark, horned lark, northern harrier, savannah sparrow, sedge wren, upland sandpiper, bobolink,

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short-eared owl and barn owl.

*North Carolina***North Carolina Grassland SAFE**

The goal of the North Carolina Grassland SAFE is to enroll 5,600 acres devoted to early successional habitat to benefit several grassland bird species identified as high-priority. These species include northern bobwhite, loggerhead shrike, grasshopper sparrow, eastern kingbird, eastern meadowlark, common yellowthroat and field sparrow.

*North Dakota***North Dakota Coteau-Drift SAFE**

The goal of the North Dakota Coteau-Drift SAFE project is to enroll 20,000 acres in the Missouri Plateau and Drift Prairie region to maintain and increase habitat for priority species of waterfowl, water birds, shore-birds and terrestrial birds..

North Dakota Sagebrush SAFE

The goal of the North Dakota Sagebrush SAFE is to enroll 1,000 acres to increase sage grouse populations by restoring cropland to sagebrush habitat. This ecosystem is suitable for sage grouse and other sagebrush birds such as sage sparrow, sage thrasher, sharp-tailed grouse, grey partridge and mule deer.

North Dakota Tallgrass SAFE

The goal of the North Dakota Tallgrass SAFE is to enroll 6,090 acres to restore cropland to native tall-grass prairie habitat to maintain and increase greater prairie chicken and sharp-tailed grouse populations

in the project area.

North Dakota Habitat for Pheasants SAFE

The goal of the North Dakota Habitat for Pheasants SAFE is to enroll 18,000 acres of habitat for economically significant species such as ring-necked pheasants, sharp tailed grouse, Hungarian partridge, waterfowl, big game, and other non-game species.

*Ohio***Ohio Big Island/Killdeer SAFE**

The goal of the Ohio Big Island/Killdeer SAFE project is to restore 925 acres of native grasslands, prairies, and wetlands to benefit pollinators and grassland dependent and migratory bird species.

Ohio Grand River/Mosquito SAFE

The goal of the Ohio Grand River/Mosquito SAFE project is to restore 100 acres of native grasslands, prairies, and wetlands to benefit pollinators and grassland dependent and migratory bird species.

Ohio Killbuck SAFE

The goal of the Ohio Killbuck SAFE project is to restore 100 acres of native grasslands, prairies, and wetlands to benefit pollinators and grassland dependent and migratory bird species.

Ohio Kitty Todd SAFE

The goal of the Ohio Kitty Todd SAFE project is to restore 250 acres of native grasslands, prairies, and wetlands to benefit pollinators, including Karner blue butterfly, and grassland dependent and migratory bird species.

Ohio LaSuAn Grasslands SAFE

The goal of the Ohio LaSuAn Grasslands SAFE project is to restore 2,500 acres of native grasslands, prairies, and wetlands to benefit pollinators, waterfowl, and grassland dependent and migratory bird species.

Ohio Paint Creek SAFE

The goal of the Ohio Paint Creek SAFE project is to restore 875 acres of native grasslands, prairies, and wetlands to benefit pollinators and grassland dependent bird species.

Ohio Western Lake Erie Marshes SAFE

The goal of the Western Lake Erie Marshes SAFE project is to restore 400 acres of native grasslands, prairies, and wetlands to benefit pollinators, waterfowl, and grassland dependent bird species.

Ohio Grassland Bird SAFE

The goal of the Ohio Grassland Bird SAFE project is to restore 850 acres of native grasslands, prairies, and wetlands to benefit pollinators and grassland dependent bird species.

Ohio Grasslands for Pheasants SAFE

The goal for the Ohio Grasslands for Pheasants SAFE project is enroll 5,600 acres to either create high quality pheasant habitat or rehabilitate habitat suitable primarily for pheasants, and secondarily, other grassland birds including game species that are threatened, endangered or in decline.

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Oklahoma**Oklahoma Mixed Grass Prairie SAFE**

The goal of the Oklahoma Mixed Grass Prairie SAFE project is to enroll 15,100 acres in CRP to restore mixed-grass prairie type associations in Northwestern Oklahoma to benefit northern bobwhite, Cassin's sparrow and other grassland birds.

Oregon**Oregon Heppner Mule Deer SAFE**

The goal of the Oregon Heppner Mule Deer Safe is to enroll 5,500 acres of high quality mule deer forage in the northern foothills of the Heppner Big Game Management Unit. Additionally the habitat created in many of these CRP stands can provide benefits for multiple species including Rocky Mountain elk, pheasants, Hungarian partridge, chukar, and many grassland obligate bird species.

Pennsylvania**Pennsylvania Seasonal Pools/Early Successional/Grass SAFE**

The goal of the Pennsylvania Seasonal Pools/Early Successional/Grass SAFE project is to enroll 5,200 acres in CRP to improve habitat for and populations of sensitive wildlife identified in the Pennsylvania State Wildlife Action Plan.

Puerto Rico**Puerto Rico Sub-Tropical Forest SAFE**

The goal of the Puerto Rico Sub-Tropical Forest SAFE project is to enroll 1,300 acres

to improve, connect or restore healthier quality habitat and to promote healthier ecosystems. The project will benefit high priority species including Puerto Rican boa, Puerto Rican sharp-shinned hawk, Puerto Rican pigeon, Puerto Rican rock frog, and candidate specie Elfin-woods warbler.

South Carolina**South Carolina Restoring Native Grasses SAFE**

The goal of the South Carolina Restoring Native Grasses SAFE is to enroll 2,300 acres to increase early successional habitat in Allendale, Bamberg and Barnwell counties to benefit birds in decline.

South Dakota**South Dakota Sagebrush SAFE**

The goal of the South Dakota Sagebrush SAFE project is to enroll 500 acres in CRP to benefit the sage grouse population by restoring cropland to sagebrush habitat suitable for sage grouse and other sagebrush obligate birds such as sage sparrows and sage thrashers.

South Dakota Pheasants SAFE

The goal of the South Dakota Pheasants SAFE project is to enroll 50,200 acres in CRP to provide block grass acreages for ring-necked pheasants and other upland birds in the form of nesting, brood-rearing, winter-roosting and escape cover. This will help increase the overall population of ring-necked pheasants and other economically significant species such as sharp tail grouse, prairie chicken and upland nesting ducks.

South Dakota Western SD Grassland Wildlife Habitat SAFE

The goal of the South Dakota Western SD Grassland Wildlife Habitat SAFE project is to enroll 18,000 acres of habitat critical to declining grassland birds native to western South Dakota. Some of the targeted species include the short-eared owl, grasshopper sparrow, dickcissel, bobolink, sharp-tailed grouse, long-billed curlew and upland nesting waterfowl.

Tennessee**Tennessee Wetlands SAFE**

The goal of the Tennessee Wetlands SAFE project is to enroll 500 acres in CRP to restore high quality wetlands habitat that will provide high quality breeding, feeding and winter habitats necessary to waterfowl, shorebirds, amphibians, reptiles, crustaceans and other wetlands wildlife.

Tennessee Trees SAFE

The goal of the Tennessee Trees SAFE project is to enroll 600 acres in CRP to establish high quality bottomland hardwoods on wetlands that are important not only for waterfowl but eventually (upon greater maturity) for many forest-dependent songbirds, amphibians and reptiles.

Tennessee Grass SAFE

The goal of the Tennessee Grass SAFE project is to enroll 6,000 acres in CRP to develop critical habitats that will provide high-quality nesting, brood-rearing and protective woody cover and winter habitats necessary for bobwhite quail and other declining wildlife species that depend on native "early successional" type habitats and travel corridors between habitat blocks.

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Texas**Texas Gulf Coast Prairies SAFE**

The goal of the Texas Gulf Coast Prairies SAFE is to enroll 14,400 acres to restore grassland and shallow water habitats in the Gulf Coast Prairie region of Texas for a variety of bird species.

Texas Lower Rio Grande Thornscrub SAFE

The Texas Lower Rio Grande Thornscrub SAFE seeks to enroll 5,000 acres to restore Tamaulipan thornscrub habitat for the endangered ocelot and other wildlife species.

Texas Mixed Grass SAFE

The goal of the Texas Mixed Grass SAFE project is to enroll 45,000 acres in CRP to reconnect geographically and reproductively isolated populations of lesser prairie chickens by creating native mixed grass prairie and travel corridors.

Virginia**Virginia Culpeper Basin SAFE**

The goal of the Virginia Culpeper Basin SAFE is to enroll 1,000 acres to restore native trees, shrubs, and warm season grasses for grass and shrubland-dependent bird habitats along the Rappahannock and Rapidan Rivers, as well as upland habitat adjacent to their tributaries.

Virginia Longleaf Pine SAFE

The goal of the Virginia Longleaf Pine SAFE is to enroll 1,000 acres to re-establish longleaf pine stands in more than two dozen Virginia counties that benefit a variety of wildlife. The project seeks to increase habitat

for red-cockaded woodpecker, Bachman's sparrow and red-headed woodpecker.

Virginia Rare & Declining Habitats SAFE

The goal of the Virginia Rare & Declining Habitats SAFE project is to enroll 500 acres to restore migratory bird habitat. This project will use native hardwood trees, shrubs and grasses to restore and maintain habitats along the Eastern Shore of Virginia.

Virginia Riparian Buffer SAFE

The goal of the Virginia Riparian Buffer SAFE is to enroll 1,800 acres to expand riparian forest buffers for interior forest and riparian birds, as well as other wildlife. The project will establish forest buffers using native hardwood tree plantings and control invasive species through various land management techniques.

Washington**Washington Coastal Roosevelt Elk SAFE**

The goal of the Washington Coastal Roosevelt Elk SAFE project is to enroll 500 acres to increase habitat for the declining Olympic elk herd. Elk herds throughout the Olympic Peninsula have declined by 30 percent due to increased mortality or decreased productivity from declining habitat quality and quantity.

Washington Columbia Basin SAFE

The goal of the Washington Columbia Basin SAFE project is to enroll 500 acres to benefit ring-necked pheasant and California quail. In addition, the

project will benefit at-risk species such as the burrowing owl and Washington ground squirrel, which are known to inhabit irrigated circle corners and other unfarmed areas.

Washington Palouse Prairie SAFE

The goal of the Washington Palouse Prairie SAFE is to enroll 2,000 acres to improve and increase Palouse Prairie habitat for a variety of wildlife species by re-establishing diverse stands of grasses, forbs and shrubs. Converting cropland to fields and corridors of permanent native plant communities will benefit wildlife species, including at-risk wildlife, such as grassland- and shrubland-nesting birds, and native pollinators.

Washington Shrub-steppe SAFE

The goal of the Eastern Washington Shrub-steppe SAFE is to enroll 5,200 acres to benefit shrub-steppe bird species that have declined because of ongoing habitat loss and fragmentation throughout the West. These are at-risk species with federal or state listing status that use the land in the project area: sharp-tailed grouse, sage grouse, sage sparrow, sage thrasher and loggerhead shrike. The grasshopper sparrow, savannah sparrow and Brewer's sparrow will benefit from the SAFE project.

Washington Sage and Sharp-tailed Grouse

The goal of the Washington Sage and Sharp-tailed Grouse SAFE is to enroll 63,000 acres to benefit native prairie grouse and other shrub-steppe wildlife species that have declined because of ongoing habitat loss and fragmentation throughout

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the West. These are the at-risk species with federal or state listing status that use the land in the project area: sharp-tailed grouse, sage grouse, sage sparrow, sage thrasher and loggerhead shrike. The grasshopper sparrow, savannah sparrow and Brewer's sparrow will benefit from the SAFE project.

Washington Sage and Sharp-tailed Grouse

The goal of the Washington Sage and Sharp-tailed Grouse SAFE is to enroll 63,000 acres to benefit native prairie grouse and other shrub-steppe wildlife species that have declined because of ongoing habitat loss and fragmentation throughout the West.

Wisconsin**Wisconsin Glacial SAFE**

The goal of the Wisconsin Glacial SAFE is to establish a mosaic of grasslands and wetlands in a predominately agricultural landscape by enrolling 2,250 acres. This will result in more favorable habitat conditions for self-sustaining populations of waterfowl, pheasants and grassland songbirds.

Wisconsin Shortgrass SAFE

The goal of the Wisconsin Shortgrass SAFE is to increase Karner Blue butterfly habitat by enrolling 2,000 acres of short grass prairie. Karner Blue butterfly habitat requires a certain degree of disturbance to maintain a stable system, particularly for the larva's sole food source, wild blue lupine. The project will enhance the understanding of wild blue lupine establishment, linking Karner Blue butterfly use and occupation with short grass prairie restoration

and enhancement in the project area.

Wisconsin Southwest Grassland SAFE

The goal of the Wisconsin Southwest Grassland SAFE is to restore and maintain 4,000 acres of grassland and prairie habitat for 14 bird species of greatest conservation need in Wisconsin.

Wisconsin Central Grassland SAFE

The goal of the Wisconsin Central Grassland SAFE is to enroll 2,000 acres to restore native mid-shortgrass and wetland habitats for four species of neotropical migrant songbirds: Henslow's sparrow, grasshopper sparrow, sedge wren and bobolink.

Wisconsin Western Prairie SAFE

The goal of the Wisconsin Western Prairie SAFE is to benefit grassland-dependent species of greatest conservation need (SGCN) by maintaining 2,500 acres of current grassland, while establishing new acres of native and introduced grasses, and native perennial legumes.

Wyoming**Wyoming Northeast Wyoming Habitat Restoration Area**

The goal of the Wyoming Northeast Wyoming Habitat Restoration Area SAFE project is to enroll 10,000 acres to create, enhance or restore critical habitat by the conversion of cropland to permanent introduced or native perennial plant communities. This habitat restoration will help restore cropland to early-seral/early-successional stage habitats and grassland – sagebrush habitats suitable for sage

grouse, sharp-tailed grouse, grey partridge, ducks, geese, mule deer, pronghorn antelope, wild turkeys, and small mammals.

For more information

For more information about FSA and its conservation programs, visit <http://www.fsa.usda.gov> or visit your local FSA service center.

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Conservation Reserve Program (CRP) – Transition Incentives Program (TIP)

Overview

The Food, Conservation, and Energy Act of 2008 amendments to the Food Security Act of 1985, as amended, authorized \$25 million for the transition of expiring CRP land from a retired or retiring owner or operator to a beginning or socially disadvantaged farmer or rancher to return land to production for sustainable grazing or crop production.

The Transition Incentive Program (TIP) provides annual rental payments for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

The program is implemented by FSA on behalf of USDA's Commodity Credit Corporation.

Signup

Enrollment in TIP is on a continuous basis. Beginning or socially disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning one year before the expiration date of a CRP contract.

For example, if a CRP contract is scheduled to expire on Sept. 30, 2012, the land may be enrolled in TIP from Oct. 1, 2011, through Sept. 30, 2012.

For contracts that expired on Sept. 30, 2008, and 2009, or are scheduled to expire on Sept. 30, 2010, TIP enrollment may begin immediately.

Provisions

To be eligible for TIP, an owner or operator must be a retired or retiring farmer or rancher on land enrolled in an expiring CRP contract.

The retired or retiring owner or operator must agree to sell, or have a contract to sell, or agree to lease long-term (at least 5 years) the land enrolled in an expiring CRP contract to a beginning or socially disadvantaged farmer or rancher.

Except for contracts that expired or are scheduled to expire on Sept. 30, 2008, 2009, or 2010, TIP enrollment must occur during the final year before the scheduled date of CRP contract expiration or Sept. 30.

For contracts that expired on Sept. 30, 2008, or 2009, or are scheduled to expire on or after Sept. 30, 2010, TIP enrollment must occur by Sept. 30, 2010.

The retired or retiring owner or operator must agree to permit the beginning or socially disadvantaged farmer or rancher to make conservation and land improvements according to an approved conservation plan.

Beginning and socially disadvantaged farmers and ranchers participating in TIP may re-enroll otherwise eligible land under CRP's continuous signup provisions including the Conservation Reserve Enhancement Program.

Also, the beginning or socially disadvantaged farmer or rancher may be eligible for enrollment in the Conservation Stewardship Program or the Environmental Quality Incentives Program (EQIP), provided all eligibility requirements are met.

Definitions

Retired or retiring owner or operator means an owner or operator of land enrolled in a CRP contract who has ended active labor in farming operations as a producer of agricultural crops or expects to do so within 5 years of the CRP contract modification.

Beginning farmer or rancher means, as determined by CCC, a person or entity who has not been a farm or ranch operator for more than 10 years; materially and substantially participates in the operation of the farm or ranch involved in CRP contract modification; and if an entity, is an entity in which 50 percent of the members or stockholders of the entity meet the first two criteria.

Socially disadvantaged farmer or rancher means a farmer or rancher who is a member of a socially disadvantaged group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. Gender is not included.

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May 2010

Transition Payments

Retired or retiring owners or operators participating in TIP may receive up to two additional annual rental payments after their CRP contract expires provided the beginning or socially disadvantaged farmer or rancher is not a family member.

For More Information

For more information about FSA and its programs, visit:
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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2011

Conservation Reserve Program (CRP) Wetland Initiatives

Overview

The Conservation Reserve Program (CRP) is a voluntary program available to agricultural producers to help them safeguard environmentally sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers to improve the quality of water, control soil erosion and enhance wildlife habitat. In return, the U.S. Department of Agriculture's Farm Service Agency (FSA) provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

Wetland Initiatives

The Wetland Restoration Initiative (CP23) is designed to restore the ecologies and values of wetland ecosystems that have been devoted to agricultural use. This 500,000 acre initiative enrolls wetlands and buffers within the 100-year floodplain. These wetlands prevent degradation of the wetland area, increase sediment trapping efficiencies, improve water quality, prevent erosion and provide vital habitat for waterfowl and other wildlife.

The Wetland Restoration, Non-floodplain Initiative (CP23A) is designed to restore wetlands and playa lakes, which are shallow, depressional wetlands that are located outside the 100-year floodplain. This 250,000 acre initiative provides vital habitat for many wildlife species, filters runoff, recharges groundwater supplies and sequesters carbon.

The Duck Nesting Habitat Initiative (CP37) is designed to restore wetlands and wetland complexes that are located outside the 100-year floodplain that will benefit duck nesting. Restoration of 150,000 acres of such wetlands under this initiative will provide

critical habitat and nesting cover for upland ducks, sandhill cranes and other wildlife species by filtering runoff, reducing downstream flooding, and recharging groundwater supplies. With full enrollment, it is estimated that the initiative will increase duck numbers by 60,000 birds annually.

~~**The Bottomland Hardwood Initiative (CP31)** is designed to restore flood plains through the restoration of primarily bottomland hardwoods. This 250,000 acre initiative improves air and water quality and provides carbon sequestration benefits through reduction of greenhouse gases as well as increasing wildlife habitat. Additional incentives are expected to increase enrollment in this initiative. Planting 250,000 acres of bottomland hardwoods would sequester over 500,000 metric tons of carbon dioxide annually.~~

Sign-up

Offers are accepted on a continuous sign-up basis and are automatically accepted provided the acreage and producer meet certain eligibility requirements. Acceptance is not determined by a competitive offer process.

Producers can make offers at local FSA County Offices/Service Centers.

Incentive Payments

Eligible producers may receive the following types of payments:

- Up to 50 percent cost share for establishing permanent cover.
- Annual rental payments for a 10- to 15-year period. The rental rate is based on the weighted average dry-land cash rent.
- An additional incentive equal to 20 percent of the weighted

average soil rental rate is authorized for CRP participants restoring wetlands, establishing bottomland hardwood forests, or creating duck nesting habitat.

- Upfront CRP signing incentive payment of \$100 per acre. This one-time payment is made after the contract is approved and all payment eligibility criteria are met.
- Practice incentive payment equal to 40 percent of the eligible costs of installing the practice. This one-time payment is made after the practice is installed, eligible costs are verified, and other payment eligibility criteria are met.

For More Information

For more information about FSA and its conservation programs, visit your local FSA service center or online at: <http://www.fsa.usda.gov>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2011

Conservation Reserve Enhancement Program

Overview

The Conservation Reserve Enhancement Program (CREP) is a voluntary land conservation program that helps agricultural producers protect environmentally sensitive land, decrease erosion, restore wildlife habitat, and safeguard ground and surface water.

The program is a partnership among producers; tribal, state and federal governments; and, in some cases, private groups. CREP is an offshoot of the country's largest private-lands environmental improvement program -- the Conservation Reserve Program (CRP).

Like CRP, CREP is administered by the United States Department of Agriculture's (USDA) Farm Service Agency (FSA). By combining CRP resources with state, tribal and private programs, CREP provides farmers and ranchers with a sound financial package for conserving and enhancing the natural resources of farms.

CREP addresses high-priority conservation issues of both local and national significance, such as impacts to water supplies, loss of critical habitat for threatened and endangered wildlife species, soil erosion, and reduced habitat for fish populations such as salmon. CREP is a community-based, results-oriented effort centered around local participation and leadership.

Eligibility

A specific CREP project begins when a state, Indian tribe, local government or local nongovernment entity identifies an agriculture-related environmental issue of state or national significance. These parties and FSA then develop a project proposal to address particular environmental issues and goals.

CREP enrollment is limited to

specific geographic areas and practices. To determine if your state and county are involved in CREP and if your land qualifies, contact your local county FSA office.

Like CRP, CREP contracts require a 10- to 15-year commitment to keep lands out of agricultural production. CREP provides payments to participants who offer eligible land. A federal annual rental rate for certain practices may include a maintenance incentive payment for certain practices, plus cost-share of up to 50 percent of the eligible costs to install the practice. Further, the program generally offers a sign-up incentive for participants to install specific practices.

FSA uses CRP funding to pay a percentage of the program's cost, while state, tribal governments or other non-federal sources provide the balance of the funds. States and private groups involved in the effort may also provide technical support and other in-kind services.

Benefits

For the landowner, CREP is a cost-effective way to address rural environmental problems and meet regulatory requirements, and it can provide a viable option to supplement farm income as well.

CREP is convenient for producers because it is based on the familiar, highly successful CRP model. Land must be owned or leased for at least one year prior to enrollment to be eligible and must be physically and legally capable of being cropped in a normal manner.

Land must also meet cropping history and other eligibility requirements. Enrollment is on a continuous basis, permitting farmers and ranchers to join the program at any time rather than waiting for specific sign-up periods.

CREP supports increased conservation practices such as filter strips and forested buffers. These conservation practices help protect streams, lakes, and rivers from sedimentation and agricultural runoff.

CREP also helps landowners develop and restore wetlands through the planting of appropriate groundcover. Restoring water regimes helps protect national treasures like the Chesapeake Bay, Mammoth Cave, and the Hawaiian coral reefs. By maintaining clear goals and requiring annual monitoring, CREP helps participants measure progress and ensure success.

For More Information

For more information on CREP, contact your local FSA office or Soil and Water Conservation District office. Additional information is also available on FSA's Web site at: <http://www.fsa.usda.gov/crp>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

December 2011

Conservation Reserve Enhancement Program - Montana

Overview

The Department of Agriculture's (USDA) Commodity Credit Corporation (CCC) and the state of Montana have agreed on a plan to implement a Conservation Reserve Enhancement Program (CREP) to improve the water quality and enhance wildlife habitat in all or a portion of nine counties in Montana.

CREP combines an existing federal program, the Conservation Reserve Program (CRP), with state programs to provide a framework for USDA to work in partnership with state and local interests to meet state-specific environmental objectives. CRP is a CCC program implemented through the Farm Service Agency (FSA).

The Montana CREP partnership targets 26,000 acres in Montana located in nine designated Montana counties. These funds will help protect lakes and water courses through the establishment of tree buffers, the planting of native and other grasses, and the restoration of wetlands. Another aspect of the state's involvement in the program is to recognize the 200th anniversary of Lewis and Clark's historic 19th century trip west. Overall, the goal in Montana is to reduce the amount of sediment reaching streams.

Goals

The goals of the Montana CREP are to:

- Improve water quality of the Missouri and Madison River systems along 524 miles of

watercourses by installing 26,000 acres of filter strips, riparian buffers, native grasses, wetlands and wildlife habitat practices.

- Increase and create wildlife habitat.

Areas Included

Producers can offer eligible cropland and marginal pastureland in the Missouri and Madison River systems. This area includes Blaine, Broadwater, Cascade, Chouteau, Gallatin, Fergus, Lewis and Clark, Phillips and Madison counties. Contact the local USDA Service Center for specific information concerning eligibility for CREP.

Program Benefit

The Montana CREP will help farmers improve the water quality of the Missouri and Madison River systems by reducing sediment and livestock and other nutrient runoff. Through CREP, Montana farmers will be able to buffer approximately 524 miles of watercourses. This will help lower water temperatures, increase dissolved oxygen and provide additional wildlife habitat.

Eligible Conservation Practices

To better serve program goals, specific CRP conservation practices have been identified for inclusion in the program.

The practices are:

- CP1, Establishment of Permanent Introduced Grasses and Legumes
- CP2, Establishment of Permanent Native Grasses
- CP4D, Permanent Wildlife Habitat
- CP9, Shallow Water Areas for Wildlife
- CP21, Filter Strips
- CP22, Riparian Buffer
- CP23, Wetland Restoration
- CP23A, Wetland Restoration, Non-Floodplain
- CP25, Rare and Declining Habitat
- CP29, Marginal Pastureland Wildlife Habitat Buffer
- CP30, Marginal Pastureland Wetland Buffer

Eligibility Requirements and Signup Date

Enrollment in the Montana CREP began on a continuous basis on January 1, 2003. Cropland must meet cropping history criteria and be physically and legally capable of being cropped in a normal manner. Marginal pastureland is also eligible for enrollment provided it is suitable for use as an eligible riparian buffer. Persons who have an existing CRP contract or an approved offer with a contract pending are not eligible for CREP until that contract expires.

FACT SHEET

CREP - Montana

December 2011

Payments Under CREP

Generally, CREP participants are eligible for the following types of USDA payments:

- **Signing Incentive Payment:** A one-time payment consistent with Handbook 2-CRP procedure for land enrolled in a riparian forest buffer or grass filter strip practice. This payment is made soon after the contract has been signed and approved.
- **Practice Incentive Payment:** A one-time payment equal to about 40 percent of the eligible cost for establishing the riparian buffer or filter strip. This payment is in addition to up to 50 percent cost-share assistance that USDA will provide for installing eligible practices.
- **Annual Rental Payment** (with incentive) for the life of the contract: Payment rates, plus an incentive payment of 20 percent of the calculated rate for dry land cropland and 40 percent of the established rate for dry land that is irrigated, and 40 percent of the established rate for marginal pastureland
- **Cost-Share Assistance:** assistance of up to 50 percent for the installation of the eligible conservation

practices on enrolled land.

- **Annual Maintenance Payment:** in accordance with Handbook 2-CRP procedure.

Program Cost

Based on the initial implementation of the Montana CREP, which projected an enrollment of 26,000 acres, the expected combined financial federal and state obligation will be approximately \$57 million. Of that amount, \$41 million will come from USDA and \$16 million from the state and private sources. This does not include any costs that may be assumed by producers. USDA's share of the total program costs is approximately 72 percent and Montana's share is approximately 28 percent.

Enrollment Option

CREP is another option under the CRP that farmers may select to enhance their land; applicants may still enroll eligible land in the regular general CRP or continuous signup CRP. However, CREP provides additional benefits not available through the general and/or continuous signup. The CREP enrollment process is on a continuous basis, and payments are at a higher effective rate.

Haying and Grazing

Haying and grazing is allowed, according to the provisions of the National CRP Handbook and the Montana haying and grazing rotations and Primary Nesting and Broodrearing Season.

Additional Information

For further information, contact a local USDA Service Center, or local Soil and Water Conservation District office. Information may also be obtained from the FSA website at: www.fsa.usda.gov/crp.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012



Farmable Wetlands Program

Background

The Farmable Wetlands Program (FWP) is a voluntary program to restore up to 100,000 acres in Montana of farmable wetlands and associated buffers by improving the land's hydrology and vegetation. Eligible producers can enroll eligible land in the FWP through the Conservation Reserve Program (CRP) - Continuous Signup.

Benefits

Restoring wetlands will reduce downstream flood damage, improve surface and groundwater quality, and recharge groundwater supplies. Wetlands provide vital habitat for migratory birds and many wildlife species, including threatened and endangered species, and provide recreational opportunities such as bird watching and hunting.

- FWP is limited to no more than 1,000,000 acres and no more than 100,000 acres in any one state (part of overall CRP acreage cap).

Signup

Signup begins annually on October 1 and runs through September 30 of the following year. Offers will be accepted on a continuous signup basis and are automatically accepted provided the acreage and producer meet certain eligibility requirements.

Eligible Land

Wetlands

Eligible acreage includes farmed and prior converted wetlands that have been impacted by farming activities. The maximum acreage for enrollment of wetlands and buffers is 40 acres per tract. A producer may enroll multiple wetlands and associated buffers on a tract as long as the total acreage does not exceed 40 acres.

Acreage must meet the following FWP eligibility requirements:

- Land must be cropland planted to an agricultural commodity 3 of the 10 most recent crop years and be physically and legally capable of being planted in a normal manner to an agricultural commodity.
- A wetland must be 10 acres or less (only the first 5 acres may receive payment.)
- A buffer may not exceed 3 times the size of the wetland or an average of 150 feet surrounding the wetland.
- Participants must agree to restore the hydrology of the wetland to the maximum extent possible as determined technically feasible by the USDA Natural Resources Conservation Service (NRCS).
- Vegetative cover must be established and the restoration can not impede upstream drainage.
- Wetlands (W), Farmed Wetlands (FW), and Prior

Converted (PC) as defined by the United States Department of Agriculture (USDA), will be eligible except for any wetland in the floodplain adjacent to a perennial stream or a perennial riverine system.

Contract Duration and Effective Date

FWP contracts are from 10 to 15 years in exchange for annual rental payments, incentive payments, and cost-share for installing necessary practices. The effective date of the contract is the first day of the month following the month of approval.

Payments

Eligible producers may receive the following types of payments:

1. Annual rental payments for a 10- to 15-year period. The annual rental rate is based on the weighted average dryland cash rent.
2. Incentive amount equal to 20 percent of the weighted average dryland cash rent.
3. Up to 50 percent cost-share for establishing permanent cover.
4. Upfront CRP signing incentive payment (SIP) of \$100 to \$150 per acre depending on contract length (made after the contract is approved and all payment eligibility criteria is met).
5. One-time practice incentive payment (PIP) equal to 40 percent of the eligible costs of

installing the practice (made after the practice is installed, eligible costs are verified, and other payment eligibility criteria are met). Partial PIP payments are not allowed.

Cooperating Agencies

The FWP is administered by USDA's Farm Service Agency (FSA) with assistance from the Natural Resources Conservation Service (NRCS); the Cooperative State Research, Education, and Extension Service; state agencies; and local soil and water conservation districts.

For More Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at www.fsa.usda.gov/mt

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Fact Sheet: Grassland Reserve Program

May 2009

Overview

The Grassland Reserve Program (GRP) is a voluntary program for landowners and operators to protect grazing uses and related conservation values by conserving grassland, including rangeland, pastureland, shrubland, and certain other lands. The program emphasizes support for working grazing operations; enhancement of plant and animal biodiversity; and protection of grassland and land containing shrubs and forbs under threat of conversion.

GRP is authorized by the Food Security Act of 1985, as amended. The USDA Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA) jointly administer the program.

Eligibility

Eligible applicants include:

- Landowners and operators who have general control of the acreage (for rental contracts);
- Landowners who can provide clear title on privately owned lands (for easements);
- Tribes.

The Adjusted Gross Income (AGI) provision of the 2008 Farm Bill impacts eligibility for GRP. Individuals or entities that have an average adjusted gross nonfarm income exceeding \$1 million for the three tax years immediately before the year the contract is approved are not eligible to receive program benefits or payments. However, an exemption is provided in cases where two-thirds of the

adjusted gross income is derived from farming, ranching, or forestry operations.

Eligible land includes privately owned or Tribal grasslands; land that contains forbs (including improved rangeland and pastureland or shrubland) for which grazing is the predominant use; or land that is located in an area that historically has been dominated by grassland, forbs, or shrubland that has the potential to serve as wildlife habitat of significant ecological value.

Cooperating Entity Eligibility

A unit of State, local, or Tribal government or a non-governmental organization that can demonstrate the following conditions may enroll eligible land under a cooperative agreement through an NRCS State office:

- A commitment to grazing land conservation;
- Capability to acquire, manage, and enforce GRP easements;
- Sufficient staff to monitor easement stewardship; and
- Availability of matching funds.

Non-governmental organizations are required to provide evidence of dedicated funding to ensure long-term management, monitoring, and enforcement.

Landowners working through a cooperating entity must meet program eligibility requirements. The land will be ranked using NRCS State ranking criteria.



How GRP Works

Applications may be filed for a rental contract or an easement with NRCS or FSA. Participants voluntarily limit future development and cropping uses of the land while retaining the right to conduct common grazing practices and operations related to the production of forage and seeding, subject to certain restrictions during nesting seasons of bird species that are in significant decline or are protected under Federal or State law. Participants may conduct fire rehabilitation and construct firebreaks and fences.

GRP rental contracts and easements prohibit crop production (other than hay), fruit trees, and vineyards and any other activity inconsistent with maintaining grazing land. A grazing management plan is required.

Each State establishes ranking criteria to prioritize enrollment of working grasslands. Ranking criteria will consider threats of conversion including cropping, invasive species, urban development, and other activities that threaten plant and animal diversity on grazing lands.

GRP enrollment options include:

Rental Contract. Participants may choose a 10-year, 15-year, or 20-year contract. USDA will provide annual payments in an amount that is not more than 75 percent of the grazing value established by the Farm Service Agency. Payments will not exceed \$50,000 per year per person or legal entity and will be disbursed annually.

Permanent Easement. These conservation easements are perpetual, or the maximum length allowed by State law. Easement compensation will not exceed fair market value, less the grazing value of the land encumbered by the easement. "Grazing value" means the financial worth of the land used for grazing or forage production. Easement compensation will be the lowest of an area-wide market survey or appraisal, a Geographic Area Rate Cap, or the landowner offer.

USDA will provide all administrative costs associated with easement recording, including survey costs, title-insurance, and recording fees. Easement payments may be provided at the participant's request, in lump sum or annual payments (equal or unequal amounts), for up to 10 years.

Restoration Agreement. Certain grassland easements or rental contracts may be eligible for cost-share assistance up to 50 percent of the cost to re-establish grassland functions and values where the land has been degraded or converted to other uses. Participants may contribute to the application of a cost-share practice through in-kind contributions. The combined total cost-share provided by all sources may not exceed 100 percent of the total actual cost of restoration. Payments will not exceed \$50,000 per year per person or legal entity.

Legislative and Regulatory Changes

The 2008 Farm Bill:

- Increases the acreage that may be enrolled in the program by 1,220,000 acres during the years 2009 through 2012.
- Provides priority for enrollment of expiring acreage from the Conservation Reserve Program into the GRP, with a limit of 10 percent of the total acres enrolled that year.
- Authorizes USDA to enter into cooperative agreements with entities to enable them to acquire easements. The Federal government will pay up to 50 percent of the purchase price of the easement. The right to enforce the easement is the responsibility of the cooperating entity; if the entity fails to enforce the terms of the easement, Federal enforcement is required.

More Information

For more information and updates about the Farm Bill, visit www.usda.gov/farmbill, or the NRCS Web site at www.nrcs.usda.gov/programs/farmbill/2008/; for more information on GRP, visit www.nrcs.usda.gov/programs/grp.



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

April 2011

Source Water Protection Program

Overview

The Source Water Protection Program, a joint project by the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) and the nonprofit National Rural Water Association (NRWA), is designed to help prevent source water pollution in 44 states through voluntary practices installed by producers at the local level.

The program is authorized by amendments to Sec. 12400 of the 1985 Farm Bill that were included in Sec. 2502 of the 2002 Farm Bill. Source water is surface and ground water that is consumed by rural residents. According to the NRWA, ground water is the primary source of drinking water for some 44,000 communities in the United States.

How the Program Works

NRWA has implemented the Source Water Protection Program, with oversight and assistance by FSA. Through the program, NRWA hires, for every participating state, full-time rural source water technicians who possess knowledge and experience in rural issues. The technicians work with FSA state executive directors, FSA county executive directors and state conservation specialists with USDA's Natural Resources Conservation Service to create operating plans that identify priority areas where local pollution prevention efforts are needed most in their respective states. Working with state rural water associations, technicians will also facilitate the creation of local teams comprised of citizens with diverse backgrounds from federal, state, local and private entities. These teams collaborate in the development of Rural Source Water Protection plans that promote clean ground water. The technicians assist the teams in gathering local data and facilitate a planning workshop. The purpose of the workshop is to create a plan that includes, but is not limited to, developing the following:

- A map outlining the affected area;
- An inventory of potential contami-

nant sources;

- A definition of areas that match up with entities and organizations;
- A definition of voluntary measures that may be initiated;
- Identification of public education initiatives; and
- Identification of entities and resources that will facilitate implementation of the plan and its sustainability.

Rural Source Water Protection plans outline voluntary measures that farmers and ranchers can install on their lands to prevent source water pollution. Voluntary measures may range from producers storing herbicides, pesticides or other substances in more secure containers to relocating waste lagoons. By working at the grassroots level, local team members inform and educate producers about source water protection measures that benefit their neighbors and communities. Additionally, the plans establish steering committees to evaluate voluntary practices implemented by local producers. FSA monitors the overall performance of the program.

Participating States

The program has been implemented in the following states: Alabama, Alaska, Arizona, Arkansas, California, Colorado, Connecticut, Delaware, Florida, Georgia, Idaho, Illinois, Indiana, Iowa, Kansas, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nevada, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Virginia, Washington, West Virginia, Wisconsin, and Wyoming. The 44 states participating in the Source Water Protection Program were chosen based on objective technical criteria relating to water quality and population.

Who Can Participate

Farmers and ranchers in the aforementioned states are encouraged to partici-

pate in the Source Water Protection Program. They can take part in the program by administering voluntary practices on their land and/or by becoming team members responsible for the development of Rural Source Water Protection plans. Citizens from federal, state, local and private entities also can serve on local teams.

Information about NRWA

NRWA was established in 1976 as a nonprofit, utility membership, trade association to represent rural and small community water and wastewater systems. Today, NRWA is the largest utility member-based organization in the country serving in 48 contiguous states, as well as Alaska and Puerto Rico with more than 23,500 members.

For More Information

For more information about FSA programs, visit: <http://www.fsa.usda.gov>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

Voluntary Public Access and Habitat Incentive Program (VPA-HIP)

Overview

The Voluntary Public Access and Habitat Incentive Program (VPA-HIP) is a competitive grants program authorized under Section 1240R of the Food Security Act of 1985, as amended, and is only available to states and tribal governments. Up to \$50 million is available through fiscal year 2012.

The primary objective of the VPA-HIP is to encourage owners and operators of privately-held farm, ranch and forest land to voluntarily make that land available for access by the public for wildlife-dependent recreation, including hunting or fishing, under programs implemented by state or tribal governments.

Grantees that are states will have the grant amount reduced by 25 percent if opening dates for migratory bird hunting in the state are not consistent for residents and non-residents. This requirement does not apply to grantees that are tribal governments.

Regulations at 7 CFR part 1455 govern the VPA-HIP.

Background

Twenty-six states currently have public access programs in place for hunting, fishing and other related activities. These programs provide rental payments and other incentives, such as technical or conservation services to landowners who allow the public to hunt, fish or perform other types of wildlife recreation on their land. An unknown number of tribal governments have similar public access programs.

The majority of the existing programs have limited scope and budgets; most existing programs have an annual budget of under a million dollars per year. The goals of these existing

programs include providing access for wildlife-dependent recreation, such as hunting, fishing and other compatible activities that include enhancing wildlife habitat, facilitating sound wildlife management, helping local economies that depend on revenue from hunters, and preserving our nation's conservation and hunting traditions.

The funding provided by the VPA-HIP will help states and tribal governments greatly increase access and recreational experiences. Grant recipients may use the funding to provide higher rental payments, provide technical and conservation services to landowners and increase acreage enrolled for public access.

Nothing in the VPA-HIP preempts liability laws that may apply to activities on any property related to grants made in this program.

How the Program Works

Periodically, the Farm Service Agency (FSA) acting on behalf of the Commodity Credit Corporation (CCC) will publish a Request for Applications (RFA) on the federal government's grants portal — www.grants.gov.

The RFA will provide the objectives for projects, the eligibility criteria for projects and applicants, and the application forms and associated instructions needed to apply for a VPA-HIP competitive grant.

Who Can Participate

Only states and tribal governments are eligible for VPA-HIP. Grants will be awarded through a competitive RFA process. States and tribal governments may propose to use VPA-HIP grant funding to expand existing public access programs, create new public access programs and/or provide incentives to improve habitat on land enrolled in public access programs.

Funding Priorities

Funding priority will be given to proposals that will use the grant money in a public access program to address these objectives:

- Maximize participation by landowners;
- Ensure that land enrolled in the program has appropriate wildlife habitat;
- Provide incentives to strengthen wildlife habitat improvement efforts on Conservation Reserve Enhancement Program (CREP) land;
- Supplement funding and services from other federal, state, tribal government or private resources that is provided in the form of cash or in-kind services and;
- Provide information to the public about the location of public access land.

For More Information

For more information on VPA-HIP, contact a local FSA office or visit FSA's website at: <http://www.fsa.usda.gov/vpa>.

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2012 Montana Farmer & Rancher FSA Handbook

Disaster Assistance Programs

- ❖ ECP - Emergency Conservation Program
- ❖ Emergency Forestry Restoration Program
- ❖ EM - Emergency Loan Assistance Program
- ❖ NAP - Non-insured Crop Disaster Assistance Program
- ❖ SURE-Supplemental Revenue Assistance Program



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Emergency Conservation Program

Overview

USDA Farm Service Agency's (FSA) Emergency Conservation Program (ECP) provides emergency funding and technical assistance to farmers and ranchers to rehabilitate farmland damaged by natural disasters and for implementing emergency water conservation measures in periods of severe drought. Funding for ECP is appropriated by Congress.

Program Administration

ECP is administered by FSA state and county committees. Subject to availability of funds, locally-elected county committees are authorized to implement ECP for all disasters except drought, which is authorized by the FSA national office.

Land Eligibility

FSA county committees determine land eligibility based on on-site inspections of damaged land. They consider the type and extent of damage. For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would:

- Impair or endanger the land;
- Materially affect the land's productive capacity;
- Represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and
- Be so costly to repair that Federal assistance is or will be required to return the land to productive agricultural use.

Conservation problems existing before the applicable disaster event are ineligible for ECP assistance.

Payments

As determined by FSA county committees, ECP participants may receive cost-share assistance of up to 75 percent of the cost to implement approved emergency conservation practices. Qualified limited-resource producers receive cost-share assistance of up to 90 percent of the cost to implement approved emergency conservation practices.

Individual or cumulative requests for cost-share assistance of \$50,000 or less per person or legal entity, per disaster are approved at the county committee level. Cost-share assistance requests exceeding \$50,000 require approval from the state committee or national office level. Cost-share assistance is limited to \$200,000 per person or legal entity, per disaster.

Technical assistance may be provided by USDA's Natural Resources Conservation Service.

Emergency Conservation Practices

To rehabilitate farmland, ECP participants may implement emergency conservation practices such as:

- Debris removal from farmland;
- Restoring livestock fences and conservation structures; and
- Providing water for livestock during periods of severe drought.

Other conservation measures may be authorized by FSA county committees, with approval from FSA state committees and the FSA national office.

Sign-up Periods

Producers should inquire with their local FSA county office regarding ECP sign-up periods, which are established by FSA county committees.

For More Information

More information on ECP is available at FSA offices and on FSA's Web site at: <http://disaster.fsa.usda.gov>

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To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

November 2010

Emergency Forest Restoration Program

Overview

USDA Farm Service Agency's (FSA) Emergency Forest Restoration Program (EFRP) provides payments to eligible owners of nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore land damaged by a natural disaster. Funding for EFRP is appropriated by Congress.

Program Administration

EFRP is administered by FSA's state and county committees and offices. Subject to availability of funds, locally-elected county committees are authorized to implement EFRP for all disasters except drought and insect infestations, which are authorized at the FSA national office.

Land Eligibility

County FSA committees determine land eligibility using on-site damage inspections that assess the type and extent of damage. To be eligible for EFRP, NIPF land must:

- Have existing tree cover (or had tree cover immediately before the natural disaster occurred and is suitable for growing trees); and,
- Be owned by any nonindustrial private individual, group, association, corporation, or other private legal entity, that has definitive decision-making authority over the land.

In addition, the natural disaster must have resulted in damage that if untreated would:

- Impair or endanger the natural resources on the land; and,
- Materially affect future use of the land.

Payments

EFRP program participants may receive financial assistance of up to 75 percent of the cost to implement approved emergency forest restoration practices as determined by county FSA committees.

Individual or cumulative requests for financial assistance of \$50,000 or less per person or legal entity, per disaster are approved by the county committee. Financial assistance from \$50,001 to \$100,000 is approved by the state committee. Financial assistance over \$100,000 must be approved at the FSA national office. A payment limitation of \$500,000 per person or legal entity applies per disaster.

Emergency Forest Restoration Practices

To restore NIPF, EFRP program participants may implement emergency forest restoration practices, including emergency measures:

- Necessary to repair damage caused by a natural disaster to natural resources on nonindustrial private forest land; and
- Restore forest health and forest related resources on the land.

Other emergency measures may be authorized by county FSA committees, with approval from state FSA committees and the FSA national office.

Sign-up Periods

Producers should check with their local county FSA offices regarding EFRP sign-up periods, which are set by county FSA committees.

For More Information

Additional information on EFRP is available at FSA offices and on FSA's website at: <http://disaster.fsa.usda.gov> and www.fsa.usda.gov/conservation

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY



Noninsured Crop Disaster Assistance Program

According to the 2008 Farm Bill

January 2012

Background

The Noninsured Crop Disaster Assistance Program (NAP) is a federally funded program that provides financial assistance to producers of noninsurable crops when low yields, loss of inventory, or prevented planting occurs as the result of natural disasters. NAP provides coverage for crops for which the catastrophic level of insurance is not available.

Eligible Crops

Crops that are noninsurable and eligible for disaster assistance include commercially produced:

- crops grown for food;
- crops planted and grown for livestock consumption, including but not limited to grain, seeded and native forage crops;
- crops grown for fiber, such as cotton and flax, except for trees;
- crops grown under a controlled environment, such as mushrooms and floriculture;
- specialty crops, such as honey and maple sap;
- value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery, and turfgrass sod;
- Seed crops where the propagation stock is produced for sale as seed stock for other eligible NAP crop production.

Natural Disasters

Natural disasters include:

- damaging weather, such as drought, hail, freeze, hurricane, excessive moisture or wind;
- an adverse natural occurrence, such as an earthquake or a flood; or
- a condition related to damaging weather or adverse natural occurrence such as disease or insect infestation.

Note: *The natural disaster must occur before or during harvest and must directly affect the noninsurable crop.*

Producer Eligibility Requirements

An eligible producer is a landowner, tenant, or sharecropper who shares in the risk of producing a crop that qualifies as noninsurable. The average nonfarm adjusted gross income limitation of the eligible producer must not exceed \$500,000.

Note: *If you have questions regarding your eligibility, contact your local Farm Service Agency (FSA) office.*

Program Eligibility Requirements

Producers must meet all program requirements in order to take advantage of NAP assistance in the event of a disaster. The producer must provide certain information to FSA annually before a disaster occurs. Specifically, producers must:

- certify that they comply with all highly erodible land and wetland conservation requirements;
- report crop losses within 15 days of the date disaster occurs or the date crop damage becomes apparent;
- request payments by the acreage reporting date for the crop following the year in which the loss occurred;
- accurately report the acreage and shares for all crops potentially eligible for NAP, certify crop production history, and report current crop year production on or before the required deadline.

If you have questions regarding acreage reporting dates, contact your local FSA office.

Determination of Crop Losses

As with crop insurance, FSA allows producers to establish an expected level of production to reflect normal production capabilities.

Except for a few crops that are considered "value loss" crops, the actual history of producing the crop is used to determine the extent of the loss in the disaster year. FSA calculates normal yields by averaging producers' actual yields over a 4 to 10 year period. If at least 4 years of acceptable production records are not provided, a yield will be assigned, which may be lower than the actual average yield.

Individual crop losses are determined on a unit basis. A unit includes all the acreage of the crop

in the administrative county in which the producer has the same interest. For example, land owned by a producer is included in the same unit with land leased by the producer, if a 100 percent share in the crop is maintained on both operations.

Payment of NAP

FSA compensates eligible producers for:

- losses of noninsurable crops exceeding 50 percent of the expected yield based on 55 percent of the average market price of the commodity;
- prevented planting of more than 35 percent of the intended acreage.

To reflect a decrease in production costs incurred, the payment rate is reduced for any crop that is unharvested or prevented from being planted. Payments under NAP to any single person cannot exceed \$100,000 for any given crop year. Producers cannot receive assistance for the same loss under more than one USDA program.

For payment calculation examples, please refer to "NAP Payment Examples" on page 4 of the fact sheet.

NAP Coverage

Crop Losses

NAP will be based on individual producer crop losses.

Application for Coverage

Eligible producers must apply for coverage on noninsurable crops. All applications for coverage must be filed and the applicable service fees paid at the local FSA office by the application closing date. State committees establish application-closing dates.

Service Fees

Eligible producers must pay a service fee of \$250 per crop per administrative county or \$750 per

producer per county, not to exceed \$1875 for a producer with farming interests in multiple counties.

Service fees may be waived for limited-resource producers.

Coverage Period

The coverage period is the time during which coverage is available against loss of production of the noninsurable crop as a result of a natural disaster. The coverage period varies depending on the type of crop grown, which may be annual, perennial, value loss, etc. The date coverage ends is normally the same among crops and ends the earlier of:

- the date harvest is completed;
- the normal harvest date in the area;
- abandonment of the crop;
- total destruction of the crop.

Note: Value loss crops and specialty crops have different coverage periods and ending dates. For complete information on coverage periods and ending dates, contact your local FSA office.

Participant Responsibilities

Eligible producers who participate must:

1. Be aware of program deadlines that apply in the counties where they have farming interests;
2. File an application for coverage **CCC-471**, and pay the applicable service fees at their local FSA office by the application closing date;
3. Request a waiver of service fees if they are a limited-resource producer;
4. File Notice of Loss, Part B, **CCC-576** within 15 days of loss.
5. Complete payment eligibility forms; Application for Payment, **CCC-576**;
6. Comply with all other program requirements, including highly erodible land and wetland conservation;

7. Provide documentation to establish actual production history and support most recent year production;
8. Annually report your crop acreage, yield, and production at your local FSA office;
9. Timely file a notice of crop loss and give FSA the opportunity to inspect the acreage;
10. Timely file an application for payment in order to receive financial assistance through NAP.

Payment of Service fee does not guarantee coverage.

Information Required to Remain Eligible for NAP

To remain eligible for NAP assistance, the producer must report the following crop information annually:

- name of the crop;
- type and variety of the crop;
- location and acreage of the crop;
- share of the crop and the names of other producers with an interest in the crop;
- type of practice used to grow the crop, such as irrigated or non-irrigated;
- date the crop was planted in each field; and
- intended use of the commodity.

In addition, producers must provide the following production information annually:

- the quantity of all harvested production of the crop in which the producer held an interest during the crop year;
- the disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged, or used differently than intended; and
- verifiable or reliable crop production records.

Failure to Report

Failure to report acreage and production information may result in reduced or zero NAP assistance.

Spring Application Deadline

FSA has set March 15, 2012 as the application sales closing date for all 2012 crops except "value loss" and honey.

In Montana, NAP coverage may be available for hay type barley varieties intended for seed. Overage stands of irrigated alfalfa and alfalfa grass mixtures are now eligible for crop insurance coverage.

Crop situations that will not be eligible for NAP coverage include insurable crops planted in unrated map areas, however, those crops will be eligible for crop insurance through written agreements. Contact your Crop Insurance Agent for more information.

Risk Management Purchase Requirement

For the 2008 Farm Bill, Noninsurable commodities on a farm were required to have NAP coverage in order for producers on that farm to be eligible for the Supplemental Revenue Assistance Payments (SURE) Program, Tree Assistance Program (TAP) and the Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program (ELAP). Producers were also required to have either NAP coverage or Pasture, Rangeland, and Forage Rainfall Index Pilot Program (PRF-RI) coverage through crop insurance, or both on all of their grazing acres in order to be eligible to apply for the Livestock Forage Program (LFP).

At this time, we do not know whether or not we will have these same programs with the next Farm Bill and what the program requirements will be, however, it is

strongly encouraged that producers continue to obtain coverage through crop insurance and/or NAP on all of their crops including grazing.

NAP Important Dates for 2012

March 15 - NAP application sales closing date for all 2012 crops except "value loss" and honey.

Nap pull-off date – varies by county. Check with your local county FSA office for the exact date.

Notice of Loss – is 15 calendar days following the disaster or the date the loss was apparent

July 16 Final NAP production reports are due for 2011

July 16 Final date to file 2011 crop application for NAP payment

Sept. 4 2013 NAP application sales closing date for value-loss crops

December 3 2013 NAP application sales closing date for honey.

For More Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at: <http://www.fsa.usda.gov/mt>.

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NAP PAYMENT EXAMPLES

NAP is designed to provide some crop loss protection during times of catastrophic losses. The following examples show what a producer might receive as a NAP payment when 100 acres of dryland barley hay, 100 acres of dryland triticale, and 640 acres of native range are timely reported and subsequently lost due to a natural disaster. Remember that NAP only covers the actual disaster loss in excess of 50% at 55% of the market price established by the State Committee (STC).

Barley intended for Hay:

$1.6 \text{ T/ac. APH} \times 50\% \text{ coverage level} = 0.8 \text{ T/ax. NAP coverage guarantee}$

$\$86.6667/\text{Ton NAP Price} \times 55\% \text{ coverage rate} = \$47.67/\text{Ton NAP payment rate}$

$100 \text{ planted acres} \times 0.8 \text{ T/ac.} = 80 \text{ Tons guarantee}$

$80 \text{ Tons} - 0.0 \text{ production to count (appraisal)} = 80 \text{ Tons for payment}$

$80 \text{ T} \times \$47.67/\text{T} \times 87\% \text{ planted but unharvested factor} = \$3,318 \text{ payment}$

Triticale intended for grain:

$40 \text{ BU/ac. APH} \times 50\% = 20 \text{ BU/ac. NAP guarantee}$

$\$3.0567/\text{BU} \times 55\% = \$1.68/\text{BU NAP payment rate}$

$100 \text{ acres} \times 20 \text{ BU/ac.} = 2000 \text{ BU guarantee}$

$2000 \text{ BU} - 500 \text{ BU actual harvested quantity} = 1500 \text{ BU for payment}$

$1500 \text{ BU} \times \$1.68/\text{BU} = \$2,520 \text{ payment}$

Native grass for grazing:

20.3 acres per animal unit carrying capacity (set by COC)

215-day grazing period for native range (set by COC)

70% grazing loss (set by COC and approved by STC)

\$1.1053 per animal unit day (AUD) rate (set by national office)

$640 \text{ acres native pasture} \div 20.3 \text{ ac/AU} \times 215 \text{ days} = 6778 \text{ normally expected AUD's}$

$6778 \text{ expected AUD's} \times 20\% \text{ (grazing loss over 50\%)} = 1356 \text{ AUD's eligible for NAP payment.}$

$1356 \text{ pmt AUD's} \times \$1.1053 \times 55\% = \$824.00 \text{ total NAP payment}$



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

February 2011

Emergency Loan Program

Overview

USDA's Farm Service Agency (FSA) provides emergency loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters or quarantine.

Loan Uses

Emergency loan funds may be used to:

- Restore or replace essential property;
- Pay all or part of production costs associated with the disaster year;
- Pay essential family living expenses;
- Reorganize the farming operation and;
- Refinance certain debts.

Eligibility

Emergency loans may be made to farmers and ranchers who:

- Own or operate land located in a county declared by the President as a disaster area or designated by the Secretary of Agriculture as a disaster area or

quarantine area (for physical losses only, the FSA Administrator may authorize emergency loan assistance);

- Are established family farm operators and have sufficient farming or ranching experience;
- Are citizens or permanent residents of the United States;
- Have suffered at least a 30 percent loss in crop production or a physical loss to livestock, livestock products, real estate or chattel property;
- Have an acceptable credit history;
- Are unable to receive credit from commercial sources;
- Can provide collateral to secure the loan and;
- Have repayment ability.

Loan Requirements

FSA loan requirements are different from those of other lenders. Some of the more significant differences are the following:

- Borrowers must keep acceptable farm records;
- Borrowers must operate in accordance with a farm plan they develop and agree to with local FSA

staff and;

- Borrowers may be required to participate in a financial management training program and obtain crop insurance.

Collateral is Required

All emergency loans must be fully collateralized. The specific type of collateral may vary depending on the loan purpose, repayment ability and the individual circumstances of the applicant. If applicants cannot provide adequate collateral, their repayment ability may be considered as collateral to secure the loan. A first lien is required on property or products acquired, produced or refinanced with loan funds.

Loan Limit

Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

Loan Terms

Loans for crop, livestock, and non-real estate losses are normally repaid within one to seven years, depending on the loan

FACT SHEET**Emergency Loan Program**February 2011

purpose, repayment ability and collateral available as loan security. In special circumstances, terms of up to 20 years may be authorized. Loans for physical losses to real estate are normally repaid within 30 years. In certain circumstances, repayment may be made over a maximum of 40 years.

Interest Rate

The current annual interest rate for emergency loans is 3.75 percent.

Application Deadline

Applications for emergency loans must be received within eight months of the county's disaster or quarantine designation date.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

Supplemental Revenue Assistance Payments (SURE) Program

Overview

The Supplemental Revenue Assistance Payments (SURE) Program is authorized by the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) to provide assistance to producers suffering crop losses due to natural disasters. SURE is available for crop losses due to natural disasters occurring through Sept. 30, 2011.

Qualifying Crop Losses

To receive SURE payments, an eligible producer must have a qualifying loss. A qualifying loss means at least a 10 percent production loss affecting one crop of economic significance due to a disaster on a farm in a disaster county. Producers outside a declared disaster county, but with production losses greater than or equal to 50 percent of the normal production on the farm (expected revenue for all crops on the farm), also qualify for SURE.

Notes: A “farm” refers to all crop acreage in all counties that a producer planted or intended to plant for harvest for normal commercial sale or farm livestock feeding. A “crop of economic significance” is a crop that contributes at least 5 percent of the expected revenue for a producer’s farm. A “disaster county” is a county for which a Secretarial disaster designation has been issued or a county contiguous to a county with a Secretarial disaster designation.

Eligible Producers

Risk Management Purchase Requirement (RMPR)

To be eligible for SURE, a producer must have obtained a policy or plan of insurance for all crops through the Federal Crop Insurance Corpora-

tion and obtained Noninsured Crop Disaster Assistance Program (NAP) coverage, if available, from the Farm Service Agency. Forage crops intended for grazing are not eligible for SURE benefits.

Note: Eligible farmers and ranchers who meet the definition of “Socially Disadvantaged,” “Limited Resource,” or “Beginning Farmer or Rancher,” do not have to meet this requirement.

Payment Calculation

SURE payments are calculated based on 60 percent of the difference between the SURE Disaster Program Guarantee and the Total Farm Revenue (See tables 1 through 3).

SURE Guarantee

The SURE guarantee is determined by totaling the calculated guarantee for each crop on the producer’s farm. For insured crops, the guarantee is based on the level of insurance coverage the producer elected. Higher levels of coverage result in higher crop guarantees. For NAP crops, the guarantee is based on a formula that includes the yield, acreage and price factors. The formula is provided in the example on the back page.

The farm’s SURE guarantee cannot exceed 90 percent of the total expected revenue for the farm.

Total Farm Revenue

Total Farm Revenue includes the crop value, crop insurance indemnities, NAP payments, marketing assistance loan gains, loan deficiency payments, other disaster payments and Direct and Counter-cyclical

Payments (15 percent of direct payments, plus the entire counter-cyclical payment and ACRE payments).

Quality adjustments may be applied to a crop’s value for harvested production affected by eligible disaster conditions.

Payment Limitations

A limit of \$100,000 per person and legal entity collectively received, directly and indirectly, applies to the combination of payments from SURE and the livestock disaster programs — Livestock Forage Program (LFP), Livestock Indemnity Program (LIP) and Emergency Assistance for Livestock, Honeybees, and Farm-raised Fish (ELAP).

Sign-up Period

Producers must sign up at their county FSA office during the announced application period for each year. If a producer farms in multiple counties, any county FSA office serving the producer will assist the producer in completing an application.

Information Needed for the SURE Application:

- Acreage and production records, if not already provided for the crop insurance program or for NAP;
- Information to establish eligible producer status on the farm (deeds, leases) if not already provided to FSA;
- Other information requested by FSA.

FACT SHEET**Supplemental Revenue Assistance Payments (SURE) Program**

January 2011

Payments

A producer will receive SURE payments if crop loss requirements and other eligibility provisions are met, including, but not limited to, production and marketing risks associated with the crops on the farm, payment limitation, AGI, and conservation compliance.

Frequently Asked Questions

Q1: Will provisions of the American Recovery and Reinvestment Act of 2009 (Pub. L. 111-005, the Recovery Act), apply to 2009 and subsequent crop losses under SURE?

A1: No. The Recovery Act only applied to 2008 crop year losses.

Q2: If a farm is located in multiple counties, do all of the counties have to have a Secretarial disaster designation?

A2: No. A participant must have at least a 10 percent loss of one crop of economic significance due to disaster on either a farm in a disaster county or in a county contiguous to a disaster county or, if the participant's farm is not in a disaster county or county contiguous to a disaster county, the participant must have at least a 10 percent loss of one crop of economic significance due to disaster and an overall production loss equal to or greater than 50 percent of the normal production on the farm (expected revenue for all crops on the farm due to disaster). See "Qualifying Crop Losses" in this fact sheet.

Q3: Does SURE cover losses of all crops grown or produced on a farm?

A3: No. Some crops on a farm are not eligible per statute or regulations, such as grazed forage, crops planted after the initial crop and subsequent crops planted in unapproved double crop areas.

Q4: Can a producer participate in SURE if all crops of economic significance are not covered by crop insurance or NAP?

A4: No. A producer must satisfy the risk management purchase requirement (RMPR) on all crops on a farm. Exceptions apply for socially disadvantaged producers, limited resource producers and beginning farmers and ranchers.

Q5: If a producer has NAP or crop insurance coverage, is that producer automatically signed up for the SURE?

A5: No. A producer must file a timely application for SURE.

Q6: Can historical production records be provided in order to increase the program guarantee?

A6: No. Yields are based on the established crop insurance or NAP yields. If a producer does not have a crop insurance or NAP yield, a yield based on a percentage of the county expected yield will be used.

Q7: Is crop revenue based on individual receipts?

A7: No. The revenue for each crop is determined by multiplying the farm's production quantity of a crop on the farm by the National Average Market Price for the crop, not the actual price received by the producer.

Q8: If a crop on a farm suffers a quality loss due to a disaster, are quality adjustments applied?

A8: Yes, if the following conditions are met:

- FSA determines an eligible disaster affected the quality of the crop in the region;
- The producer certifies that an eligible cause affected the qual-

ity of the crop and the overall loss of quality must be as great as the factor established by FSA.

Payment Calculation Worksheet (Tables 1 to 3)

Tables 1 through 3 are provided as a tool to approximate the payment calculation for a SURE farm. The estimated payment amount on Table 3 may differ from an actual payment amount due to rounding, data inputs, quality adjustments, yield variations, salvage calculations and agency determinations.

For More Information

For more information about FSA and its programs, visit the local USDA Service Center or online at: <http://www.fsa.usda.gov/sure>.

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Table 1: Purchased Crop Insurance		Example:	A Crop:	B Crop:	C Crop:
Only use this table for insurable crops that were insured. Do not use for insurable crops that were in the "buy-in" or waived.		Corn			
Basic Data	1 Acres	800			
	2 Share	100%			
	3 Yield (APH) Enter county expected yield if there is o APH.	180 bu/ac			
	4 Guarantee Adjustments Enter 100% if there are no adjustments for prevented planted, late planted or unharvested acreage.	100%			
	5 Historical Marketing % (only applies to fresh, processed or juice)	n/a			
	6 Coverage Level	70%			
	7 Price Election	80%			
	8 Price	\$ 4.00			
	9 Production to Count	56,000 bu			
	10 2009 National Average Market Price	\$ 3.55			
SURE Crop Guarantee	11 SURE Guarantee Calculation Basis Enter RMA Guarantee or multiply items 1 x 2 x 3 x 4 x 5 x 6 x 7 x 8	\$ 322,560			
	12 SURE Crop Guarantee (Informational) Item 11 x 115% <i>Total of 12A, 12B and 12C</i>	\$ 370,944			
SURE Crop Revenue	13 Expected Crop Revenue Item 11 divided by items 4 x 6 x 7 <i>Total of 13A, 13B and 13C</i>	\$ 576,000			
	14 Crop Value Item 2 x Item 9 x Item 10 <i>Total of 14A, 14B and 14C</i>	\$ 198,800			

Table 2: Purchased NAP Coverage		Example:	A Crop:	B Crop:	C Crop:	
Only use this table for noninsurable crops that were covered by NAP. Do not use for noninsurable crops that were in the "buy-in" or waived.		Oat Hay				
Basic Data	1 Acres	180				
	2 Share	100%				
	3 Yield (APH) Enter county expected yield if there is o APH.	2.4 ton				
	4 Guarantee Adjustments Enter 100% if there are no adjustments for prevented planted, late planted or unharvested acreage.	100%				
	5 Historical Marketing % (only applies to fresh, processed or juice)	n/a				
	8 Price	\$ 62.00				
	9 Production to Count	72 tons				
	10 2009 National Average Market Price	\$ 58.00				
	SURE Crop Guarantee	11 SURE Guarantee Calculation Basis Enter RMA Guarantee or multiply items 1 x 2 x 3 x 4 x 5 x 8	\$ 26,784			
		12 SURE Crop Guarantee (Informational) Item 11 x 60% <i>Total of 12A, 12B and 12C</i>	\$ 16,070			
SURE Crop Revenue	13 Expected Crop Revenue Item 11 divided by items 4 <i>Total of 13A, 13B and 13C</i>	\$ 26,764				
	14 Crop Value Item 2 x Item 9 x lesser of Item 8 or Item 10 <i>Total of 14A, 14B and 14C</i>	\$ 4,176				

Table 3: Estimated Payment Calculation Total information from all counties and worksheets. Estimated payment subject to payment limitation provisions.		Example	Farm Totals
Revenue Data	1 Direct and Counter-cyclical Program (DCP) "Direct" Payments	\$ 40,000	
	2 DCP Direct Payment SURE Revenue Item 1 x 15%	\$ 6,000	
	3 DCP "Counter-cyclical" Payments	\$ 0	
	4 Loan Deficiency Payments, Market Gains, and Market Certificate Payments	\$ 2,000	
	5 Noninsured Crop Disaster Assistance Program (NAP) Payments	\$ 4,910	
	6 Crop Insurance Indemnities	\$ 109,000	
	7 Settlements from FSA and Risk Management Agency (RMA)	\$ 0	
	8 Other Disaster Payments	\$ 0	
	9 Guaranteed Payments to Contract Growers	\$ 0	
	10 Total Other Revenue Data (Add Items 2 through 9)	\$ 121,910	
	11 Total Estimated Crop Value (Total of Item 14 on Tables 1 and 2)	\$ 222,576	
	12 Total Revenue (Item 10 + Item 11)	\$ 344,486	
SURE Guarantees	13 Guarantee (Total of Item 12 on Tables 1 and 2)	\$ 387,014	
	14 Total Expected Crop Revenue (Total of Item 13 on Tables 1 and 2)	\$ 602,764	
	15 90% of Revenue Cap (Item 15 x 90%)	\$ 542,488	
	16 SURE Program Guarantee	\$ 387,014	
Estimated SURE Payment	17 SURE Program Payment (Item 16 minus Item 12 x 60%)	\$25,516.80	

Note: Item 17 has been provided for information only and is the basis for the payment.



2012 Montana Farmer & Rancher FSA Handbook

Farm Loan Programs

- ❖ Farm Loan Program
- ❖ Farm Loan Program - Funding
- ❖ How to Complete and FSA Loan Application
- ❖ Indian Tribal Land Acquisition Program
- ❖ Land Contract (LC) Guarantee Program
- ❖ Loans for Beginning Farmers and Ranchers
- ❖ Loans for Socially Disadvantaged Farmers/Ranchers
- ❖ Rural Youth Loans



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

October 2011

Farm Loans

Overview

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes and guarantees loans to family farmers and ranchers to promote, build and sustain family farms in support of a thriving agricultural economy. FSA maintains its headquarters in Washington, DC, with offices located in each state, usually in a state capital or near a state land-grant university, as well as in most agriculturally productive counties. Farmers may apply for direct loans at local FSA offices. Guaranteed loans may be available from local commercial lenders who apply for loan guarantees from FSA. Although general information may be obtained from headquarters and state offices, all programs are administered through local offices.

The goal of FSA's farm loan programs is to graduate its borrowers to commercial credit. Once a farmer is able to obtain credit from the commercial lending sector, the Agency's mission of providing temporary, supervised credit is complete.

FSA Farm Loans

FSA's loan programs are designed to help family farmers obtain loans and loan guarantees, and conduct business planning. In many cases, these are beginning farmers who need additional financial and business acumen to qualify for commercial credit. In other cases,

they are farmers who have suffered financial setbacks from natural disasters, or who need additional resources with which to establish and maintain profitable farming operations.

Some farmers obtain their credit needs through the use of loan guarantees. Under a guaranteed loan, a commercial lender makes and services the loan, and FSA guarantees it against loss up to a maximum of 90 percent in most cases. In certain limited circumstances, a 95 percent guarantee is available. FSA has the responsibility of approving all eligible loan guarantees and providing oversight of lenders' activities.

For those not yet meeting the qualifications for a loan guarantee from a commercial lender, FSA also makes direct loans, which are serviced by an FSA official. FSA has the responsibility of providing credit counseling and supervision to its direct borrowers by making a thorough assessment of the farming operation. The Agency helps applicants evaluate the adequacy of the real estate and facilities, machinery and equipment, financial and production management, and the farmer's goals. FSA assists the applicant in identifying and prioritizing areas needing improvement in all phases of the operation. An FSA official then works one-on-one with the farmer to develop and to help strengthen the identified areas that ultimately result

in the farmer's graduation to commercial credit.

Unlike FSA's commodity loans, most farm loans must be fully secured and can only be approved for those who have repayment ability.

Farm Ownership Loans

Eligible applicants may obtain direct loans up to a maximum indebtedness of \$300,000. Maximum indebtedness for guaranteed loans is \$1,214,000 (amount adjusted annually for inflation). The maximum repayment term is 40 years for both direct and guaranteed farm ownership loans. In general, loan funds may be used to purchase a farm, enlarge an existing farm, construct new farm buildings and/or improve structures, pay closing costs, and promote soil and water conservation and protection.

Farm Operating Loans

Eligible applicants may obtain direct loans for up to a maximum indebtedness of \$300,000, and guaranteed loans for up to a maximum indebtedness of \$1,214,000 (amount adjusted annually for inflation). The repayment term may vary, but typically it will not exceed seven years for intermediate-term purposes. Annual operating loans are generally repaid within 12 months or when the commodities produced are sold. In general, loan funds may be used for normal operating expenses, machinery and equipment, real

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estate repairs, and refinancing debt.

Targeted Funds to Socially Disadvantaged and Beginning Farmers

Each year Congress targets a percentage of farm ownership and farm operating loan funds to socially disadvantaged (SDA) and beginning farmers. For more information, refer to the FSA Fact Sheet, "Loans for Socially Disadvantaged Farmers."

Downpayment Program

FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations.

To qualify:

- The applicant must make a cash down payment of at least 5 percent of the purchase price.
- The maximum loan amount does not exceed 45 percent of the least of (a) the purchase price of the farm or ranch to be acquired; (b) the appraised value of the farm or ranch to be acquired; or (c) \$500,000 (Note: This results in a maximum loan amount of \$225,000).
- The term of the loan is 20 years. The interest rate is 4 percent below the direct FO rate, but not lower than 1.5 percent.
- The remaining balance may be obtained from a commercial lender or private party. FSA can provide up to a 95 percent

guarantee if financing is obtained from a commercial lender. Participating lenders do not have to pay a guarantee fee.

- Financing from participating lenders must have an amortization period of at least 30 years and cannot have a balloon payment due within the first 20 years of the loan.

Rural Youth Loans

These are available as direct loans only and have a maximum loan amount of \$5,000. Rural youth loans may be made to individuals who are sponsored by a project advisor, such as a 4-H Club, FFA or local vocational instructor. Individuals must be at least 10 but not more than 20 years old to be eligible and reside in a town or city with a population of 50,000 or fewer people.

Emergency Loans

These loans are available only as direct loans from FSA. Emergency Loans assist farmers who have suffered physical or production losses in areas declared by the President as disaster areas or designated by the Secretary of Agriculture as disaster or quarantine areas (for physical losses only, the FSA Administrator may authorize Emergency Loan assistance). For production loss loans, applicants must demonstrate a 30 percent loss in a single farming or ranching enterprise. Applicants may receive loans up to 100 percent of production or physical losses.

Loan purposes include operating and real estate,

restoring/replacing essential property, production costs for disaster year, essential family living expenses, reorganization and refinancing certain debts.

The maximum indebtedness under the Emergency Loan program is \$500,000.

Loan Servicing and Supervised Credit

FSA's mission is not limited to providing just credit - it is to provide supervised credit. This means that FSA works with each direct loan borrower to identify specific strengths and opportunities for improvement in farm production and management, and then works with the borrower on alternatives and other options to address the areas needing improvement to achieve success. Learning improved business planning and financial acumen through supervised credit is the difference between success and failure for many farm families.

To help keep borrowers on the farm, FSA may be able to provide certain loan servicing benefits to direct loan borrowers whose accounts are distressed or delinquent due to circumstances beyond their control. These benefits include:

- Reamortization, rescheduling, and/or deferral of loans;
- Rescheduling at the Limited Resource (lower interest) rate;
- Acceptance of conservation contracts on environmentally sensitive land in exchange for reduction of debt; and

FACT SHEET**Farm Loans**

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- Writing down the debt (delinquent borrowers only).

If none of these options results in a feasible farm operating plan, borrowers may be offered the opportunity to pay off their debt at the current market value of the security. If this is not possible, other options include:

- Debt settlement based on inability to repay.
- In some cases, where a feasible plan of operation cannot be developed, FSA works with commercial lenders to help him or her retain the homestead and up to 10 acres of land.

Farms that come into FSA ownership are sold at market value, with preference given to socially disadvantaged and beginning farmers.

Who May Borrow

To qualify for assistance, applicants must meet all loan eligibility requirements including:

- Be a family-size farmer;
- Have a satisfactory history of meeting credit obligations;
- For direct OL loans, have sufficient education; training, or at least 1-year's experience in managing or operating a farm or ranch within the last 5 years. For direct FO loans, applicants must have participated in the business operations of a farm or ranch for 3 years;
- Be a citizen of the United States, including Puerto Rico,

the U. S. Virgin Islands, Guam, American Samoa, and certain former Pacific Island Trust Territories, a U.S. non-citizen national, or a qualified alien under federal immigration law;

- Be unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs;
- Possess legal capacity to incur loan obligations;
- Not be delinquent on a Federal debt;
- Not have caused FSA a loss by receiving debt forgiveness (certain exceptions apply) and;
- Be within the time restrictions as to the number of years they can receive FSA assistance.

In the case of an entity, certain eligibility requirements apply. The entity must:

- Meet applicant eligibility requirements;
- Be authorized to operate a farm or ranch in the State where the actual operation is located and;
- Be owned by U.S. citizens, U.S. non-citizen nationals or qualified aliens.

For SDA members, they must hold a majority interest in the entity applicant to receive SDA benefits.

If the individuals holding a majority interest in the entity are related by blood or marriage, at least one stockholder, member, or partner must operate the family farm or ranch. If they

are not related by blood or marriage, those holding a majority interest must operate the farm or ranch.

For More Information

Additional information may be obtained at local FSA offices or through the FSA website at www.fsa.usda.gov.

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

October 2011

Farm Loan Information Chart

The following chart summarizes FSA farm loan information, effective Oct. 1, 2011. Additional details are available at local FSA offices or on FSA's website: www.fsa.usda.gov .			
Program	Maximum Loan Amount	Rates and Terms	Use of Proceeds
Direct Farm Ownership (FO)	\$300,000	<ul style="list-style-type: none"> - Up to 40 years - Rates based on Agency borrowing costs - Temporary limited resource interest rates are available for those unable to repay at regular rates - Interest rate 5% if 50% of loan amount provided by other lender 	<ul style="list-style-type: none"> - Purchase farm - Construct buildings or other improvements - Soil and water conservation - Pay Closing Costs
Downpayment Program	The least of: <ul style="list-style-type: none"> - 45% of the purchase price, - 45% of the appraised value, - \$225,000 	<ul style="list-style-type: none"> - Term: 20 years - Interest rate: Direct FO rate less 4% with a floor of 1.5% - Down payment: 5% 	Purchase farm
Direct Operating (OL)	\$300,000	<ul style="list-style-type: none"> - From 1 to 7 years - Rates based on Agency borrowing cost - Temporary limited resource interest rate is available for those unable to repay at regular rate 	<ul style="list-style-type: none"> - Purchase livestock, poultry, equipment, feed, seed, farm chemicals and supplies - Soil and water conservation - Refinancing indebtedness with certain limitations
Direct Emergency	100% actual or physical losses \$500,000 maximum program indebtedness	<ul style="list-style-type: none"> - From 1 to 7 years for non-real estate purposes - Up to 40 years for physical losses on real estate - Interest rate: 3.75% 	<ul style="list-style-type: none"> - Restore or replace essential property - Pay all or part of production costs associated with the disaster year - Pay essential family living expenses - Reorganize the farming operation - Refinancing indebtedness with certain limitations
Guaranteed Operating	\$1,214,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> - From 1 to 7 years - Rates not to exceed the rate charged to lenders' average agricultural loan customers - Interest rate reduction of 4% available for those unable to repay at regular rates (with certain limitations) - Loan guarantee fee is 1.5% 	- Same as Direct OL except loan may be used to refinance debts
Guaranteed Farm Ownership	\$1,214,000 (Amount adjusted annually for inflation)	<ul style="list-style-type: none"> - Up to 40 years - Rates not to exceed the rate charged to lenders' average agricultural loan customers - Loan guarantee fee is 1.5% 	- Same as Direct FO except loan may be used to refinance debts
Guaranteed Conservation Loan (CL)	\$1,214,000 (amount adjusted annually for inflation)	<ul style="list-style-type: none"> - Rates: determined by the Lender - Term: not to exceed 20 years, or shorter period, based on the life of the security - Loan guarantee fee is 1.5% 	<ul style="list-style-type: none"> - Implement any conservation practice in an NRCS-approved conservation plan - May be used to refinance debts related to implementing an NRCS-approved conservation plan

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

February 2011

Farm Loan Program Funding

Overview

The U.S. Department of Agriculture Farm Service Agency (FSA) makes and guarantees loans to family farmers to purchase farmland and finance agricultural production. Farmers may apply for direct loans at local FSA offices. Guaranteed loans are available from local commercial lenders who apply for loan guarantees from FSA. All programs are administered through local offices.

Funding Source

Each year the U.S. Congress appropriates money for FSA farm loans as part of the USDA budget. The funds generally are appropriated for the government's fiscal year, which runs from Oct. 1 through Sept. 30 of the following year. The amount of money appropriated does not always meet the demand for loan funds and the agency may run out of money for some programs.

Congress may pass a supplemental appropriations bill to make additional money available. If Congress does not

appropriate additional money, loans cannot be funded until the next fiscal year when new appropriations become available.

State Allocations

Each year, when FSA receives loan money in the budget, every state receives an allocation of money from the agency. It is possible for one state to deplete its funds while other states are still funding loans.

The agency allocates loan money to states based on the potential need. This is determined by the number of farmers in each state, the value of farm assets and net farm income. The largest factor is the number of farmers in each state.

FSA does not allocate emergency loan money to states because it is impossible to predict the occurrence of natural disasters or imposition of certain federal quarantines. Instead, FSA makes money available for loans when a natural disaster or quarantine is declared. Emergency loan money is available on a first-come,

first-served basis.

When funds in a loan program start to run low and many states are out of money, the agency will periodically combine unused loan money and place these funds in a national office account. If there is enough money left over, it will be redistributed to the states.

If there is not much left, the money will be held at the national office and states can request funding on a loan-by-loan basis. Combining unused loan funds happens most commonly in the spring.

Specifically Reserved Loan Money

FSA reserves loan money for two specific categories:

- **Socially Disadvantaged Farmers (SDA):** The law requires FSA to reserve or target a portion of its direct and guaranteed operating and farm ownership loan funds for use exclusively by SDAs. An SDA group is a group whose members have been subject to

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racial, ethnic or gender prejudice because of their identity as members of a group without regard to their individual qualities. These groups consist of American Indians or Alaskan Natives, Asians, Blacks or African-Americans, Native Hawaiians or other Pacific Islanders, Hispanics and women. In the farm ownership loan program, the percentage of loan funds targeted for SDAs is based upon the state percentage of the total rural population made up of SDAs, and the statewide percentage of total farmers who are female.

- **Beginning Farmers:** The law also requires FSA to reserve or target loan funds for exclusive use by beginning farmers, as follows: Direct Operating, 50 percent; Guaranteed Operating, 40 percent; Direct Farm Ownership, 75 percent; Guaranteed Farm Ownership, 40 percent. Funds remain targeted for beginning farmers in the guaranteed programs until April 1 of each fiscal year. In the direct programs, funds are targeted for beginning farmers until September 1 of each fiscal year.

Applying for a Loan When a Program is Out of Money

Farmers may apply for a loan even when money has run out for a loan program. In this case, FSA still accepts, processes, and approves loan applications subject to funding. Approved loans are held until money becomes available. Loans are funded based on the date the application was received in the FSA office. Submitting an application sets a farmer's place in the waiting line for funds, so it is advantageous to apply for a loan even when there is no money available.

Funding Loans When No Money is Available

Applicants that have been approved can contact their local FSA office to determine if money is available to fund their loan. When a loan cannot be funded, the approved loan applicant is placed on a waiting list based on the date the application was received. The state office monitors this list and notifies the county office when funds become available.

For More Information

Further information on FSA's loan programs is available from a local FSA office or on the FSA website at: www.fsa.usda.gov, which includes links to

farm loan information as well as an "Ask FSA" feature for frequently asked questions.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

How to Complete an FSA Loan Application- According to the 2008 Farm Bill



Overview

This fact sheet provides step-by-step instructions on the forms and other information that farmers, ranchers, and other agricultural producers need to apply for a direct farm loan with the Farm Service Agency (FSA). FSA must follow all relevant federal credit, environmental, and debt collection laws and policies when making farm loans.

Use of Loan Funds

Before applying for an FSA farm loan, producers should make sure their intended use of loan funds falls within FSA guidelines. Loan funds can be used by family farmers, ranchers, and others to:

- Refinance certain debts;
- Pay normal operating and family living expenses; and
- Purchase farmland, livestock, equipment, feed, and other materials essential to farm operations.

FSA loans **cannot** be used to refinance personal debts, buy personal vehicles, or start and operate non-farm businesses. Applicants with questions about whether an FSA farm loan meets their needs can contact their local FSA office or USDA Service Center.

Applying for a Loan

Applicants who need help in gathering information or completing forms should contact their local FSA office. FSA employees will help applicants understand what information is needed, where to find it or who to contact to get it. In some areas, FSA can arrange for an outside organization to help the applicant gather the information and complete the forms. If available, this help is provided at no cost to the applicant. Providing all the information in the following three steps will help the loan application process flow smoothly. (***Please note that other information may be required depending on each individual situation.***)

Step 1 – Fill Out Forms

Gather and fill out the following forms:

- Form FSA-2001, "Application for Direct Loan Assistance," or FSA-2301, "Request for Youth Loan". If the applicant is a cooperative, corporation, partnership, joint operation, trust, or limited liability company, additional information will be required of each member of the group. Producers will need to discuss their business structures with an FSA loan official;

- Proof that the applicant and each member of an entity cannot obtain sufficient credit elsewhere, at reasonable rates and terms, including a loan guaranteed by the agency. A rejection letter from a bank or other local lending institution serves as proof and may or may not be necessary depending on the applicant's financial situation;
- FSA-2002, "Three-Year Financial History, or copies of financial records for the past three years – including income tax records;
- Form FSA-2003, "Three-Year Production History," or alternate documents that provide the information collected on this form, will be used to provide production history for the past three years. If the applicant has been farming less than five years, the applicant can provide records for the years that he/she was involved in farm activity;
- Form FSA-2004, "Authorization to Release Information," to authorize employers, financial institutions, and creditors to verify and provide information in connection with the submission of your application;

- Form-FSA-2005, "Creditor List," will be used to gather creditor information from applicants;
- Form FSA-2007, "Statement Required By the Privacy Act," if needed, to allow FSA to request information on a non-applicant whose income is included in the loan request;
- For FSA 2037 "Farm Business Plan Worksheet-Balance Sheet";
- Form FSA 2038 "Farm Business Plan Worksheet-Projected Income and Expense";
- Form FSA-2014, "Request for Verification of Employment," must be completed and send to the Agency so that it can be mailed to the applicant's employer by FSA;
- FSA-2015, "Verification of Debts and Assets," will be completed and signed and will be mailed to creditors by FSA, and

Step 2 – Provide Additional Information

In addition to forms, a loan applicant must provide FSA with the following information as part of the loan process: (Important Note: If the applicant is already an FSA borrower, this information should be on file with FSA.)

- Applicants will need to provide a credit report fee, which will vary in amount depending on how many individuals are applying and/or the business structure;
- A brief written description of the farm business;
- Form FSA-2302 will provide a brief written description of the applicant's farm training and

experience, including employment as an owner, manager, farm management consultant, or operator of a farm business for at least one year;

- Form FSA-2006 will be completed to document leases, contracts, or agreements and their terms and conditions that might affect the operation or that might be important; and
- FSA must determine that a producer's current farm operation complies with regulations governing certain conservation programs. The local FSA office can assist the applicant with meeting this requirement. Form RD 1940-20, "Request for Environmental Information," must also be completed.

Step 3 – Contact FSA

- After completing the required paperwork, an applicant should contact his/her local FSA office or USDA Service Center to schedule an appointment with a farm loan official to submit the farm loan application. (**Important:** Applicants who are having problems gathering information or completing forms should immediately contact FSA for help.)

Emergency Loans

If a producer is applying for an emergency loan based on losses in an area that has been designated an agriculture disaster, he/she should fill out the following forms:

- Form FSA-2309, "Certification of Disaster Losses"; and
- Form FSA-2310, "Lender's Verification of Loan Application."

Actual Production History (APH) yields for the past three years must be established by a producer's crop insurance company and will be used to calculate losses. If APH yields are not available, three years of production history will be used.

Obtaining Forms

FSA forms can be obtained from your local FSA office or by logging on to the Montana FSA website at: <http://www.fsa.usda.gov/mt> and clicking on "Online Services" and next clicking on "eForms," or by accessing: <http://forms.sc.egov.usda.gov/efor.ms/mainservlet>

What Happens After a Loan Application is Submitted?

After a loan application is submitted, FSA reviews the application and determines if the applicant is eligible for a loan. The applicant will receive written notification of each step in the process such as when the application is received, when more information is needed, and when a final decision is made on the application. If the application is approved, FSA makes the loan and the loan applicant receives the funds. If the application is denied, the applicant will be notified in writing of the specific reasons for the denial, and provided reconsideration and appeal rights.

For more information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at <http://www.fsa.usda.gov/mt>

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

Indian Tribal Land Acquisition Program

According to the 2008 Farm Bill



Overview

The Farm Service Agency (FSA), an agency of the U.S. Department of Agriculture, extends credit to Indian Tribes or Tribal corporations that do not qualify for standard commercial loans to purchase land within their own reservation or Alaskan community. Nationwide, \$2 million has been authorized for the Indian Tribal Land Acquisition Program each year the program has been in existence. However, funding levels for FY 2011 have not been established.

Eligibility Requirements

Native American Tribes must meet the following eligibility requirements to be eligible for an **ITLAP** loan:

- The application must be submitted on form FSA-2620 (*Indian Land Acquisition Program Application*) and be signed by the Tribe's or Tribal Corporation's authorized representative.
- An acceptable option to purchase or purchase agreement for land to be purchased with the loan funds must be provided along with the loan application.
- The Tribe must show funding from other sources is not available to purchase the real estate. Documents to be furnished include: 1) a current financial statement; 2) a projected cash flow statement; and 3) the past 3 years financial statements and cash flow statements.
- The land must be located within the Tribe's reservation for use by the members of the Native

American Tribe or Tribal Corporation.

- The Tribe must provide at least 3 letters from outside lenders, one of which will be from the Bureau of Indian Affairs (BIA), stating funding has been denied to the Tribe.
- A feasibility plan for the use of lands and a method of repayment of the loan funds must be provided.
- The Tribe must be in good standing with all Federal Agencies and not subject to a judgment lien against the Tribe's property due to a debt to the United States.
- The Tribe must not have received a write-down on any other loans within the past 5 years.
- The amount of the loan funds must not exceed the market value of the land determined by the current appraisal.

What the Loan Funds May be Used For

- Purchase of land located within the Tribe's reservation which will be used for the benefit of the Tribe or its members;
- Title clearance, legal services, land surveys, and loan closing;
- Refinance preexisting debts other than from the United States Department of Agriculture which were incurred from land purchases; and
- Pay for the cost of an appraisal.

What the Loan Funds May Not Be Used For

- Land improvements or development purposes;
- Acquisition or repair of buildings or personal property;
- Operating costs;
- Finder's fees, or similar costs; and
- Projects that will contribute to excessive erosion of highly erodible land or for the conversion of wetlands to produce an agriculture commodity.

Funding

Loan approval is subject to the availability of funds and will be funded based on the date FSA approves the application. Loans terms can be up to 40 years from the date the loan application is closed. The interest rate will be fixed for the life of the loan at the current interest rate charged by FSA on the loan closing date.

Security for the Loan

An assignment of Tribal income will be taken as security to ensure repayment of the loan. A mortgage or deed of trust on the land to be purchased will be taken as security for the loan.

For More Information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at: <http://www.fsa.usda.gov/mt>



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Land Contract (LC) Guarantee Program

Overview

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes and guarantees loans to eligible farmers to buy and operate family sized farms.

The Land Contract (LC) Guarantee Program provides a valuable tool to transfer farm real estate to the next generation of farmers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning farmer or a farmer who is a member of a socially disadvantaged group. The guarantee provides an incentive to sell to individuals in these groups as it reduces the financial risk to the seller due to buyer default on the contract payments.

A land contract is an installment contract between a buyer and a seller for the sale of real property, in which complete ownership of the property is not transferred until all payments under the contract have been made.

Program Purpose

Guarantees can be used for financing the purchase of a farm with a purchase price up to \$500,000 on a new land contract.

Types of Guarantees

FSA offers two types of guarantees under this program. The seller may request either of the following:

Prompt Payment Guarantee: A guarantee of up to the amount of

three amortized annual installments plus the cost of any related real estate taxes and insurance; or

Standard Guarantee: A guarantee of 90 percent of the outstanding principal balance under the land contract.

Program Eligibility

To qualify for assistance, buyers must meet eligibility requirements similar to those for the Guaranteed and Direct Farm Ownership Programs.

Buyers must be owner/operators of the land contract farm at the time the contract is complete. Buyers must have a feasible business plan of operation.

Guarantee Period

The guarantee period is for up to 10 years for either type of guarantee, regardless of the term of the land contract.

Interest Rate

During the term of the guarantee, the interest rate must be fixed at a rate not to exceed the Agency's direct farm ownership loan interest rate in effect at the time the guarantee is issued, plus three percentage points. (This rate is available from any FSA office.)

Land Contract Terms

The contract payments must be amortized for a minimum of 20 years and payments on the contract must be of equal amounts during the term of the guarantee.

Buyer Requirements

The buyer must provide a minimum down payment of five percent of the purchase price, plan to operate the farm, and be able to project the ability to make the land contract payments.

For More Information

Additional information, including a complete list of borrower and seller eligibility criteria and application materials may be obtained at any FSA office or through the FSA website at www.fsa.usda.gov.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs 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, political beliefs, genetic information, reprisal, or because all of part of an individual's income is derived from any public assistance program. (Not all bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotope, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

October 2011

Loans for Beginning Farmers and Ranchers

Overview

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) makes and guarantees loans to beginning farmers who are unable to obtain financing from commercial lenders. Each fiscal year, the Agency targets a portion of its direct and guaranteed farm ownership (FO) and operating loan (OL) funds to beginning farmers.

A beginning farmer is an individual or entity who (1) has not operated a farm for more than 10 years; (2) meets the loan eligibility requirements of the program to which he/she is applying; (3) substantially participates in the operation; and, (4) for FO purposes, does not own a farm greater than 30 percent of the median size farm in the county. (Note: all applicants for direct FO loans must have participated in the business operation of a farm for at least 3 years.) If the applicant is an entity, all members must be related by blood or marriage, and all members in a corporation must be eligible beginning farmers.

Maximum Loan Amounts

- Direct FO or OL: \$300,000;

- Guaranteed FO or OL: \$1,214,000 (Amount varies annually based on inflation).

Downpayment Program

FSA has a special loan program to assist socially disadvantaged and beginning farmers in purchasing a farm. Retiring farmers may use this program to transfer their land to future generations.

To qualify:

- The applicant must make a cash down payment of at least 5 percent of the purchase price.
- The maximum loan amount does not exceed 45 percent of the least of (a) the purchase price of the farm or ranch to be acquired; (b) the appraised value of the farm or ranch to be acquired; or (c) \$500,000 (Note: This results in a maximum loan amount of \$225,000).
- The term of the loan is 20 years. The interest rate is 4 percent below the direct FO rate, but not lower than 1.5 percent.
- The remaining balance may be obtained from a commercial lender or private party. FSA can provide up to a 95 percent guarantee if financing is

obtained from a commercial lender. Participating lenders do not have to pay a guarantee fee.

- Financing from participating lenders must have an amortization period of at least 30 years and cannot have a balloon payment due within the first 20 years of the loan.

Sale of Inventory Farmland

FSA advertises inventory property within 15 days of acquisition. Eligible SDA and beginning farmers are given first priority to purchase these properties at the appraised market value. If one or more eligible SDA or beginning farmer offers to purchase the same property in the first 135 days, the buyer is chosen randomly.

Joint Financing Arrangement

Beginning farmers may choose to participate in a joint financing arrangement. With this arrangement, FSA lends up to 50 percent of the amount financed, and another lender provides 50 percent or more. The interest rates can be obtained from your local FSA office and the term of the loan will not exceed 40 years or the useful life of

FACT SHEET

Loans for Beginning Farmers and Ranchers

October 2011

the security.

Where to Apply

Applications for direct loan assistance may be submitted to the local FSA office serving the area where the operation is located. Local FSA offices are listed in the telephone directory under U.S. Government, Department of Agriculture or Farm Service Agency. For guaranteed loans, applicants must apply to a commercial lender who participates in the Guaranteed Loan Program. Contact your local FSA office for a list of participating lenders.

For More Information

Further information about this and other FSA programs is available from local FSA offices or on the FSA website at: www.fsa.usda.gov.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

Loans for Socially Disadvantaged Persons

According to the 2008 Farm Bill



Here's What's New:

- Direct Farm Ownership or Operating Loans increased to \$300,000
- Direct loans available for up to 45 % of the purchase price of a family-sized farm
- First priority along with beginning farmer and rancher to purchase FSA inventory property

Overview

The Farm Service Agency (FSA) can make and guarantee loans to socially disadvantaged applicants to buy and operate family farms and ranches. Funds specifically for these loans are reserved each year. Non-reserved funds can also be utilized.

A socially disadvantaged farmer or rancher is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities.

For purposes of this program, socially disadvantaged groups are: American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

This program:

- Targets direct and guaranteed loan assistance to socially disadvantaged persons;
- Discovers and removes barriers that prevent full participation of those persons in FSA's farm loan programs; and
- Provides information and assistance to applicants to help them develop sound management practices, analyze problems, and plan the best use of available resources essential for success.

Types of Loans

Direct loans are made to applicants by FSA and include both farm operating and farm ownership loans.

Guaranteed farm loans also may be made for ownership or operating purposes, and may be made by any lending institution subject to Federal or State supervision (banks, savings and loans, and units of the Farm Credit System) and guaranteed by FSA. Some State governments also operate farm loan programs that are eligible for FSA guarantees. Typically, FSA guarantees 90 or 95 percent of a loan against any loss that might be incurred if the loan fails.

Use of Loan Funds

Farm Ownership Loans (FO) may be used to purchase or enlarge a farm or ranch, purchase

easements or rights of way needed in the farm's operation, erect or improve buildings, promote soil and water conservation and development, and pay closing costs. Reserved direct farm ownership loan funds can only be used to purchase a farm or ranch. Guaranteed farm ownership funds may also be used to refinance debt.

Farm Operating Loans (OL) may be used to purchase livestock, poultry, farm equipment, feed, seed, fuel, fertilizer, chemicals, hail and other crop insurance, food, clothing, medical care, and hired labor. Funds also may be used to refinance debt and to install or improve water systems for home use, livestock or irrigation, and other improvements.

Who May Borrow

Individuals and entities primarily and directly engaged in farming and ranching on family-size operations may apply. A family-size farm is considered to be one that a family can operate and manage itself. In addition to being members of a socially disadvantaged group, individual applicants under this program must meet all requirements for FSA's regular farm loan program assistance, including:

- Have a satisfactory history of meeting credit obligations;
- Have sufficient education, training, or at least 1-year's experience in managing or

operating a farm or ranch within the last 5 years for a direct operating loan, or for a direct farm ownership loan applicant must have experience in the operation of a farm or ranch for 3 years;

- Is a citizen of the United States (or a legal resident alien) including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Island Trust Territories;
- Be unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs; and
- Possess legal capacity to incur loan obligations.

In the case of an entity, the members holding a majority interest must meet the same eligibility requirements. The entity must be authorized to operate a farm or ranch in the State where the actual operation is located. In addition, U.S. citizens or legal resident aliens must own the entity, and the socially disadvantaged members must hold a majority interest in the entity.

If blood or marriage relates the individuals holding a majority interest in the entity, at least one stockholder, member, or partner must operate the family farm or ranch. If blood or marriage does not relate them, those holding a majority interest must operate the farm or ranch.

Terms and Interest Rates

Repayment terms for direct operating loans depend on the collateral securing the loan and usually run from 1 to 7 years. Interest rates for direct loans are set periodically according to the Government's cost of borrowing. Repayment terms for direct farm

ownership loans are up to 40 years depending on security and replacement ability.

Interest rates for guaranteed loans are established by the lender, but may not exceed the rate the lender charges its average farm loan customer. The lender sets guaranteed loan terms.

Getting a Loan

Applications for all FSA direct loan programs are made through local county FSA offices. These are listed in telephone directories under "United States Government, Department of Agriculture."

Guaranteed loan applications are made with the lender. In cases where an applicant does not know a lender, local office personnel will assist the applicant.

How to Apply

For instructions on applying for any FSA loan, please refer to the fact sheet included within this Producer Handbook entitled "***How to Complete an FSA Loan Application.***"

For more information

Additional information may be obtained at local FSA offices or through the Montana FSA Web site at <http://www.fsa.usda.gov/mt>

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Rural Youth Loans

Overview

The U.S. Department of Agriculture's Farm Service Agency (FSA) makes operating loans of up to \$5,000 to eligible individual rural youths age 10 through 20 to finance income-producing, agriculture-related projects. The project must be of modest size, educational, and initiated, developed and carried out by rural youths participating in 4-H clubs, FFA, or a similar organization.

The project must be an organized and supervised program of work. It must be planned and operated with the assistance of the organization advisor, produce sufficient income to repay the loan, and provide the youth with practical business and educational experience in agriculture-related skills.

Who May Borrow

To qualify for a loan, the applicant must:

- comply with FSA's general eligibility requirements;
- reside in a rural area, city or town with a population of 50,000 or fewer people; and
- conduct a modest income-producing project in a supervised program of work.

How Loan Funds May Be Used

These loans can finance many kinds of income-producing agricultural projects. The loan fund may be used to:

- buy livestock, seed, equipment and supplies;
- buy, rent or repair needed tools and equipment; and
- pay operating expenses for the project.

What Details to Know

To apply, the applicant must submit completed plans and budgets signed by the project advisor and parent or guardian along with the FSA application for loan assistance. These loans:

- have a maximum loan amount of \$5,000 (total principal balance owed at any one time cannot exceed this amount);
- have an interest rate which is determined periodically, based on the cost of money to the federal government,
 - after the loan is made, the interest rate for that loan will not change;
- will be secured, in addition to promissory notes, by liens on the products produced for sale and on chattel property, including livestock, equipment and fixtures purchased with loan funds; and

- have a repayment schedule which varies depending on the type of project for which the loan is made,
 - for example, if it involves raising livestock or crops, the loan is paid when the animals or produce are normally sold.

For More Information

To apply or find out more, visit your local USDA Service Center. A listing of centers, and more information about youth and other loan programs, are available on the FSA website at <http://www.fsa.usda.gov>. USDA Service Center offices are also usually listed in telephone directories under "U.S. Department of Agriculture.

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2012 Montana Farmer & Rancher FSA Handbook

Price Support Programs

- ❖ Beneficial Interest Requirements for Marketing Assistance Loans and Loan Deficiency Payments (Excluding Sugar)
- ❖ Biomass Crop Assistance Program (BCAP)
- ❖ BCAP Project Area #8 - Camelina Growers in CA, MT & WA states
- ❖ DIPP - Dairy Indemnity Payment
- ❖ eLDPs - Electronic Loan Deficiency Payments
- ❖ Farm Storage Facility Loan Program
- ❖ GRAZE-OUT for 2008 through 2012 Crop Years
- ❖ Honey Nonrecourse Marketing Assistance Loans(MAL) and LDP's
- ❖ MILC - Milk Income Loss Contract
- ❖ Nonrecourse Marketing Assistance Loans/Loan Deficiency Payments
- ❖ Pulse Crops MALs and LDPs
- ❖ Pulse Crops: Summary of 2008-2012 Program
- ❖ Sugar Storage Facility Loan Program



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

Beneficial Interest Requirements for Marketing Assistance Loans and Loan Deficiency Payments (Excluding Sugar)

Overview

USDA Farm Service Agency (FSA) marketing assistance loans (MALs) provide producers interim financing to store, rather than sell, their commodities when market prices are typically at harvest-time lows. Storing production facilitates more orderly commodity marketing throughout the year. More information on marketing assistance loans is available on or through the FSA fact sheet, *Nonrecourse Marketing Assistance Loan and Loan Deficiency Payment Program*.

Beneficial Interest Requirements

To be eligible for a MAL or a loan deficiency payment (LDP), producers must have beneficial interest in the commodity, in addition to other requirements. A producer retains beneficial interest when he/she maintains control of and title to the commodity.

For a MAL, the producer must retain beneficial interest in the commodity from the time of planting through either the date the loan is redeemed or the date USDA's Commodity Credit Corporation (CCC) takes title to the commodity.

For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer files Form CCC-633EZ (page 1) in the FSA county office.

When a producer loses beneficial interest in the commodity, the commodity becomes ineligible for a loan or LDP even if the producer later regains beneficial interest; however, if the buyer rejects the commodity and returns it to the producer, the producer will regain beneficial interest and the commodity will once again become eligible for a loan or LDP.

Control of Commodity

A producer controls the commodity when he/she retains the ability to make all decisions affecting the commodity, including movement, sale and the request for and repayment of a loan or LDP.

Events Causing Loss of Beneficial Interest

Producers lose beneficial interest in a commodity when the earliest of one of the following events occurs:

- The producer obtains a payment for the commodity (without option to purchase);
- The date the commodity is invoiced from the buyer;
- The commodity is loaded from farm storage bins or other bins for shipment to the buyer regardless of who pays for the delivery;
- The commodity is loaded for shipment from the warehouse to the buyer regardless of who pays for the delivery, or;
- The buyer or agent receives delivery of warehouse receipts.

Commodity Title

A producer has title to the commodity if he/she has not sold or delivered the commodity, including delivering warehouse receipts.

Deceased Producers

Upon a producer's death, beneficial interest in the commodity passes to:

- The producer's estate;
- The producer's heirs or;
- A person to whom title has passed by state law.

The same terms and conditions that applied to the deceased producer apply to the new producer.

Selling Equity

If a producer receives any payment that gives the buyer a share of the commodity's equity, the commodity immediately becomes ineligible for a loan or LDP. If a producer sells any equity in the commodity after pledging it as loan collateral, CCC requires the producer to repay all principal, fees and interest.

Purchased Commodities

A producer who purchases or otherwise acquires a commodity from another producer does not hold beneficial interest in that commodity, whether the purchase or acquisition is made before or after harvest. CCC will make an exception if, before harvest, a producer obtains title to the growing commodity and the risk of producing the commodity at the same time he/she obtains title to the land where the commodity is growing.

Option-to-Purchase Contracts

An option-to-purchase is an agreement between the producer and buyer, allowing the buyer, at the buyer's option, to enter into a contract to buy the commodity at a later date. The option does not give the buyer any interest in the commodity and expires at a specified time.

If a producer enters into an option-to-purchase contract, the producer retains beneficial interest and can receive a loan or LDP payment if the following provision is written into the contract:

"Notwithstanding any other provision of this option to purchase, title and control the commodity and beneficial interest in the commodity, as specified in [7CFR1421, -1427 or -1434, see below], shall remain with the producer until the buyer exercises this option to purchase the commodity. This option to purchase shall expire, notwithstand-

FACT SHEET**Beneficial Interest Requirements for MALs and LDPs (Excluding Sugar)**

January 2011

ing any action or inaction by either the producer or the buyer, at the earlier of: (1) the maturity of any Commodity Credit Corporation loan which is secured by such commodity; (2) the date the Commodity Credit Corporation claims title to such commodity; or (3) such other date as provided in this option.”

The applicable Code of Federal Regulations references are:

- 7CFR1421 (wheat, feed grains, oilseeds, rice and farm-stored peanuts);
- 7CFR1427 (cotton), or;
- 7CFR1434 (honey).

Sales Contracts and Loss of Beneficial Interest

Sales contracts (including advance sales contracts, contracts to sell, price-later contracts and contracts for future delivery) give the buyer an interest in the commodity at a time set forth in the contract or implied by law.

In many cases, deferred price, price-forward or price-later contracts allow producers to select the sales price of the commodity at the time the contract is entered into, or at later dates.

Producers under these contracts will be considered to have:

- Beneficial interest in the commodity, if there are no restrictive or contradictory clauses within the contract that may cause the producer to lose beneficial interest in the commodity until the earlier of the date payment is received or the commodity is applied in fulfillment of the contract, or;
- Lost beneficial interest at a specific time, if the contract states that ownership or title in the commodity transfers at the time the commodity is priced, date of signing the contract or the date the commodity is delivered.

A producer loses beneficial interest when he/she receives a payment in return for a sales contract. In addition, Page 2

a producer loses beneficial interest upon signing any contract containing clauses that restrict the producer’s decision to obtain a loan or LDP. Such clauses include:

- The buyer requires the producer to obtain a loan or LDP, or;
- The producer may obtain a loan or LDP only with the buyer’s prior approval.

The producer must have sole discretion to make marketing decisions.

Seed Contract Producers

Seed can be pledged as loan or LDP collateral if it was produced under a contract where the buyer retains title to the seed and provides the seed to the producer. This includes contracts for hybrid and other specialty seeds. Beneficial interest is lost the earlier of the date:

- The producer receives payment for the commodity; or
- The commodity is delivered to the seed contract company.

MAL and LDP Open Storage Policy

Producers who deliver commodities to a federally- or state-licensed warehouse and the commodity is placed in open storage must be able to receive, from the warehouse a negotiable warehouse receipt or other form of acceptable production evidence, if requested.

Unapproved Facilities

A producer loses beneficial interest and becomes ineligible for a loan or LDP on the date his/her commodity is delivered to a facility that is not federally or state-licensed. In addition, a producer loses beneficial interest if his/her commodity is commingled at a facility (not federally or state-licensed) with other producers’ commodities, unless state or federal law authorizes commingling.

Feedlot, Feedyard, or Grain Bank

If the commodity is delivered to, but not limited to, a feedlot, feedyard, dairy, pit, poultry facility or grain bank, beneficial interest in the commodity is considered to be lost at the time of delivery, unless other events cause beneficial interest to be lost before delivery.

Loans and LDPs Subject to CCC Determination

CCC has the right to determine producers’ eligibility for a loan or LDP, based on a review of an option to purchase or a sales contract involving the commodity.

For More Information

For more information about FSA and FSA programs, visit a local FSA office, USDA Service Center or online at <http://www.fsa.usda.gov>.

A PDF version of this fact sheet is posted online at: http://www.fsa.usda.gov/Internet/FSA_File/benint11.pdf.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

May 2011

Biomass Crop Assistance Program (BCAP)

Overview

BCAP, created in the 2008 Farm Bill, is a primary component of the domestic agriculture, energy, and environmental strategy to reduce U.S. reliance on foreign oil, improve domestic energy security, reduce carbon pollution, and spur rural economic development and job creation. BCAP provides incentives to farmers, ranchers and forest landowners to establish, cultivate and harvest biomass for heat, power, bio-based products and biofuels.

BCAP addresses a classic chicken-or-egg challenge around the start up of commercial scale bioenergy activities. If commercial-scale biomass facilities are to have sufficient feedstocks, then a large-scale energy crop must exist. Conversely, if profitable crop production is to occur, then viable consumers must exist to purchase the crop.

The federal Renewable Fuels Standard (RFS) requires 21 billion gallons of non-corn-starch biofuels in the national fuel supply by 2022 and new types of biomass feedstocks must be available to meet this requirement. Many bioenergy crops need several years to become established. Many bioenergy facilities need several years to reach commercial scale. BCAP serves as catalyst to unite these dynamics by reducing the financial risk for landowners who decide to grow unconventional crops for these new markets.

- With BCAP, crop producers and bioenergy facilities can team together to submit proposals to USDA for selection as a BCAP project area.
- If selected, crop producers will be eligible for reimbursements of up to 75 percent of the cost

of establishing a bioenergy perennial crop. Producers can receive up to five years of annual payments for herbaceous (non-woody) crops (annual or perennial), and up to 15 years of annual payments for woody crops (annual or perennial).

- Assistance for the collection, harvest, storage and transportation of crops to facilities will be available for two years, per producer, in the form of a matching payment for up to \$45 per ton of the delivery cost.

Highlights

• Expenditures

Refinements to the final BCAP regulations have targeted program expenses to a more limited set of materials than were eligible for payment under the Notice of Funding Availability (NOFA).

• **Blue, white and green-collar job creation in rural America:**

The Record of Decision on the BCAP Environmental Impact Statement estimates that by 2023, up to \$88.5 billion in economic activity and 700,000 jobs could be created.

• New energy crops

BCAP reduces the financial risk for producers who volunteer to grow crops at an unexplored scale. Potentially eligible crops include switchgrass, miscanthus giganteus, fast-growing woody poplar, jatropha, algae, energy cane, camelina or pongamia.

• **Enhanced stewardship and conservation measures**

1. Biomass must be collected

and harvested according to an approved conservation, forest stewardship, or similar plan to protect soil and water quality and preserve land productivity into the future.

2. Native sod cannot be converted under BCAP contracts.
3. Crop collection, harvesting and transportation must be in strict accordance with invasive plant species protections.

• **Protects existing woody markets**

Biomass may not qualify for incentives if FSA determines that the biomass would be diverted from pre-existing markets.

• **Provides feedstock neutrality**

Maintains the 2008 Farm Bill definition of renewable biomass by supporting the use of both woody and herbaceous materials for energy purposes. The production of heat, power, biofuels, and bio-based products all remain supported by BCAP, as required by statute.

• **Kick-starts liquid cellulosic biofuels to meet RFS targets**

Provides incentives for the harvest of biomass for conversion to cellulosic biofuels that achieve 60 percent lower lifecycle greenhouse gas emissions.

• **Matching payments for eligible materials.**

1. Subject to the availability of funding, provides for matching payments to eligible material owners at a rate of \$1 for each \$1 per dry ton paid by a qualified biomass conversion facility, in an amount up to \$45 per dry ton. An eligible material owner

FACT SHEET**Biomass Crop Assistance Program (BCAP)**

May 2011

- may be a producer of an eligible crop or a person or entity with the legal right to collect or harvest eligible material. By law matching payments may be made to eligible material owners for a maximum of two years.
2. To qualify for matching payment, eligible materials must be collected or harvested directly from the land. Materials cannot be “collected or harvested” after transport and delivery to a conversion facility.
 3. Woody eligible material collected or harvested outside of BCAP project area contracts must be a byproduct of preventive treatments that are removed to reduce hazardous fuels, to reduce or contain disease or insect infestation, or to restore ecosystem health.
 4. Woody eligible material collected or harvested outside of BCAP project area contracts must not be separated from material for higher value products after delivery to a conversion facility.
 5. All eligible material must be harvested in accordance with an approved conservation, forest stewardship, or equivalent plan.
 6. Matching payments are only available for eligible materials sold for a fair market value. This requirement replaces the NOFA restrictions regarding related party transaction and makes matching payments available to startup and other vertically integrated operations, but prevents efforts to defeat the purpose of BCAP by inflating biomass prices to gain higher matching payments.
 7. Eligible materials do not include harvested grains, fiber or other commodities eligible to receive payments under Title I of the 2008 Farm Bill; algae; food waste or yard waste; or animal waste and animal waste by-products including fats, oils, greases and manure.

- **Establishment payments**

1. CCC will pay producers up to 75 percent of the costs of establishing a perennial crop. Eligible costs do not include the acquisition of land or equipment. Establishment payments are not available for annual crops. Annual crops, however, are eligible for annual payments.
2. Eligible crops cannot be crops eligible to receive payments under Title I of the 2008 Farm Bill, or any plant that is invasive.

- **Annual payments**

1. Biomass producers in BCAP project areas can receive annual payments up to five years for herbaceous biomass (annual and perennial) and up to 15 years for woody biomass (annual and perennial).
2. Cropland base and yield history applicable to the land enrolled in a BCAP contract will be preserved.
3. Annual payments are reduced by a percentage of the value of the crop and any matching payments received as follows:

- (a) 1 percent if biomass sold for cellulosic biofuels (60 percent lower greenhouse gas emissions)
- (b) 10 percent if biomass sold for advanced biofuels
- (c) 25 percent if biomass sold for heat, power or biobased products
- (d) 100 percent if biomass sold for anything other than heat, power, biofuels or biobased products.

- **Eligible land**

Eligible land for BCAP project area contracts include agricultural and non-industrial private forestland, but does not include federal or state-owned land, land that is native sod, or land enrolled in the Conservation Reserve Program, Wetlands Reserve Program, or Grassland Reserve

program.

For More Information

For more information on BCAP, please visit FSA’s BCAP website at <http://www.fsa.usda.gov/bcap>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

July 2011

Biomass Crop Assistance Program – Project Areas Number 8 Camelina Growers in California, Montana and Washington

Overview

The Farm Service Agency (FSA) has announced the eighth new Biomass Crop Assistance Program (BCAP) project area in California, Montana and Washington. BCAP project areas provide financial incentives to eligible landowners and operators to establish and produce biomass crops for heat, power, bio-based products and advanced biofuels. Producers in Project Area 8 are eligible to receive annual payments to grow the annual crop camelina for energy purposes.

Camelina is an annual oilseed crop suitable for cultivation in the project area states. Generally, land on which wheat had been previously grown is expected to be enrolled and dedicated to new camelina production. When camelina is crushed, the oil is suitable for biodiesel and the meal may be used as an animal feed.

To support camelina producers in the project area, FSA will enter into five-year contracts with producers to grow the annual crop each year on cropland enrolled in BCAP contracts. As a condition of enrollment, producers must provide evidence that they have a camelina production agreement with a third party biomass conversion facility. Participants will be required to establish, maintain and harvest the camelina during the five-year contract at their own expense. Camelina growers will be allowed to sell their harvested biomass to the Project Sponsor — Altair Fuels LLC, or any other biomass conversion facility they choose.

Project Area Acreage Targets & Location

The project entails enrollment of up to 50,000 acres in fiscal year 2011

in the following project area states/ counties:

- California: Tehama, Solano, Butte, Colusa, S. Luis Obispo, Glenn, Tulare, Sacramento, Yolo, Fresno, Kings, San Joaquin, Kern, Merced, Madera, Riverside, Stanislaus counties — up to 25,000 acres.
- Montana: all counties — up to 15,000 acres.
- Washington: Pend Oreille, Chelan, Benton, Franklin, Adams, Walla Walla, Ferry, Douglas, Asotin, Okanogan, Grant, Lincoln, Columbia, Stevens, Garfield, Whitman, Spokane counties — up to 10,000 acres.

A tract of cropland must be completely located in a project area county to be eligible.

Annual Payments for Enrolled Land

Per acre annual rental payments for cropland enrolled under these contracts will be based on posted Conservation Reserve Program (CRP) non-irrigated cropland rental rates plus an additional 50 percent incentive.

Per acre annual rental payments for non-cropped agricultural land will be based on the lowest posted CRP marginal pasture rental rate plus an additional 50 percent incentive.

BCAP contracts will be five years in length with all payments obligated from the fiscal year 2011 allocations. The estimated total annual rental payment allocation amount is \$20 million which is intended to fund obligations for the 50,000 acres for the full five years.

Required Reductions in Annual Payments

Annual payments will be reduced in the year the eligible crops are harvested or collected from the contract acreage by a percentage of the value of the harvest/collection and any BCAP matching payments (see table below):

REDUCTION PERCENT	FINAL CONVERSION PRODUCT
1 Percent	If the eligible crop is delivered to a biomass conversion facility for conversion to cellulosic biofuels as defined by the national Renewable Fuel Standard (40 CFR 80.1401).
10 Percent	If the eligible crop is delivered to a biomass conversion facility for conversion to advanced biofuels, as defined by the BCAP final rule (7 CFR Part 1450).
25 Percent	If the eligible crop is delivered to a biomass conversion facility for conversion to heat, power or biobased products, as defined by the BCAP final rule (7 CFR Part 1450).
100 Percent	If the eligible crop is used for a purpose other than conversion to heat, power, biobased product or advanced biofuels, as defined by the BCAP final rule (7 CFR Part 1450).

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July 2011

All uses of plant material removed from land enrolled under active contracts, including sales of first year standing crops, grazing, glean-ing or similar uses also will trigger reductions in annual payments. FSA will require all participants to keep and submit accurate records of the disposition and/or sale of all materi-als removed from contract acreage.

Other Program Payments

Establishment payments for part of the eligible costs of the plantings will not be available because the BCAP's statutory provisions do not authorize establishment payments for annually planted biomass crops such as camelina.

Matching payments for eligible material biomass will not be made available for biomass harvested or collected from BCAP contracted acreage by eligible material owners.

Eligible Land

Only land classified as cropland or non-cropped agricultural land by FSA is eligible to be enrolled in this project. Forestland and similar lands will not be eligible for this project. Eligible land must be suitable, as determined by NRCS, for the pro-duction of camelina.

Ineligible land also includes native sod and land owned by federal agencies, states, and local govern-ments. Additionally, land enrolled in Conservation Reserve Program (CRP), Wetlands Reserve Program, or Grassland Reserve Program is ineligible for enrollment in BCAP. Land enrolled in other programs may also be ineligible depending on the terms and conditions of those programs.

All land enrolled must be covered by a conservation plan provided through technical assistance from

NRCS or technical service program partners.

Producer Participation

The sign-up periods for producers in project area counties is scheduled to run from Aug. 8 through Sept. 16, 2011. Interested producers are en-couraged to inquire and apply early as the sign-up duration is very lim-ited. Approvals of offers during this period will be made on a continuous basis, subject to funding availability. An enrollment application will be taken at the county USDA Service Center location where the farm is serviced.

Producers must be in compliance with the highly erodible and wetland compliance provisions of the Food Security Act of 1985, as amended, to be eligible for BCAP. There are no adjusted gross income require-ments or payment limitation require-ments for program participants. Any existing cropland base and yield history will be preserved for land enrolled in a BCAP contract.

For More Information

For more information about BCAP visit the FSA BCAP website at <http://www.fsa.usda.gov/bcap>, or see the general BCAP fact sheet at http://www.fsa.usda.gov/Internet/FSA_File/bcap_update_may2011.pdf.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE

September 2010

Dairy Indemnity Payment Program (DIPP)

Overview

Under the Dairy Indemnity Payment Program (DIPP), payments are made to dairy producers when a public regulatory agency directs them to remove their raw milk from the commercial market because it has been contaminated by pesticides, nuclear radiation or fallout, or toxic substances and chemical residues other than pesticides. Payments are made to manufacturers of dairy products only for products removed from the market because of pesticide contamination.

Statutory Authority

DIPP was originally authorized by Public Law 90-484, the Act of August 13, 1968 (7 U.S.C. 4501), and has been extended several times through various appropriation acts, most recently the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-234) that authorizes DIPP through 2012.

Eligibility Requirements

To be eligible to receive DIPP payments, the producer must:

- have produced whole milk that was removed from the commercial market pursuant to the direction of a public agency
- **not** have been responsible for the milk contamination
- **not** have been indemnified for the same loss from another source
- certify compliance with Highly Erodible Land Conservation (HELC) and Wetland

conservation (WC) provisions on AD-1026

- submit a completed FSA-373 to the applicable county Farm Service Agency (FSA) office no later than December 31 following the end of the fiscal year in which the loss occurred.

Note: A producer may be eligible if the substance that caused the removal of the milk from the market was:

- registered and approved for use by the Federal Government when it was used
- used according to prescribed directions on the label.

Determining Indemnity

The county committee determines the affected farmer's normal marketing, which are based on the average daily production during the base period.

The indemnity payment to manufacturers of dairy products is calculated by multiplying the fair market value of the product times the amount of product removed from the market minus any salvage value of the product.

The indemnity payment to dairy producers is calculated by multiplying the number of cows milked, times the number of days milk is off the market, times base production in terms of pounds per cow per day, times the farm price for milk less hauling and promotion fees received by the producer.

The producer is eligible for indemnification for the period that

begins on the date the milk was officially removed from the market by a public agency and ends on the date the milk was officially reinstated to the market by a public agency. The eligible indemnification period may not extend past the end of a fiscal year (FY) if the producer's milk is still quarantined from the market.

Base and Claim Periods

The base period used to establish base production is the calendar month immediately before the month the milk is removed from the commercial market.

The claim period is the 28-to-32 day period in which the milk was removed from the market. A claim period may cross over into the next month, depending on when the milk would have been marketed. Claim periods do not depend on when the milk would have been produced.

Application Deadline

Affected producers and manufacturers should apply for indemnity payments at their USDA Service Centers or FSA offices. Applications must be filed no later than December 31 following the FY in which the loss occurred. Losses from more than one FY cannot be included on one application form FSA-373

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Dairy Indemnity Payment Program

September 2010

Example of Final Filing Date

The following provides an example of the final filing date:

If the loss occurred **on or after October 1, 2009, but by September 30, 2010**, the final filing date to apply is ***December 31, 2010***.

If the loss occurred **on or after October 1, 2010, but by September 30, 2011**, the final filing date to apply is ***December 31, 2011***.

No Double Payments

Producers who receive indemnity payments and then file a successful claim for damages against the party responsible for the contamination must return to FSA within 14 days the lesser of the amount received in:

- an indemnity payment, OR
- a claim against the party responsible for the contamination.

More Information

To find more information about FSA programs, contact your local FSA office or USDA Service Center, or visit the FSA on the World Wide Web at <http://www.fsa.usda.gov>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2009

Electronic Loan Deficiency Payments

Overview

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) electronic Loan Deficiency Payment Service (eLDP) is an Internet-based service allowing producers to request LDPs online and, in most cases, receive approval and payment by direct deposit within 48 hours. eLDPs are available to eligible producers in all 50 States and are offered as an additional option to producers requesting a loan deficiency payment (LDP). LDP benefits remain available at local FSA Service Centers. However, eLDP services provide greater flexibility to producers who conduct business online and want to avoid travel time and expense to and from the local FSA office.

How eLDPs Work

USDA provides eLDP services in a secure online environment that protects participants' privacy through stringent security measures. All participating customers will have an eLDP Customer Profile set up through a software application that validates their farming and crop information. Local FSA Service Centers will maintain Customer Profiles for accuracy. Customer Profile information is provided by the customer and verified by farm

records stored in the local FSA Service Center.

FSA's eLDP customers can use a personal computer to submit an eLDP application. After the eLDP is approved by USDA, the payment is automatically routed by electronic funds transfer to the customer's bank account.

The eLDP process is available 24/7, except during routine backup and maintenance periods. The applicable LDP rate is based upon the rate in effect on the application date for the location of the stored commodity or the rate in effect for delivered quantities.

Customer Eligibility

To be eligible for eLDPs, customers must:

- Be in compliance with all annual eligibility requirements for marketing assistance loans and LDPs;
- Complete and submit form CCC-633 EZ, "Loan Deficiency Payment (LDP) Agreement and Request, page 1" at their local FSA Service Center;
- Have a valid e-mail address;
- Have an active USDA eAuthentication Level 2 account; and
- Produce and harvest an eligible loan commodity.

The CCC-633 EZ, page 1 indicates the producers' intent to request LDP benefits and must be received by mail or fax in the FSA Service Center before the producer loses beneficial interest in the commodity. The CCC-633 EZ, page 1 is not considered a complete LDP request. To obtain the eLDP benefit, the producer must either request the eLDP online or submit a CCC-633 EZ, page 2, 3 or 4, as applicable.

Commodity Eligibility

Eligible loan commodities include:

- barley;
- canola;
- chickpeas (small and large starting with the 2009 crop);
- corn;
- crambe;
- dry peas;
- flaxseed;
- grain sorghum;
- hay (eligible for LDP only)
- honey;
- lentils;
- mohair;
- mustard seed;
- oats;
- peanuts;
- rapeseed;
- rice (long and medium);
- safflower;
- silage (eligible for LDP only)
- soybeans;
- sunflower oil;
- sunflower seed;

FACT SHEET**Electronic Loan Deficiency Payments**

March 2009

- upland cotton
- wheat;
- wool; and
- unshorn pelts (eligible for LDP only).

Customer Profiles

eLDP Customer Profiles are available for the following:

- Common Customers are individuals, corporations, limited-liability partnerships, limited-liability companies or limited partnerships, trusts, and estates;
- General Partnerships; and
- Joint Ventures with a tax identification number.

Before an eLDP application can be submitted, a Customer Profile must be established in the county where an eLDP is requested. Customer Profiles are updated each crop year to reflect updated eligibility and commodity information. Producers are encouraged to submit the CCC-633 EZ, page 1 prior to harvest if they plan to submit eLDPs.

FSA Service Centers will create and maintain Customer Profiles. The Customer Profile will include:

- Customer and commodity eligibility;
- Customer available payment limitation for eLDP; and
- Customer's (producer's) reasonable production, by commodity.

Customer Profiles will be updated over time by the
Page 2

customer's FSA Service Center whenever existing Customer Profile entries change. Customers are responsible for contacting the Service Center when a change to the profile is necessary.

Accessing Application Forms for Participation

Customers can request eLDP services by completing form CCC-633 EZ, page 1 online at www.sc.egov.usda.gov or at FSA or USDA Service Centers.

The eAuthentication Level 2 access can be obtained by completing the online process for approval at: www.eauth.egov.usda.gov.

Background on LDPs

USDA's Commodity Credit Corporation (CCC) makes available nonrecourse marketing assistance loans for certain commodities. CCC establishes loan rates for these commodities annually at the national level, and adjusts the rates locally. Marketing loans provide interim financing for eligible producers, allowing them to store their crops at harvest (when prices tend to be low), then market their crops when prices rise.

Under certain circumstances, when applicable loan rates are greater than the posted county or announced national market price for eligible loan commodities, producers can repay loans at the announced applicable market price amount, without interest.

Alternatively, a producer may be eligible for and choose to receive an LDP in lieu of securing a marketing loan. An LDP is the difference between the loan rate at a given location and the announced market price for the applicable commodity. FSA provides marketing assistance loans and LDPs on behalf of CCC.

Marketing loans and LDPs help ensure an orderly distribution of commodities to the market throughout the year and prevent delivery of commodities as loan collateral to USDA. More information on marketing loans and LDPs is available in the FSA fact sheet "Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments."

For More Information

More information on the eLDP services and LDPs is available from local FSA Service Centers and FSA's Web site at: <http://www.fsa.usda.gov>, click on Price Support.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2011

Farm Storage Facility Loan Program

Overview

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) Farm Storage Facility Loan Program (FSFL) provides low-interest financing for producers to build or upgrade farm storage and handling facilities. The FSA is authorized to implement the program through USDA's Commodity Credit Corporation (CCC).

Eligible Facility Loan Commodities

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops – lentils, chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (includes nuts) and vegetables – cold storage facilities
- * Honey

Eligible Facilities and Upgrades

An FSA farm storage facility loan must be approved by the local FSA county committee before any site preparation and/or construction can be started.

The following types of facilities and upgrades are eligible for farm storage facility loans:

- New conventional cribs or bins designed and engineered for whole grain storage having a useful life of at least 15 years.
- New oxygen-limiting structures and remanufactured oxygen-limiting structures built to original manufacturer's specifications and other upright silo-type structures designed for whole grain wet storage having a useful life of at least 15 years.
- New flat-type storage

structures, with permanent floors and bulkheads, designed and primarily used to store whole grain for the loan term.

- New electrical equipment integral to the proper operation of the grain storage and handling equipment, excluding the installation of electrical service to the electrical meter.
- New safety equipment, as required by CCC and meeting the U.S. Department of Labor's Occupational Safety and Health Administration (OSHA) requirements, such as interior and exterior ladders and lighting.
- New equipment to improve, maintain or monitor the quality of stored grain, such as cleaners, moisture testers, and heat detectors, installed in conjunction with a proposed storage facility.
- New concrete foundations, aprons, pits, and pads, including site preparation, labor and material, essential to the proper operation of the grain storage and handling equipment.
- Renovation of existing farm storage facilities, under certain circumstances, if the renovation is for maintaining or replacing items that have a useful life of at least 15 years.
- New permanently affixed grain handling and grain drying equipment determined by CCC to be needed and essential to the proper operation of a grain storage system (with or without a loan for the storage facility).
- New structures that are bunker-type, horizontal or open silo structures, with at least 2 concrete walls and a concrete floor, designed for whole grain storage or other-than-whole-grain storage and having a useful life of at least 15 years.
- New structures suitable for storing hay built according to acceptable design guidelines and having a useful life of at least 15 years.
- New structures suitable for storing renewable biomass

built according to acceptable industry guidelines and having a useful life of at least 15 years.

- New cold storage buildings, including prefabricated buildings, suitable for storing fruits and vegetables having a useful life of at least 15 years. Also may include permanently affixed cooling, circulating, and monitoring equipment and electrical equipment including labor and materials for installation of lights, motors and wiring integral to the proper operation of a cold storage facility.

Notes:

1. Scales, portable equipment, used bins, and used equipment are not eligible for financing.
2. Facilities built for commercial purposes and not for the sole use of the borrower(s) are not eligible for financing.

Eligible Cost Items

The net cost for building or upgrading farm storage and handling facilities and equipment may include the following:

- Purchase price and sales tax.
- Shipping and delivery charges.
- Site preparation costs.
- Installation costs.
- New material and labor for concrete pads, electrical wiring, and electric motors.
- Off-farm paid labor.
- New on-farm material approved by FSA.
- Attorney or archaeological study fees.

Eligibility Requirements

An eligible borrower is any person who is a landowner, landlord, leaseholder, tenant or sharecropper who:

- Produces an eligible facility loan commodity.
- Has a satisfactory credit rating as determined by CCC.
- Demonstrates the ability to

FACT SHEET**Farm Storage Facility Loan Program**

March 2011

- repay the debt for the facility loan.
- Possesses no delinquent non-tax federal debt.
- Demonstrates a storage need based on the borrower's three-year-average acreage and share of production, minus any current storage available.
- Provides proof of multi-peril crop insurance from the Federal Crop Insurance Corporation (FCIC) or a private company for the life of the loan.
- Provides proof of all peril insurance and, if applicable, flood insurance with CCC as a loss payee.
- Demonstrates compliance with USDA provisions for highly erodible land and wetlands.
- Demonstrates compliance with the National Environmental Policy Act.
- Demonstrates compliance with any applicable local zoning, land use, and building codes.
- Has not been convicted of a controlled substance violation.

Security Requirements

The following are security requirements for farm storage facility loans:

- All loans must be secured by a promissory note and security agreement, as well as a UCC-1 describing the storage facility and accompanying equipment; and
- Severance agreements from all lien holders on the real estate where the facility will be located or from owners of real estate when the loan applicant is not the landowner, except when CCC holds the first lien on the real estate. Severance agreements will not be required if the borrower increases the down payment from 15 percent to 20 percent.

For loans that exceed \$50,000 or the borrower's aggregate outstanding loan balance exceeds \$50,000, the borrower must be able to provide at least one of the following:

- A first lien on the real estate on which the facility is located;
- Real estate owned by the

- borrower other than where the facility is located, provided the real estate offered is sufficient to secure the loan; or
- A letter of credit from a financial institution in an amount sufficient to protect CCC's interest for each year the loan has an outstanding balance.

Maximum Loan Amount

The maximum loan amount through the Farm Storage

Facility Loan Program is \$500,000 per loan.

Facility Loan Terms

The following are the terms for farm storage facility loans:

- A 15 percent cash down payment is required; thus, CCC's loan is limited to 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment (subject to the applicant's storage needs test). The down payment cannot include any trade-in, discount, rebate, deferred payment, or post-dated check.
- Loan terms available are seven (7) years, ten (10) years or twelve (12) years depending on the amount of the loan.
- Interest rate is fixed for the loan term based on the rate in effect during the month the loan is initially approved. The interest rate is equivalent to the rate of interest charged on Treasury Securities of comparable term and maturity.
- Loans are to be repaid in equal amortized installments.
- Loan will not be disbursed until the facility has been erected and inspected with the exception of one (1) qualifying partial disbursement.

Cost of Obtaining a Loan

- Each applicant will be charged a nonrefundable \$100 application fee.
- CCC will pay all collateral lien searches and recording fees for filing Form UCC-1 and credit reports.
- Applicants pay all other

fees, such as severance agreements, attorney fees, real estate lien search fees, and instrument filing fees.

- For loans over \$50,000, applicants will be required to pay the cost of obtaining a title search/opinion or title insurance.

Persons Required to Sign the Note

The following persons are required to sign the loan agreement:

- For sole proprietorships and joint ventures, all individuals, including spouses, if applicable.
- For general partnerships, any member unless the Articles of Partnership are more restrictive.
- For corporations and limited partnerships, an individual with signature authority on file with FSA.

Where to File the Application

Loan applications should be filed in the administrative FSA Office that maintains the farm's records.

More Information

For more information about FSA programs, contact your local FSA office or USDA Service Center, or visit the World Wide Web at www.fsa.usda.gov

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2011

GRAZE-OUT Program

Overview

The Food, Conservation, and Energy Act of 2008 (Pub. L. 110-234) (2008 Farm Bill) provides for GRAZE-OUT payments for 2008 through 2012 crop years to eligible producers who elect to use their acreage planted to wheat, barley, oats, or triticale for grazing by livestock and agree to forgo any other harvesting of the commodity on such acreage during the applicable crop year.

Payment Eligibility Requirements

GRAZE-OUT payments are subject to the same basic eligibility requirements as commodity loans and loan deficiency payments (LDPs) including, but not limited to:

- payment limitation;
- person determination;
- beneficial interest;
- misaction or misinformation;
- offset or;
- adjusted gross income.

Application Period

The application period for GRAZE-OUT begins on the first day the crop is normally, mechanically harvested as determined by the county office committee (COC), and ends on March 31 of the calendar year following the year the crop is normally harvested.

Producers may file an application for GRAZE-OUT anytime during this application period. Applications may not be cancelled or withdrawn once submitted.

Eligible producers must request GRAZE-OUT payments at the local Farm Service Agency (FSA) county office.

Eligible Producer

Producers eligible for the GRAZE-OUT program are those considered eligible for a marketing assistance loan and who also meet all of the following requirements:

- Requests GRAZE-OUT payments on loan deficiency payment certification and application (Form CCC-633 GRAZING) before March 31 of the calendar year following the year the crop is normally harvested;
- Agrees to forgo any other harvesting of the commodity on the acreage planted for grazing by livestock;
- Retains beneficial interest through the date the crop is grazed out.

Eligible Acreage

Acreage eligible for the GRAZE-OUT program include those planted in wheat, barley, oats or triticale that is not harvested by any means other than grazing.

NOTE: Crop acreage requested for GRAZE-OUT is not eligible for:

- Any other marketing assistance loan or LDP;

- A crop insurance indemnity or;
- Noninsured Crop Disaster Assistance Program (NAP).

Eligibility and Ineligibility for Grazing Leases

Producers who lease cropland to a second party for grazing on the acreage or per head basis are:

- Not considered to have lost beneficial interest and;
- Eligible for GRAZE-OUT payments on the eligible commodity if all other eligibility requirements are met.

Producers are not eligible for GRAZE-OUT payments if any of the following occur:

- Grazing occurred on nurse crops that would not have met the definition of the crop if harvested as grain;
- Beneficial interest is lost and later regained;
- The crop is leased to a third party for grazing on a flat per acre rate;
- No grazing occurred or;
- Mechanical harvest occurred.

Filing Grazing Application Form CCC-633 GRAZING

Producers must use the farm serial number (FSN) when requesting GRAZE-OUT payments on the application form CCC-633 GRAZING.

If multiple producers share in the acreage, the shared acreage must equal 100 percent of the grazed acreage and all signatures must

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be obtained before the request is considered complete.

To be considered eligible for GRAZE OUT, all applications, including applications received in person, by mail, fax or downloaded from the Internet, must be completed correctly, signed and returned to the local FSA county office on or before the final loan availability date, which is March 31 of the calendar year following the year the crop is normally harvested.

Eligible producers must request the GRAZE-OUT application form CCC-633 GRAZING:

- After the date COC determines that wheat, barley, oats, or triticale is normally, mechanically harvested for the crop year for that applicable county and;
- No later than March 31 of the calendar year following the year the crop is normally harvested.

Producer Certification

Eligible producers must show on their application form CCC-633 GRAZING the actual tract and field location for acres grazed or to be grazed. In addition, the acreage and intended use must be certified on FSA-578 (Report of Acreage).

Note: Producers must indicate “grazing” as the intended use.

Because the producer certifies that this information is correct, no additional documentation is requested from the producer at time of the request.

GRAZE-OUT Payment Rate and Calculations

GRAZE-OUT payment rates are calculated by multiplying the actual grazed acreage requested times the applicable yield times the payment rate. For triticale, the payment rate is calculated based on the predominant class of wheat in the county where the producer’s farm is located.

The GRAZE-OUT payment rate is determined by the amount that the applicable commodity loan rate exceeds the CCC-determined value for the county where the acreage is grazed.

The GRAZE-OUT payment rate is the rate in effect on the day the request is completed.

The request date is the day the local FSA county office receives a signed and completed CCC-633 GRAZING application form from all applicable producers on the farm. All entries on form CCC-633 GRAZING must be completed when the application is submitted.

Applicable Payment Yield

For GRAZE-OUT, applicable payment yields are defined as the yield in effect for the calculation of the direct payments according to 7 CFR, Part 1412.

In the case of a farm for which a direct payment yield under the Direct and Counter-cyclical Program (DCP) yield is unavailable for a covered commodity, the producer may submit actual production harvested as grain on the same farm or another farm in the same area, or the COC may establish a yield based on their judgment and knowledge of practices and

growing conditions in the county with documentation supporting the COC established yield.

Records

Producers requesting GRAZE-OUT payment should maintain records for a period of three years after the date of the payment to document eligibility.

For more information about this and other FSA programs, please contact a local USDA Service Center, or visit www.fsa.usda.gov.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
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Honey Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments

Overview

The Food, Conservation, and Energy Act of 2008 (2008 Act) reauthorizes nonrecourse marketing assistance loans (MALs) and loan deficiency payments (LDPs), for the 2008-2012 crop of honey.

Nonrecourse MALs and LDPs are administered by the Farm Service Agency (FSA), on behalf of the Commodity Credit Corporation (CCC).

See the fact sheet Nonrecourse Marketing Assistance Loans/Loan Deficiency Payments for additional information about MALs and LDPs.

Honey Nonrecourse Marketing Assistance Loan

Honey nonrecourse MALs provide eligible producers with interim financing on their production and facilitate the orderly distribution of loan-eligible honey throughout the year, and allows the producer to delay the sale of their honey until more favorable market conditions emerge. A producer may satisfy the loan obligation by delivering to CCC the quantity of honey pledged as collateral for full payment of the loan at maturity.

Eligibility

To be eligible for a honey nonrecourse MAL or LDP, a producer must have:

- Produced honey in the United States during the calendar year for which the loan is requested and extracted honey on or before Dec. 31, of the applicable crop year;
- Had a continuous beneficial interest in the honey through date of repayment of the loan and;
- Been responsible for the financial risk of keeping the bees and producing the honey.

To be eligible for a MAL or LDP, the honey must:

- Have been produced by an eligible producer;

- Have been produced and extracted in the United States during the applicable calendar year;
- Be of merchantable quality deemed by CCC to be suitable for loan and;
- Be stored in acceptable containers.

Adjusted Gross Income

Producers or legal entities whose average adjusted gross **nonfarm** income exceeds \$500,000 are not eligible for marketing loan gains or LDPs, but are eligible for MALs that must be repaid at principal plus interest.

Program Availability

The CCC makes nine-month nonrecourse MALs available to producers on 2008-2012 crop honey.

Final Loan/LDP Availability Date

Eligible producers must submit requests for honey nonrecourse MALs on or before March 31 of the calendar year following the applicable crop year.

Maturity Date

Loans mature on demand, but no later than the last day of the ninth month after the note and security agreement were approved.

Loan Rate

The 2008 Act sets the national loan rate for honey as follows:

- 60 cents per pound for 2008 and 2009 crop years;
- 69 cents per pound for 2010 through 2012 crop years.

Where to Request Loans

If the honey is stored on the producer's farm, the producer is required to apply at the FSA county office serving the area. If the honey is stored at a location other than the producer's farm, the producer is required to apply at either (1) the county office serving the storage location, or (2) the county office serving

the area in which the producer's main business is located.

Other Program Provisions

- A loan service fee is collected at the time of loan disbursement.
- Interest is charged at a rate of 1 percent higher than the CCC borrowing interest rate.
- Honey pledged as collateral for a loan must be from eligible floral sources and must be in containers that meet the type, size, cleanliness, strength, damage and fill requirements defined by regulations published by CCC in the Federal Register.
- Pre-loan inspections are required to ensure that honey inventory exists in approved storage containers and is of approximate certified weight.

Loan Deficiency Payment (LDP) Provisions

Producers who are eligible for a nonrecourse MAL, may choose to receive a LDP in lieu of a MAL. The LDP rate equals the amount by which the loan rate where the commodity is stored exceeds the effective repayment rate for the crop of honey.

For More Information

Further information on this and other FSA programs is available from local USDA Service Centers or on the FSA website at www.fsa.usda.gov.

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UNITED STATES DEPARTMENT OF AGRICULTURE
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Milk Income Loss Contract (MILC) Program

Overview

USDA's Milk Income Loss Contract Program (MILC), administered by the Farm Service Agency's (FSA), compensates dairy producers when domestic milk prices fall below a specified level. The 2008 Farm Bill authorized MILC through Sept. 30, 2012. The program has no set funding level.

Eligible Dairy Producers

Eligible dairy producers are those who, beginning Oct. 1, 2007, through Sept. 30, 2012:

- Commercially produce and market cow milk in the United States; or
- Produce milk in the United States and commercially market the milk outside the United States.

Dairy producers must be in compliance with Highly Erodible Land and Wetland conservation provisions.

Dairy producers are subject to the Adjusted Gross Income (AGI) limitation. If non-farm income exceeds \$500,000 the dairy operation and the dairy producer are not eligible for MILC benefits.

Sign-up

Sign-up for the program begins on Dec. 22, 2008, and extends through the conclusion of the

program on Sept. 30, 2012. Eligible dairy producers can apply for program benefits anytime during sign-up.

Payments

FSA makes MILC payments on a monthly basis when the Boston Class I milk price falls below \$16.94 per hundredweight (cwt) as adjusted by the dairy feed ration adjustment. The monthly Boston price is posted online at: http://www.fmmone.com/Northeast_Order_Prices/NE_Prices_main_new.htm.

When the Boston milk price exceeds \$16.94 as adjusted by the dairy feed ration adjustment:

- FSA will make no MILC payments to the dairy operation; and
- Production for that month will not count towards the operation's maximum eligible production.

Payment Rate Calculation

FSA determines the per hundredweight payment rate for the applicable month by subtracting the Boston Class I price for that month from the \$16.94 baseline price, and multiplying the difference by:

- 45 percent during the period Oct. 1, 2008, through Aug. 31, 2012; or

- 34 percent during the period Oct. 1, 2007, through Sept. 30, 2008, and during Sept. 2012.

Feed-Cost-Adjusted Payment Rate Adjustment

The baseline price of \$16.94/cwt is adjusted upward when the National Average Dairy Feed Ration Adjustment (NADFR) is greater than the following established levels:

Jan. 1, 2008 -	
Aug. 31, 2012	\$7.35
Sept. 1 - 30, 2012	\$9.50

The NADFR is calculated each month from the price of feed ingredients used to create a 16 percent protein dairy feed. The feed ingredient prices used to calculate the NADFR are posted monthly by the National Agricultural Statistics Service (NASS) and can be obtained at the following website: <http://usda.mannlib.cornell.edu/usda/current/AgriPric/>

If the triggering feed ration amount is exceeded, the benchmark \$16.94 figure for the MILC payment calculation will be increased by the percentage amount, which is 45 percent (or 34 percent for certain periods as indicated above) of the percentage amount by which the feed ration cost exceeded its own benchmark for the period Oct.

1, 2008 through Aug. 31, 2012.

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Example:

When the NADFR exceeds these established levels the trigger price is calculated as illustrated in the following example. This hypothetical example assumes the NADFR is \$10.05/cwt for a month falling from Oct. 1, 2008 through Aug. 31, 2012.

$$\$10.05 \text{ (NADFR)} - \$7.35 = \$2.70$$

$$\$2.70 / \$7.35 = .3673$$

$$.3673 \times 45\% = .1653$$

$$.1653 \times \$16.94 = \$2.80$$

$$\$16.94 + \$2.80 = \$19.74$$

If the Boston Class I price is \$18.00/cwt, the payment rate will be calculated as follows:

$$\$19.74 - \$18.00 = \$1.74/\text{cwt}$$

$$\$1.74/\text{cwt} \times 45\% = \$.7830/\text{cwt}$$

FSA issues payments not later than 60 calendar days after FSA receives production evidence for the applicable month or the entire month's NADFR is posted for the applicable month, whichever is later.

Eligible Pounds of Production

FSA issues payments up to the maximum eligible pounds of milk produced and marketed by each operation per fiscal year.

The annual maximum eligible pound limit per dairy operation per fiscal year is as follows:

Oct 1, 2007- Sept. 30, 2008 – 2,400,000 lbs

Oct 1, 2008- Aug. 31, 2012 – 2,985,000 lbs

(Except that for fiscal year 2012, the fiscal year cap to qualify Sept. 2012 production only will be reduced to 2.4

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million pounds).

Payment Rates

FSA posts monthly MILC payment rates online at: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=mpp-mi>. There are no payment rates effective for the 2008 fiscal year.

Production Start-month Selection

MILC participants must select a month of commercially marketed production for which FSA will begin issuing the operation's payments for each fiscal year.

Starting with the dairy operation's selected month, FSA will issue MILC payments based on the month's production and each consecutive month's production thereafter at the payment rate applicable to each month with a rate in effect, until the earlier of the following:

- The operation reaches the maximum payment quantity; or
- The applicable fiscal year ends.

Production Start-month Selection Rules

The dairy operation's selected production start-month must be designated on Form CCC-580, "Milk Income Loss Contract Program (MILC)," and submitted to the FSA county office:

- On or before the 14th of the month before the selected MILC production start-month, except as otherwise provided during the applicable sign-up phase; and
- Before the selected month's Boston Class I fluid price is announced to the public; or
- The dairy operation has the option to select the month in which the contract application is submitted as a production start month.

A dairy operation cannot select a MILC production start-month for any month that:

- Has already begun, except as otherwise provided;
- Has already ended; or
- Milk was not produced by the dairy operation.

Exception: If the contract is submitted within 30 days of the time at which CCC begins accepting contracts, the dairy operation can select any month preceding the month the contract is submitted or any month thereafter in accordance with the "Selecting and Changing Production Start-month" paragraph below, as the 2009 production start month, including the month the contract is submitted.

Selecting and Changing Production Start-months

Dairy operations can change the start-month an unlimited number of times as long as the

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change is made:

- On or before day 14 of the month prior to the MILC production start-month (unless that day falls on a weekend, then the date falls to the previous business day);
- Before payment is sought; and
- Before the original selected MILC production start-month has passed.

If the dairy operation never changes the selected start-month, the start-month will remain the same throughout the MILC contract's duration.

How to Apply

To apply for MILC, dairy operations must submit Form CCC-580, "Milk Income Loss Contract Program (MILC)," to the FSA county office where the operation is located. The form is available at FSA county offices and online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>

The production start-month for each fiscal year must be designated on the Form CCC-580. As milk is marketed, the operation must report the total pounds of all milk produced and marketed during each month for all persons receiving a share of the marketed milk. Monthly milk production cannot be apportioned to circumvent the maximum payment quantity. All persons sharing in the risk of a dairy operation's total production

must certify the information on the CCC-580. FSA will accept only one Form CCC-580 per dairy operation.

When applying for MILC benefits, operators must also have on file:

- Form AD-1026, "Highly Erodible Land Conservation and Wetland Conservation Certification," used to certify understanding of USDA conservation compliance requirements;
- Form SF-1199A, "Direct Deposit Sign Up Form," used to sign up for the direct deposit of payments into the payee's account;
- Form CCC-526 or CCC-926, Adjusted Gross Income (AGI) Statement; and
- Form CCC-901, "Members Information," or Forms CCC-902E/CCC-902P, "Farm Operating Plan," or Form CCC-580S, "MILC Supplemental," used to determine payment eligibility.

Dairy operations can obtain these forms at FSA county offices and online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>

Production Evidence

Before FSA can issue MILC payments, all persons involved in a single dairy operation must provide verifiable production evidence, which can include:

- Milk marketing payment stubs;
- Tank records;
- Milk handler records;
- Daily milk marketings; or
- Copies of any payments received as compensation from other sources.

FSA county offices have 60 calendar days after receiving the production evidence and all supporting documents for the applicable month or the entire month NADFR cost is made available by USDA to issue payments to dairy operations.

Ineligible Milk Production

The following is not considered commercially marketed milk and is ineligible as MILC production:

- Dumped milk that causes bulk load contamination for which a producer receives an insurance indemnity; and
- Milk dumped on a farm by order of a state or health department.

Reconstitutions

Dairy operators must immediately notify FSA of any changes affecting an operation's MILC contract. If a reconstitution occurs during the contract period, MILC contract changes will take effect the first day of the fiscal year following the month FSA receives notification of the changes. However, changes resulting in the reduction of

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shareholders or producers will take effect immediately upon notification to FSA.

Dairy operators cannot reorganize a dairy operation's structure for the sole purpose of receiving multiple payments.

Eligible pounds of production that received MILC payments

will be applied to the pounds of production eligible for payment for reconstituted dairy operations.

Dairy operations can obtain more information on MILC at FSA county offices and online at: <http://www.fsa.usda.gov>; click on Price Support.

MILC Agents

MILC benefits may be disbursed by a dairy marketing cooperative serving special groups or communities, such as Amish or Mennonite communities. Such producers may authorize a cooperative agent or milk handler affiliated with a dairy marketing cooperative to obtain and disburse MILC benefits to the operation. FSA must approve qualified agents.

Dairy operations must grant MILC agents power of attorney authority to act on their behalf by submitting Form CCC-582 "MILC Agent Application Agreement" to FSA for approval. The operator must also complete Form FSA-211, "Power of Attorney," and submit the form to the FSA office where the dairy operation is located. The form is available at FSA county offices and online at: <http://forms.sc.egov.usda.gov/eforms/mainservlet>

For More Information

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Nonrecourse Marketing Assistance Loans / Loan Deficiency Payments

Overview

The 2008 Farm Bill reauthorizes nonrecourse marketing assistance loans (MALs) and loan deficiency payment (LDPs) and makes them available for the 2008-2012 crops of wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded wool, nongraded wool, mohair, honey and peanuts.

See the fact sheet Fees and Warehouse Storage Credits Applicable to Cotton Loans and Transfers for additional information about MALs for cotton.

MALs and LDPs are marketing tools available to producers beginning upon harvest or shearing. The MAL provides an influx of cash when market prices are typically at harvest-time lows, which allows the producer to delay the sale of the commodity until more favorable market conditions emerge. Allowing producers to store production at harvest or shearing provides for a more orderly

marketing of commodities throughout the year.

MALs for commodities are considered nonrecourse when the MAL can either be redeemed by repayment or by delivering the pledged collateral to the Commodity Credit Corporation (CCC) as full payment for the MAL at maturity. MAL repayment provisions specify, under certain circumstances, that producers may repay at less than the loan rate (principal) plus accrued interest and other charges. Alternatively, loan deficiency payment (LDP) provisions specify that in lieu of securing a MAL producers may elect to receive an LDP.

MAL repayment and LDP provisions are intended to minimize potential delivery of loan collateral to CCC, accumulation of CCC-owned stocks, storage costs, discrepancies in marketing loan benefits across state and county boundaries, and allow U.S. produced-commodities to be marketed freely and competitively. Accumulating CCC-owned stocks tends to make U.S.-produced commodities less competitive in world markets and can result in substantial storage costs to taxpayers.

Producer Eligibility

To be eligible for a MAL or LDP, the producer must:

- Comply with conservation and wetland protection requirements;
- Submit an acreage report to account for all cropland on the farm;
- Have and retain beneficial interest in the commodity until the MAL is repaid or CCC takes title to the commodity;
- Meet adjusted gross income limitations described in a later section.

Commodity Eligibility

To be eligible for a MAL or LDP, the commodity must:

- Have been produced, mechanically harvested or shorn from live animals by an eligible producer and be in storable condition;
- Be merchantable for food, feed or other uses as determined by CCC;
- Meet specific CCC minimum grade and quality standards for nonrecourse MALs.

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Beneficial Interest

A producer retains beneficial interest in the commodity if both of the following remain with the producer:

- Control of the commodity. The producer retains the ability to make all decisions affecting the commodity, including movement, sale, and the request for a MAL or LDP
- Title to the commodity. The producer has not sold or has not delivered the commodity or warehouse receipt to the buyer. If delivered, title may be considered to be transferred before the producer receives payment for the commodity. For example, title is considered transferred if a producer executes an option to purchase without a provision that states that title and control remain with the producer until the buyer exercises the option to purchase and the option to purchase expires at the earlier of:
 - The maturity of any CCC loan secured by such commodity;
 - The date CCC claims title to such commodity or;

- Another date provided in the option.

Once beneficial interest in the commodity is lost, the commodity loses eligibility for a MAL or LDP and remains ineligible even if the producer later regains beneficial interest.

If the commodity is delivered to a buyer, processor, feedlot or mill that rejects the commodity because minimum standards are not met, beneficial interest shall not be considered lost by the producer if the commodity is returned to the producer.

The commodity is not considered rejected if the producer receives a reduced contract price for the commodity.

For further information see the FSA fact sheet on Beneficial Interest Requirements. For MALs and LDPs, contact a local USDA Service Center or visit the FSA web site at www.fsa.usda.gov.

Nonrecourse Marketing Assistance Loans**Loan Rates**

The 2008 Act sets national loan rates at the levels shown in Table 1.

Table 1. National Loan Rates, 2008-2012 Crops (per production unit) - On**Last Page.**

County and regional loan rates are based on each commodity's national loan rate, and they:

- Vary by county or region and;
- Are based on the average prices and production of the county or region where the commodity is stored.

Settling Loans

MALs mature on the last day of the ninth calendar month following the month in which the MAL is approved. A producer may settle an outstanding nonrecourse MAL:

- Before maturity period by repaying the MAL or;
- Upon maturity by forfeiting the commodity to CCC.

For all loan eligible commodities, a producer may repay a MAL any time during the loan period at the lesser of the:

- Loan rate plus accrued interest and other charges or;
- Alternative loan repayment rates as determined by CCC.

For wheat, feed grains and oilseeds, the CCC determined county market

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price is often referred to as the posted county price (PCP). PCPs are established and available at each local USDA Service Center. PCPs are based upon market prices at appropriate U. S. terminal markets, adjusted to reflect quality and location. PCPs are announced daily for wheat, feed grains, soybeans, canola, flaxseed, and sunflower seed, and weekly for other oilseeds.

For peanuts, CCC determines national posted prices for four types of peanuts and announces them weekly. For dry peas and lentils, CCC determines and announces regional posted prices weekly. For wool and mohair and large and small chickpeas, CCC determines and announces a national posted price weekly. For honey, CCC determines and announces the national survey price monthly.

For long and medium grain rice and cotton, a producer may repay a MAL any time during the loan period at the lesser of the:

- Loan rate plus accrued interest and other charges or;
- Adjusted world price (AWP).

The AWP is the prevailing world market price adjusted to U.S. quality and location. AWP's are announced

weekly.

Marketing Loan Gains

A producer realizes a marketing loan gain (MLG) if the MAL is repaid at less than the loan principal. The MLG rate equals the amount by which the applicable loan rate exceeds the MAL repayment rate.

Loan Premiums and Discounts

Loan premiums and discounts are determined according to the grade and quality of a specific quantity of a commodity that a producer pledges as loan collateral. Premium and discount schedules vary by commodity and are applied to the loan rate in the county where the commodity is stored. On a per-unit basis, premiums are added to and discounts are subtracted from the loan rate only when the MAL is forfeited to CCC, except for the commodities of cotton and peanuts.

Interest

The interest rate charged on a commodity loan is set at one percentage point above CCC's cost of borrowing from the U.S. Treasury at the time the loan is made as required by Section 163 of the Federal Agricultural Improvement and Reform Act of 1996. After a loan is made, the rate is fixed

except the interest rate for loans outstanding on Jan. 1 is adjusted to reflect CCC's cost of borrowing on Jan. 1, plus one percentage point.

Accrued interest is the amount of interest that accumulates while a loan is outstanding, starting with the day the loan is made. Accrued interest is calculated by multiplying: (i) the applicable interest rate times, (ii) the ratio of the number of days under loan (starting with the initial day and continuing through the day prior to the day a loan is repaid) to the number of days in a year (i.e., 365) times, (iii) the loan principal. Table 2 provides an example of how accrued interest is calculated.

Table 2. Accrued Interest Calculation Examples - On Last Page.**Loan Deficiency Payments (LDP)**

A producer who is eligible to obtain a MAL, but who agrees to forgo the MAL, may obtain an LDP. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the effective MAL repayment rate for the respective commodity. The LDP amount equals the LDP rate times the quantity of the commodity for which the LDP is requested. Table 3 provides an example of how MLGs and LDPs are calculated.

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Table 3. Marketing Loan Gain/Loan Deficiency Payment Examples - On Last Page.**Other Requirements****Production Evidence**

A producer who repays a MAL at less than the loan rate plus accrued interest and other charges or receives an LDP may be subject to a spot check and must provide production evidence acceptable to CCC, such as evidence of sales, warehouse receipts, or load summary or assembly sheets.

Final Loan/LDP Availability Dates

Producers may obtain MALs or receive LDPs on all or part of their eligible production anytime during the loan availability period. The loan availability period runs from when the commodity is normally harvested (or sheared for wool and mohair) until specified dates in the following calendar year. The final loan/LDP availability dates for the respective commodities are listed in Table 4.

Table 4. Final Loan/LDP Availability Dates by Commodity - On Last Page.**Adjusted Gross Income, Payment Limitations and ACRE**
Page 4**Adjusted Gross Income Limitation**

A person or legal entity with an average adjusted gross nonfarm income that exceeds \$500,000 is not eligible for MLG or LDP payments, but is eligible for a MAL; but however, the MAL must be repaid at principal plus interest.

For more information on AGI limitation, view the FSA fact sheet entitled, Adjusted Gross Income 2009 and Subsequent Crop Years, contact a local USDA Service Center, or visit the FSA website at www.fsa.usda.gov.

Payment Limitations

Beginning with the 2009 crop year and subsequent crop years, CCC will no longer limit payments on benefits associated with MAL or LDP programs.

Average Crop Revenue Election (ACRE)

MAL rate will be reduced by 30 percent if production comes from a farm participating in the ACRE program. Alternative loan repayment rates will not be adjusted by 30 percent. The LDP rate for commodities produced on farms enrolled in ACRE must include the 30 percent reduction from the MAL rate before determining the LDP rate. See fact sheet entitled ACRE Program, or contact

a local USDA Service Center, or visit the FSA website at www.fsa.usda.gov.

More Information

For more information about FSA programs, contact the local FSA office or USDA Service Center, or visit the website at www.fsa.usda.gov.

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To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.

FACT SHEET**MAL / LDP**

January 2011

Table 1. National Loan Rates, 2008-2012 Crops

	Production Unit	2008	2009	2010-2012
Wheat	bushel	\$2.75	\$2.75	\$2.94
Corn	bushel	\$1.95	\$1.95	\$1.95
Grain Sorghum	bushel	\$1.95	\$1.95	\$1.95
Barley	bushel	\$1.85	\$1.85	\$1.95
ELS Cotton	pound	\$0.7977	\$0.7977	\$0.7977
Upland Cotton	pound	\$0.52	\$0.52	\$0.52
Oats	bushel	\$1.33	\$1.33	\$1.39
Long Grain Rice	cwt	\$6.50	\$6.50	\$6.50
Medium Grain Rice	cwt	\$6.50	\$6.50	\$6.50
Soybeans	bushel	\$5.00	\$5.00	\$5.00
Other Oilseeds	cwt	\$9.30	\$9.30	\$10.09
Dry Peas	cwt	\$6.22	\$5.40	\$5.40
Lentils	cwt	\$11.72	\$11.28	\$11.28
Small Chickpeas	cwt	\$7.43	\$7.43	\$7.43
Large Chickpeas	cwt	N/A	\$11.28	\$11.28
Wool, graded	pound	\$1.00	\$1.00	\$1.15
Wool, nongraded	pound	\$0.40	\$0.40	\$0.40
Mohair	pound	\$4.20	\$4.20	\$4.20
Honey	pound	\$0.60	\$0.60	\$0.69
Peanuts	ton	\$355.00	\$355.00	\$355.00

Table 2. Accrued Interest Calculation Examples

Facts	Accrued Interest for Loan A		
Applicable Interest	3.150 %		
Loan Principal	\$1,000		
	<i>Scenario 1</i>	<i>Scenario 2</i>	<i>Scenario 3</i>
Days loan outstanding	90	120	150
Days in a year	365	365	365
Accrued Interest	\$7.77	\$10.36	\$12.95

Table 3. Marketing Loan Gain/Loan Deficiency Payment Examples

County A	MAL Repayment Rate Scenario (\$ per bushel)		
Loan rate	1.95		
	<i>Scenario 1</i>	<i>Scenario 2</i>	<i>Scenario 3</i>
Loan rate plus interest	1.98	1.98	1.98
Effective Posted County Price (PCP)	2.05	1.90	1.98
MLG or LDP rate	0.00	0.05*	0.00

*Does not include accrued interest.

Table 4. Final Loan/LDP Availability Dates by Commodity

Final Loan/LDP Availability Date	Commodity
Jan. 31	Mohair, Peanuts, Wool and Unshorn Pelts
March 31	Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Sesame seed and Wheat
May 31	Corn, Dry peas, Grain sorghum, Lentils, Mustard seed, Long grain rice, Medium grain rice, Safflower, Small chickpeas, Large chickpeas, Cotton, Soybeans and Sunflower seed



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2011

Pulse Crops Marketing Assistance Loans and Loan Deficiency Payments

Overview

The Food, Conservation, and Energy Act of 2008 (2008 Act) reauthorizes nonrecourse marketing assistance loans (MALs) and loan deficiency payment (LDPs) for the 2008 through 2012 pulse crops of dry peas, lentils, small chickpeas, and for the first time MALs and LDPs for large chickpeas for the 2009 through 2012 crops.

Nonrecourse MALs and LDPs are administered by the Farm Service Agency (FSA), on behalf of the Commodity Credit Corporation (CCC).

See the fact sheet “Nonrecourse Marketing Assistance Loans/Loan Deficiency Payments” for additional information about MALs and LDPs.

Pulse Crops Nonrecourse MALs and LDPs

Pulse crop MALs provide eligible producers interim financing on their production. Instead of selling the crop immediately at harvest, producers may pledge their production as loan collateral, receiving loan proceeds equal to the loan rate times the quantity placed under loan. MALs mature at the end of the ninth month following the month in which the loan is approved.

A producer who is eligible to obtain a MAL, but who agrees to forgo the MAL, may obtain an LDP. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the effective MAL repayment rate for the respective commodity. The LDP amount equals the LDP rate times the quantity of the commodity for which the LDP is requested.

To be eligible for a MAL and LDP, the pulse crop must:

- Have been produced, mechanically harvested by an eligible producer and be in storable condition,
- Be merchantable for food, feed, or other uses as determined by CCC and,
- Meet specific CCC minimum grade and quality standards for non recourse MALs.

Loan Rates

The 2008 Act sets national loan rates at the levels shown in Table 1 (shown on page 2). Regional loan rates are established for dry peas, lentils, large chickpeas, but not for small chickpeas. Unless officially announced otherwise, the national loan rate for large chickpeas is used because of limited market price information to establish a regional loan rate for large chickpeas. The national loan rate of \$7.43 of per cwt is always applicable to small chickpeas.

Two dry peas and lentils regional markets were identified for all the crop years covered in the 2008 Act. The West region includes all counties in the Palouse (Idaho, Oregon and Washington) and other states west of the Rocky Mountains (Arizona, California, Nevada, New Mexico and Utah). East region includes all counties in Montana and North Dakota, plus all counties in all other states not in the West Region. See Table 2, for the 2010 and 2011 crop year regional loan rates for dry peas and lentils.

Premiums and Discounts

Premiums and discounts are determined according to the grade and quality of a specific quantity of a commodity that a producer pledges as loan collateral. Premium and discount schedules vary considerably by commodity and are applied

to the loan rate in the county where the commodity is stored. On a per-unit basis, premiums are added to and discounts are subtracted from the loan rate when the MAL is not repaid and forfeited to CCC.

Beneficial Interest

Producers must have beneficial interest in the pulse crop at the time of the request to obtain a MAL or LDP. Beneficial interest occurs when the producer maintains control of and title to the pulse crop.

For further information, see the FSA fact sheet on “Beneficial Interest Requirements For MALs and LDPs.”

Loan Repayment Rates

A producer may repay a MAL any time during the loan period at the lesser of the:

- Loan rate plus accrued interest and other charges or;
- Alternative loan repayment rates as determined by CCC.

CCC determines and announces regional posted prices for dry peas and lentils, and national posted prices for large and small chickpeas. Pulse crop loan repayment rates are established on a weekly basis and announced each Friday at 7 a.m. Eastern time and are available at each FSA county office. The loan repayment rates are established by CCC based on previous 30-day and five-day market prices for each pulse crop.

FACT SHEET**Pulse Crops MALs and LDPs**

March 2011

Table 1 Pulse Crop National Loan Rates per Hundredweight (cwt): 2008-2012

Pulse Crop	2008	2009-2012
Dry Peas	\$6.22	\$5.40
Lentils	\$11.72	\$11.28
Small Chickpeas	\$7.43	\$7.43
Large Chickpeas	NA	\$11.28

Table 2 Dry Peas and Lentils 2010 and 2011 Crop Year Regional Loan Rates per Hundredweight (cwt)

Region	States	Loan Rates			
		2010 Dry Peas	2011 Dry Peas	2010 Lentils	2011 Lentils
West, which includes the Palouse	Alaska, Arizona, California, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah and Washington.	\$6.33 per cwt.	\$6.57 per cwt.	\$13.17 per cwt.	\$11.85 per cwt.
East	Montana and North Dakota, plus all other States not in the West region.	\$5.20 per cwt.	\$5.13 per cwt.	\$10.41 per cwt.	\$11.06 per cwt.

Marketing Loan Gains

A producer realizes a marketing loan gain if the loan is repaid at less than the loan principal. The marketing loan gain rate equals the amount by which the applicable loan rate exceeds the loan repayment rates.

Final Loan/LDP Availability Dates

The final pulse crop loan/LDP availability date is May 31 of the calendar year after the calendar year the pulse crop is harvested.

Adjusted Gross Income

Producers or legal entities whose average adjusted gross nonfarm income exceeds \$500,000 are not eligible for marketing loan gains (MLGs) and LDP payments; however, the person or entity is eligible for a MAL, but the MAL must be repaid at principal plus interest.

Average Crop Revenue Election (ACRE)

MAL rates will be reduced by 30 percent if production comes from a farm participating in the ACRE program. Alternative loan repayment rates will not be adjusted

by 30 percent. The LDP rate for commodities produced on farms enrolled in ACRE must include the 30 percent reduction from the MAL rate before determining the LDP rate. See fact sheet entitled ACRE Program, or contact a local USDA Service Center, or visit the FSA website at www.fsa.usda.gov.

Final Loan/LDP Availability Dates for Pulse Crops

The final pulse crop loan/LDP availability date is May 31 of the calendar year after the calendar year the pulse crop is harvested.
Payment Eligibility and Limitations

For More Information

Additional information on MALs and LDPs for pulse crop producers is available from local USDA Service Centers and on the FSA website at <http://www.fsa.usda.gov>.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

October 2009

Pulse Crops: Summary of 2008-2012 Program

Overview

The Food, Conservation, and Energy Act of 2008 (2008 Act) provides, for the first time, marketing assistance loans (MALs) and loan deficiency payment (LDP) provisions for large chickpeas for the 2009-2012 crops. MALs provide interim financing on eligible production and facilitate the orderly marketing of loan eligible commodities throughout the year.

Nonrecourse MALs and LDPs

MALs provide eligible producers interim financing on their production. Instead of selling the crop immediately at harvest, producers may pledge their production as loan collateral, receiving loan proceeds equal to the loan rate times the quantity placed under loan. MALs mature at the end of the ninth month following the month in which the loan was received.

Under marketing loan provisions, producers may (under certain conditions) repay a 9-month nonrecourse price support loan at less than the loan rate plus accrued interest and other charges whenever the Commodity

Credit Corporation (CCC) estimates that the regional or national market price is lower. Producers are also eligible for a LDP in lieu of obtaining a loan.

Loan Deficiency Payments

A producer who is eligible to obtain a MAL, but who agrees to forgo the MAL, may obtain an LDP. The LDP rate equals the amount by which the applicable loan rate where the commodity is stored exceeds the effective MAL repayment rate for the respective commodity. The LDP equals the LDP rate times the quantity of the commodity for which the LDP is requested.

Eligibility

To be eligible for a MAL and LDP, the producer must:

- comply with conservation and wetland protection requirements;
- submit an acreage report to account for all cropland acreage usage on the farm; and
- have and retain beneficial interest in the commodity until the MAL is repaid or CCC takes title to the commodity.

To be eligible for a MAL and LDP, the commodity must:

- have been produced, mechanically harvested by an eligible producer and be in storable condition,
- be merchantable for food, feed, or other uses as determined by CCC, and
- meet specific CCC minimum grade and quality standards for non recourse MALs.

Loan rates

- For small and large chickpeas, the national loan rate is applied uniformly in all counties;
- For dry peas and lentils, two regional loan rates are established and applied uniformly in all counties within those regions; and
- Are based on the region where the commodity is stored.

The 2008 Act sets national loan rates at the levels shown in Table 1 (shown on last page).

FACT SHEET**Pulse Crops: Summary of 2008-2012 Program**

October 2009

Two dry peas and lentils regional markets were identified for all the crop years covered in the 2008 Act. West region includes all counties in the Palouse (Idaho, Oregon, and Washington) and other states west of the Rocky Mountains (Arizona, California, Nevada, New Mexico, and Utah). East region includes all counties in Montana and North Dakota, plus all counties in all other States not in the West Region. See Table 2, for the 2009 crop year regional loan rates for dry peas and lentils.

Table 2 (shown on last page) Dry Peas and Lentils 2009 Crop Year Regional Loan Rates per Hundredweight (cwt):

Premiums and Discounts

Premiums and discounts are determined according to the grade and quality of a specific quantity of a commodity that a producer pledges as loan collateral. Premium and discount schedules vary considerably by commodity and are applied to the loan rate in the county where the commodity is stored. On a per-unit basis, premiums are added to and discounts are subtracted from the loan rate when the MAL is not repaid and forfeited to CCC.

Beneficial Interest

A producer retains beneficial interest in the commodity if all of the following remain with the producer:

- Control of the commodity. The producer retains the ability to make all decisions affecting the commodity, including movement, sale, and the request for a MAL or LDP,
- Title to the commodity. The producer has not sold or has not delivered the commodity or warehouse receipt to the buyer. Title may be considered to be transferred before the producer receives payment for the commodity. For example, title is considered transferred if a producer executes an option to purchase without a provision in the agreement that states that title and control remain with the producer until the buyer exercises this option to purchase and the option to purchase expires at the earlier of:
 - the maturity of any CCC loan secured by such commodity;
 - the date CCC claims title to such commodity; or
 - another date provided in the option.

Once beneficial interest in the commodity is lost, the commodity loses eligibility for a MAL or LDP and remains ineligible even if the producer later regains beneficial interest. If the commodity is delivered to a buyer, processor, feedlot or mill that rejects the commodity because minimum standards are not met, beneficial interest shall not be considered lost by the producer if the commodity is returned to the producer.

The commodity is not considered rejected, if the producer receives a reduced contract price for the commodity.

For further information see the FSA Fact Sheet on Beneficial Interest Requirements For MALs and LDPs, contact a local USDA Service Center, or visit the FSA Web site at http://www.fsa.usda.gov/Internet/FSA_File/benint06.pdf

Settling Loans

MALs mature on the last day of the ninth calendar month following the month in which the MAL is approved. A producer may settle an outstanding nonrecourse MAL:

- during the loan period by repaying the MAL; or
- upon maturity by forfeiting the commodity to CCC.

FACT SHEET**Pulse Crops: Summary of 2008-2012 Program**

October 2009

Loan Repayment Rates

A producer may repay a MAL any time during the loan period at the lesser of the:

- loan rate plus accrued interest and other charges; or
- alternative loan repayment rates as determined by CCC.

CCC determines and announces regional posted prices for dry peas and lentils, and national posted price for large and small chickpeas. Pulse crop loan repayment rates are established on a weekly basis and announced each Friday at 7:00 a.m. Eastern time and are available at each FSA county office. The loan repayment rates are established by CCC based on previous thirty and five day's market prices for each pulse crop.

Interest

The interest rate charged on a commodity loan is set at 1 percentage point above CCC's cost of borrowing from the U.S. Treasury at the time the loan is made. Once a loan is made, the rate is fixed except that the interest rate for loans outstanding on January 1 is adjusted to reflect CCC's cost of borrowing on January 1, plus 1 percentage point.

Accrued interest is the amount of interest that accrues while a loan is outstanding, starting with the day the loan is made. Accrued interest is calculated as: (i) the applicable interest rate times (ii) the ratio of the number of days under loan (starting with the initial day and continuing through the day prior to the day a loan is repaid) to the number of days in a year (i.e., 365) times (iii) the loan principal.

Commodity Certificates

Commodity certificates are available to producers to exchange for 2008 and 2009 crop collateral pledged to CCC for a MAL. Commodity certificates will be available for sale at USDA Service Centers to producers with outstanding nonrecourse MALs. The exchange rate will be the PCP on the date the commodity certificate is purchased. Realized gains from the certificate exchange, also called certificate exchange gains, equal the amount by which the loan rate exceeds the repayment rate. Commodity certificate exchanges will not be available when the exchange rate exceeds the applicable loan rate.

Commodity certificates will not be available for exchange for any 2010 through 2012 crop MALs.

Other Requirements:**Production Evidence**

A producer who repays a MAL at less than the loan rate plus accrued interest and other charges or receives an LDP may be subject to a spot check and must provide production evidence acceptable to CCC, such as evidence of sales, warehouse receipts, or load summary or assembly sheets.

Final Loan/LDP Availability Dates

The final pulse loan/LDP availability date is May 31 of the calendar year after the calendar year the pulse is harvested.

Adjusted Gross Income

A person or legal entity with an average adjusted gross nonfarm income that exceeds \$500,000 is not eligible for marketing loan gains (MLGs) and LDP payments. However, the person or entity is eligible for a MAL, but the MAL must be repaid at principal plus interest, or a commodity certificate may be exchanged for the loan collateral.

For more information on AGI limitation, see the FSA Fact Sheet dated March 18, 2009, Adjusted Gross Income 2009 and Subsequent Crop Years, or contact a local USDA

FACT SHEET

Pulse Crops: Summary of 2008-2012 Program

October 2009

Service Center, or visit the FSA website at http://www.fsa.usda.gov/Internet/FSA_File/agi2009.pdf

Payment Limitations

Beginning with the 2009 crop year and subsequent crop years, CCC will no longer limit payment limitations on any benefit associated with MAL or LDP programs

MLGs and LDPs obtained on 2008 crops are subject to the payment limitation

rules in effect for the 2008 crop.

A payment limitation for 2008 crop year on the sum of MLGs and LDPs is subject to a \$75,000-per-person payment limitation as follows:

- \$75,000 total for wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, other oilseeds, dry peas, lentils and small chickpeas; and
- \$75,000 total for peanuts, wool, mohair and honey.

Average Crop Revenue Election (ACRE)

MAL rate will be reduced by 30 percent if production comes from a farm enrolled in the ACRE program. Lesser of repayment options will not be adjusted by 30 percent. See Fact Sheet dated March 16, 2009, ACRE program, or contact a local USDA Service Center, or visit the FSA website at http://www.fsa.usda.gov/Internet/FSA_File/acre.pdf

Table 1 Pulse Crop National Loan Rates per Hundredweight (cwt): 2008-2012:

Pulse Crop	2008	2009-2012
Dry Peas	\$6.22	\$5.40
Lentils	\$11.72	\$11.28
Small Chickpeas	\$7.43	\$7.43
Large Chickpeas	NA	\$11.28

Table 2 Dry Peas and Lentils 2009 Crop Year Regional Loan Rates per Hundredweight (cwt):

Region	States	Dry Peas Loan Rate	Lentils Loan Rates
West, which includes the Palouse	Alaska, Arizona, California, Hawaii, Idaho, Nevada, New Mexico, Oregon, Utah, and Washington.	\$6.12 per cwt.	\$14.62 per cwt.
East	Montana and North Dakota, plus all other States not in the West region.	\$5.25 per cwt.	\$9.65 per cwt.

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FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2011

Sugar Storage Facility Loan Program

Overview

The 2008 Farm Bill authorized loans to processors of domestically produced sugarcane and sugar beets for the construction or upgrading of storage and handling facilities for raw sugars and refined sugars. The Sugar Storage Facility Loan Program (SSFL) is administered by the U. S. Department of Agriculture's (USDA) Farm Service Agency (FSA).

Eligible Borrowers

To be eligible, processors must:

- Have a satisfactory credit history, no delinquent federal debt and demonstrate an ability to repay debt;
- Demonstrate a need for increased storage capacity;
- Demonstrate compliance with any applicable local zoning, land use and building codes for the applicable storage facility structures;
- Annually provide USDA's Commodity Credit Corporation (CCC) proof of all-peril insurance on the structure and contents, and flood insurance if applicable;
- Demonstrate compliance with the National Environmental Policy Act regulations, including undergoing an environmental assessment (EA) for proposed construction activity;
- Not have been convicted under federal or state law of a disqualifying controlled substance violation; and

- Be approved by CCC to store sugar either owned by CCC or pledged as security to CCC for nonrecourse marketing assistance loans.

Eligible Storage or Handling Equipment

Loans may be made only for the purchase and installation of eligible storage facilities, permanently affixed handling equipment or the remodeling of existing facilities. Eligible facilities and equipment include:

- New conventional type bins or silos designed for and used to store raw or refined sugar, having a useful life of at least 15 years;
- New flat-type storage structures, including a permanent concrete floor and bulkheads designed for and used to store raw or refined sugar, having a useful life of at least 15 years;
- New storage structures designed for and used to store in-process sugar, having a useful life of at least 15 years;
- New electrical equipment, such as lighting, motors and wiring, integral to the proper operation of the sugar storage and handling equipment;
- New equipment to improve, maintain or monitor the quality of stored sugar, such as moisture testers and heat detectors, in conjunction with a proposed storage facility; and

- New concrete foundations, aprons, pits and pads, including site preparation, labor and material essential to the proper operation of the sugar storage and handling equipment.

Term of Loan

The maximum term of the loan is 15 years. No extensions will be granted.

Security for Loan

All loans shall be secured by a promissory note and security agreement, which shall:

- Grant CCC a security interest in the storage facility;
- Grant CCC a security interest in other assets used as collateral; and
- Be executed as required by applicable state law.

Additional security will be required as necessary to adequately secure the loan to the extent that CCC determines the value of primary and additional security is at least equal to 125 percent of the loan amount. Types of acceptable additional security are:

- Real estate;
- Chattels;
- Crops in storage; and
- Other available assets offered as collateral.

FACT SHEET**Sugar Storage Facility Loan Program**

March 2011

Loan Amount

The maximum principal amount of any farm storage facility loan shall be 85 percent of the net cost of the applicant's needed storage or handling equipment.

als expire eight months after the approval date during which time the applicant must complete construction and submit final cost documentation.

Down Payment

A minimum down payment representing the difference between the net cost of the storage facility and the amount of the loan shall be made by the loan applicant to the supplier or contractor before the loan is disbursed.

Applicants pay all loan-making fees and closing costs. This includes, but is not limited to, attorney fees for loan closings, environmental assessments and studies, chattel and real estate appraisals, title opinions, title insurance, title searches, filing and recording all real estate liens, fixture filings, subordinations, credit reports, collateral lien searches and filing and recording financing statements for the collateral.

Interest

Loans shall bear interest at the rate equivalent to the rate of interest charged on U.S. Treasury securities of comparable maturity on the date the loan is approved. The interest rate for each loan will remain in effect for the term of the loan.

Loans cannot be disbursed until construction is completed, applicants provide final cost documentation, final net cost is determined and the facility is inspected by the FSA.

Installment Payments

Equal installments of principal plus interest will be amortized over the loan term for purposes of setting a payment schedule. Installments are due and payable not later than the last day of each 12-month period of the loan, until the principal plus interest has been paid in full.

Other requirements apply. Check with USDA Service Centers for details. Information is also available on FSA's website at www.fsa.usda.gov

Applicant Responsibilities and Other Requirements

Unless otherwise authorized, delivery of storage structure parts, site preparation and construction cannot begin until after the loan is approved by the approving committee. Unless an extension of time is approved, loan approv-

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2012 Montana Farmer & Rancher FSA Handbook

Production Programs

- ❖ ACRE- Average Crop Revenue Election Program
- ❖ DCP - Direct and Counter Cyclical Program
- ❖ DCP - Wild Rice, Fruit and Vegetable Provisions



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Average Crop Revenue Election (ACRE) Program - 2012

Overview

As authorized by the 2008 Farm Bill (Food, Conservation, and Energy Act of 2008), producers on eligible farms may elect to participate in the Average Crop Revenue Election (ACRE) Program.

Under the ACRE Program, producers may receive revenue-based payments as an alternative to receiving price-based counter-cyclical (CC) payments.

Eligible Farms

Only farms with covered commodity or peanut base acres may participate in the ACRE Program. Farms that are already enrolled in the Direct and Counter-Cyclical Program (DCP) for a crop year may elect to switch to ACRE before the end of signup. As provided by the 2008 Farm Bill, farms with 10 or less base acres are not eligible for DCP or ACRE Program payments, except for farms whose owners are socially disadvantaged or are limited resource farmers or ranchers.

Eligible Commodities

The following planted or considered planted crops may be eligible for ACRE payments:

- wheat, barley and oats
- grain sorghum and corn
- upland cotton
- rice (short/medium and long grain)
- soybeans
- other oilseeds: canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed
- peanuts
- dry peas, lentils and small and large chickpeas (garbanzo beans).

ACRE Election and Enrollment

The deadline to elect and enroll in the ACRE Program is June 1 of the program year. If elected in a previous year, producers must enroll the farm in the ACRE Program by June 1 to receive payments. Farms that elect the ACRE Program cannot receive CC payments.

Reporting Requirements

Producers on participating ACRE Program

Payments		DCP	ACRE
Direct	Payment Rate	100 percent of the DCP direct payment rate.	80 percent of the DCP Direct Payment Rate.
	Payment Formula	Uses farm's base acreage.	Uses farm's base acreage.
	Advances	Not available	Not available
Counter-Cyclical (CC)	Payment Formula	Uses farm's base acreage.	
	Trigger	Low National Market Prices.	
	Advances	Not available	
Average Crop Revenue Election (ACRE)	Payment Formula		Uses planted and considered planted (P&CP) acreages of commodity crops and peanuts.
	Triggers		Revenue must be below the historical state average and the farm average.
	Advances		Not available.
Loan Rates		100 percent of the Market Assistance Loan rates.	70 percent of the Market Assistance Loan rates.

farms must annually report acreage and production to FSA. Failure to do so may result in ineligibility. Production reports are due by July 15, 2013.

Payment Limitation

Maximum Payment Amounts

Direct payments are limited to \$40,000 per person or entity minus the 20 percent direct payment reduction for ACRE election, and ACRE payments are limited to \$65,000 plus the 20 percent direct payment reduction amount resulting from ACRE election. The limitation is applied by attributing both the amounts received directly by entities and persons, and indirect amounts received through entities.

Adjusted Gross Income (AGI)

Persons or legal entities whose average nonfarm AGI exceeds \$500,000 are not eligible for direct, CC or ACRE payments.

Also, persons or legal entities whose average farm AGI exceeds \$750,000 are not eligible for direct payments under the DCP and the ACRE programs.

In addition, individuals or entities whose total AGI is \$1 million or more, are ineligible for direct payments under the DCP and ACRE programs.

Farm Yields

Yields for ACRE payments are based on an "Olympic" average of a combination of producer yields and average yields for the county for the five most recent crop years. If a producer certifies yield data for a year and it is higher than the county average, that yield will be used to calculate the ACRE farm yield (Benchmark Farm Yield) as long as yields are certified for the subsequent years.

Payments

Producers on participating ACRE Program farms can receive direct and ACRE payments. Payments will be reduced if base acres are enrolled in a federal program which prohibits the production or harvesting of crops, such as the Conservation Reserve Program, Grassland Reserve Program and the Wetlands Reserve Program.

Direct Payments

Direct payments are based on the farm's base acres and program yields for covered commodities and peanuts. The payment rates for direct payments are 20 percent less than the DCP direct payment rates. Similar to DCP, payment amounts are reduced if fruits or vegetables are planted on base acres, or the acres are used for non-agricultural purposes.

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ACRE - 2012

January 2012

ACRE Payments

ACRE payments are revenue-based payments and are tied to crop production and the National Average Market Price for planted, and considered planted, covered commodity crops or peanuts on the farm. ACRE payments can only be issued for a crop if two triggers are met for the covered commodity crop or peanuts.

State Trigger: for the program year must be less than the State ACRE Guarantee.

Farm Trigger: The participating farm's Actual Farm Revenue for the program year must be less than the Farm ACRE Guarantee.

Payment Acreage Limitation

ACRE payment acreage is limited to the total amount of base acres on the farm, not to exceed 85 percent of the planted and considered planted acreage for each crop. If the planted and considered planted acreage exceeds 118 percent of the base acreage and there is more than one eligible crop, producers must designate payment acreage for each crop by Sept. 30 of the program year.

Triggers: The State and the farm trigger must be met to receive an ACRE payment for the planted or considered planted commodity crop or peanuts.

ACRE State Trigger:

State ACRE Guarantee must exceed the Actual State Revenue

State ACRE Guarantee <small>(cannot change by more than 10 percent from the previous year's guarantee)</small>
90 percent multiplied by Benchmark State Yield (5 year "Olympic" average) multiplied by ACRE Guarantee Price (Previous 2-yr National Average Market Price)

>

Actual State Revenue
Actual State Yield Multiplied by the ACRE Price: (higher of the National Average Market Price Or 70 percent of the National Loan Rate)

ACRE Farm Trigger:

Farm ACRE Guarantee must exceed the Actual Farm Revenue

Farm ACRE Guarantee
Benchmark Farm Yield (5 year "Olympic" average) Multiplied by ACRE Guarantee Price plus Crop Insurance Premium per acre paid by producer

>

Actual Farm Revenue
Actual Farm Yield multiplied by the ACRE Price: (higher of the National Average Market Price Or 70 percent of the National Loan Rate)

<p>ACRE Payment Calculation: If both triggers are met for a planted or considered planted commodity crop, then an ACRE payment may be calculated for the eligible crop.</p>										
ACRE Payment = P&CP acres multiplied by 85 percent multiplied by	Multiplied by lesser of:	<table border="1" style="width: 100%;"> <tr> <td style="background-color: #ff6600; color: white; text-align: center;">State ACRE Guarantee</td> <td style="text-align: center;">Minus</td> <td style="background-color: #0000ff; color: white; text-align: center;">Actual State Revenue</td> </tr> <tr> <td style="background-color: #ff6600; color: white; text-align: center;">State ACRE Guarantee</td> <td style="text-align: center;">Multiplied by</td> <td style="text-align: center;">25 percent</td> </tr> </table>	State ACRE Guarantee	Minus	Actual State Revenue	State ACRE Guarantee	Multiplied by	25 percent	<table border="1"> <tr> <td style="background-color: #008000; color: white; text-align: center;"> Benchmark Farm Yield Benchmark State Yield <small>(Farm Productivity Index Factor)</small> </td> </tr> </table>	Benchmark Farm Yield Benchmark State Yield <small>(Farm Productivity Index Factor)</small>
State ACRE Guarantee	Minus	Actual State Revenue								
State ACRE Guarantee	Multiplied by	25 percent								
Benchmark Farm Yield Benchmark State Yield <small>(Farm Productivity Index Factor)</small>										

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Projected Payment Calculations: Use the following tables to calculate projected ACRE program and DCP payments.

Table 1: ACRE and DCP Rates	1. 2010 National Avg. Market Price (NAMP)	2010 - 2012 ACRE		DCP 2010 - 2012		
		2. Direct Rate	3. National Loan Rate	4. Direct Rate	5. National Loan Rate	6. CC Threshold: Payment will be issued if the NAMP is less than...
Wheat (bu)	5.70	0.416	2.06	0.52	2.94	3.65
Barley (bu)	3.22	0.192	1.37	0.24	1.95	2.39
Oats (bu)	2.52	0.0192	0.97	0.024	1.39	1.766
Corn (bu)	5.18	0.224	1.37	0.28	1.95	2.35
Grain Sorghum (bu)	5.02	0.28	1.37	0.35	1.95	2.28
Upland Cotton (lb)	0.815	0.05336	0.3640	0.0667	0.52	.6458
Med/Short Grain Rice (cwt)	18.40	1.88	4.55	2.35	6.50	8.15
Long Grain Rice (cwt)	11.10	1.88	4.55	2.35	6.50	8.15
Soybeans (bu)	11.30	0.352	3.50	0.44	5.00	5.56
Canola (cwt)	19.30	0.64	7.06	0.80	10.09	11.88
Crambe (cwt)	32.80	0.64	7.06	0.80	10.09	11.88
Mustard Seed (cwt)	25.90	0.64	7.06	0.80	10.09	11.88
Rapeseed (cwt)	23.40	0.64	7.06	0.80	10.09	11.88
Safflower (cwt)	17.20	0.64	7.06	0.80	10.09	11.88
Sesame Seed (cwt)	30.60	0.64	7.06	0.80	10.09	11.88
Sunflower Seed (cwt)	23.30	0.64	7.06	0.80	10.09	11.88
Flaxseed (bu)	12.20	0.3584	3.9536	0.4480	5.6504	6.6528
Peanuts (ton)	450.00	28.80	248.50	36.00	355.00	459.00
Dry Peas (cwt)	9.77		3.78		5.40	8.32
Lentils (cwt)	25.70		7.90		11.28	12.81
Sm. Chickpeas (cwt)	20.80		5.20		7.43	10.36
Lg. Chickpeas (cwt)	30.50		7.90		11.28	12.81

Table 2: Hypothetical 2012 State ACRE Guarantee	Ex. Wheat	For Each Planted or Prevented Planted Crop:			
1. Estimated 2012 Benchmark State Yield (Your estimate of the Olympic average of state yields from 2007—2011) *	88 bu/acre				
2. Estimated 2012 ACRE Guarantee Price (Average of 2010 NAMP in Table 1, Item 1 and your projected 2011 NAMP.)	\$ 6.14 per bu				
3. 2012 Calculated Estimated State ACRE Program Guarantee (90 percent x Item 1 x Item 2)	\$486.29				
4. 2011 State ACRE Program Guarantee*	\$439.29				
5. Is Item 3 greater than Item 4? (Yes, No)	Yes	If Yes, Go to Item 6			
		If No, Go to Item 8			
6. Maximum Estimated State ACRE Program Guarantee (Item 4 times 110 percent)	\$483.22				
7. Hypothetical 2012 State ACRE Program Guarantee (lower of Item 3 and Item 6). Do not continue.	\$483.22				
8. Minimum Estimated State ACRE Program Guarantee (Item 4 times 90 percent)					
9. Hypothetical 2012 State ACRE Program Guarantee (higher of Item 3 and Item 8)					

*Resource Information available at www.fsa.usda.gov/FSA/webapp?area=home&subject=dccp&topic=landing

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Table 3: Hypothetical 2012 ACRE Triggers and Payment Calculation			Ex. Wheat	Enter each crop that is planted or prevented planted:			
State Trigger	ACRE Program Guarantee	1. Estimated Benchmark State Yield (Item 1 from Table 2)	88				
		2. Estimated ACRE Guarantee Price (Item 2 from Table 2)	\$6.14				
		3. Hypothetical State ACRE Program Guarantee (Item 7 or 9 of Table 2)	\$483.22				
	Actual State Revenue	4. Estimated 2012 Actual State Yield	84				
		5. Estimated 2012 National Average Market Price	\$5.50				
		6. ACRE National Loan Rate (Table 1, Item 3)	\$2.06				
		7. ACRE Price (Higher of Item 5 or Item 6)	\$5.50				
	8. Hypothetical Actual State Revenue (Item 4 times Item 7)		\$462.00				
	9. Item 3 greater than Item 8?		<i>If Yes, State trigger has been met.</i> <i>If No, the trigger is not met.</i>	Yes			
Farm Trigger	Farm ACRE Guarantee	10. Benchmark Farm Yield (Your estimate if not determined)	91				
		11. Crop Insurance Premium (per acre paid by producer for the crop)	\$10				
		12. Hypothetical Farm ACRE Guarantee (Item 10 x Item 2) plus Item 11)	\$568.74				
	Actual Farm Revenue	13. Estimated 2012 Actual Farm Yield	83				
		14. Hypothetical Actual Farm Revenue (Item 13 times Item 7)	\$456.50				
	15. Item 12 greater than Item 14?		<i>If Yes, Farm trigger has been met.</i> <i>If No, the trigger is not met.</i>	Yes			
ACRE Payment	16. Item 9 and Item 15 are both "Yes"?		<i>If both are "Yes", then the crop is eligible for ACRE payments. Continue to Item 17.</i> <i>If not, the crop is not eligible for ACRE payments. Do not continue.</i>	Yes			
	17. Share of the crop's planted or prevented planted acreage on the farm		100 Pct				
	18. Maximum Acres (Total base acreage on the farm)		125				
	19. Planted and Prev. Planted Acreage of the crop		140				
	20. Payment Acreage (Item 19 times 85 percent). Total Payment Acreage for the farm cannot exceed Item 18		119.0				
	21. Farm Productivity Index Factor (Item 10 divided by Item 1)		1.0341				
	Payment Rate	22. APG minus ASR (Item 3 minus Item 8)		\$21.22			
		23. 25% of APG (Item 3 times 25 percent)		\$120.81			
		24. Payment Rate (Lesser of Item 22 or Item 23)		\$21.22			
	25. Projected Estimated ACRE Payment (Item 17 times Item 20 times Item 21 times Item 24)		\$2,611				

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ACRE - 2012

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Table 4: Projected Payment Comparison			Example:		
Note: Direct and CC Payments are reduced if fruits, vegetables or wild rice are planted on base acreage.			Wheat		
Basic Information	1. Base Acreage for the crop		125		
	2. Direct and Counter-Cyclical Payment Share		100 pct		
	3. Direct Payment Yield		86		
	4. Direct Payment Rate (Table 1, Item 4)		0.52		
	5. Counter-cyclical (CC) Payment Yield		88		
	6. Counter-cyclical Payment Rate (Zero, if negative) _____ minus (higher of _____ or _____) Table 1, Item 6 (CC Threshold) Table 1, Item 5 (DCP Loan Rate) Table 3, Item 5		(3.39 minus 4.60 = neg.) (Zero)		
DCP Payments	Direct	7. Calculation: Item 1 x Item 2 x Item 3 x Item 4 x 0.85	\$ 4,752		
	Counter-Cyclical	8. If Item 6 is zero, enter zero. If Item 6 is greater than zero, calculate the CC payment as follows: Item 1 x Item 2 x Item 5 x Item 6 x 0.85	0		
9. Total DCP Payments			\$ 4,752		
ACRE Program Payments	Direct	10. Calculation: Item 7 times 80%	\$ 3,802		
	ACRE	11. See Table 3, Item 25	\$2,611		
	12. Total ACRE Program Payments			\$ 6,413	

Table 5:		2012 Signup: Jan. 23, 2012 - June 1, 2012	
2012 Timetable		ACRE Program ACRE Payments issued if eligible.	DCP Program Counter-Cyclical Payments (CC) issued if authorized
Year	Month or Date		
2011-2012	Varies by county and crop	File 2012 Acreage Report	File 2012 Acreage Report
2012	June 1	Final date to elect and enroll in 2012 ACRE Program.	Final date to enroll in 2012 DCP Program.
	July 15	File 2011 Production Reports and Establish Benchmark Farm Yields.	
	August 1	Final date to request reconstitution of the farm.	Final date to request reconstitution of the farm.
	September 30	Final date to designate payment acreage, if necessary.	
	October	Begin issuing Final Direct Payments	Begin issuing Final Direct Payments
2013	July 15	File 2012 Production Reports and Establish Benchmark Farm Yields.	
2013	October	ACRE payments for all crops (including soybeans) except rice, other oilseeds, and chickpeas.	CC payments for all crops (including soybeans) except rice, other oilseeds, and chickpeas.
	December	ACRE payments for other oilseeds and chickpeas.	CC payments for other oilseeds and chickpeas.
2014	February	ACRE payments for rice.	CC payments for rice.

FACT SHEET**ACRE - 2012**

January 2012

Information or Estimations Needed to Project 2012 ACRE Payments

A. Projected National Average Market Price: 1) 2010 _____ ; 2) 2011 _____ ; 3) 2012 _____

B. Benchmark Farm Yield: 1) Benchmark Farm Yield _____ **OR** Farm's Est. Avg 2007 - 2011 _____C. Benchmark State Yield: 1) Benchmark State Yield _____ **OR** State's Est. Avg 2007 - 2011 _____

D. Estimated Actual 2012 Yields: 1) State _____ ; 2) Farm _____

Frequently Asked Questions**Q1: If one producer (owner, tenant, etc) on the farm does not sign the election form, can the farm still participate in the ACRE Program?**

No. Without exception, all producers must agree in writing to the ACRE Program election.

Q2: If all producers sign the ACRE Program Election Form, is the farm considered enrolled in the ACRE Program?

No. Producers on the farm must also sign a contract to enroll in ACRE Program by the sign-up deadline.

Q3: Does a producer have to enroll all farms in ACRE?

No. Election and enrollment for the ACRE Program is on a farm by farm basis.

Q4: Can a farm enroll some base acres and not others?

No, the enrollment is for the farm and all of the base acres.

Q5: Can base acres be established to participate in the ACRE Program?

No. There is no authority to establish base acres to participate in the ACRE Program.

Q6: Is crop insurance or NAP required to receive ACRE payments?

No. There are no risk management purchase requirements for the DCP or the ACRE Programs. However, higher levels of insurance due to higher premiums increases the Farm Acre Guarantee and, thus the probability of meeting the "Farm Trigger".

Q7: If both state and farm "triggers" are met, will the ACRE payment calculation provide benefits for prevented planted acres of covered commodity crops or peanuts?

Yes. Prevented planted acres are "considered planted."

Q8: Can ACRE payments be calculated for eligible commodity crops that do not have base acres on the farm?

Yes. ACRE payments are based on planted and considered planted acres of eligible commodity crops, without regard to whether the farm has base acres for that crop. However, the maximum acreage eligible for ACRE payments cannot exceed the total base acres on the farm.

Q9: If the National Average Market Price for a covered commodity crop or peanuts is higher than average, will this result in no ACRE payments?

Not necessarily. Since the ACRE "triggers" are based on revenue (yield and prices) reductions, a significant yield loss for the State could result in ACRE payments.

Q10: If a producer designates payment for a crop, but the crop does not "trigger" payments, are the designated payment acres transferred to another crop?

No. In the event a crop does not trigger the designated payment acres become "unpaid."

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UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

January 2012

Direct and Counter-Cyclical Payment Program (DCP) - 2012

Overview

The Direct and Counter-Cyclical Payment Program (DCP) provides payments to eligible producers on farms enrolled for each and any of the 2008 through 2012 crop years. There are two types of DCP payments: direct payments and counter-cyclical payments. Both are calculated using the base acres and payment yields established for the farm. DCP is authorized by the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) and is administered by the U.S. Department of Agriculture's Farm Service Agency (FSA). Regulations covering the 2008 Farm Bill provisions for DCP appear at 7 CFR Part 1412.

Eligible Producers

To be eligible for DCP payments, owners, operators, landlords, tenants or sharecroppers must:

- Share in the risk of producing a crop on base acres on a farm enrolled in DCP, and be entitled to share in the crop available for marketing from the base acres or would have shared had a crop been produced;
- Annually report the use of the farm's cropland acreage;
- Comply with conservation and wetland protection requirements on all of their land;
- Comply with planting flexibility requirements;
- Use the base acres for agricultural or related activities and ;
- Protect all base acres from erosion, including providing sufficient cover as determined

necessary by the county FSA committee, and controlling weeds.

Eligible Commodities

Base acres and payment yields are established for the following commodities:

- Wheat;
- Corn;
- Grain sorghum, including dual purpose varieties that can be harvested as grain;
- Barley;
- Oats;
- Upland cotton;
- Long grain rice and medium grain rice (which includes short grain rice), excluding wild rice;
- Soybeans;
- Canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sesame seed and sunflower seed, including oil and non-oil varieties, or any oilseed designated by the USDA secretary;
- Peanuts and ;
- Dry peas, lentils, small chickpeas (Garbanzo bean, Desi), and large chickpeas (Garbanzo bean, Kabuli).

Under provisions of the 2008 Farm Bill, farms with 10 or less base acres are not eligible for DCP payments, except for farms whose owners are socially disadvantaged or limited resource farmers or ranchers.

Direct Payments

Direct payment rates for the eligible DCP commodities are as follows:

- Wheat: \$0.52 per bushel;
- Corn: \$0.28 per bushel;

- Grain sorghum: \$0.35 per bushel;
- Barley: \$0.24 per bushel;
- Oats: \$0.024 per bushel;
- Upland cotton: \$0.0667 per pound;
- Rice, long grain: \$2.35 per hundredweight;
- Rice, medium/short grain: \$2.35 per hundredweight;
- Soybeans: \$0.44 per bushel;
- Other oilseeds: \$0.80 per hundredweight;
- Peanuts: \$36 per ton.

For each commodity, the total direct payment for the 2012 crop year for producers on a farm is determined by multiplying 85 percent of the farm's base acreage multiplied by the farm's direct payment yield multiplied by the direct payment rate.

The following is an example for 2012 corn:

Corn base acres:

$$\begin{aligned}
 &100 \text{ acres} \times 85 \text{ percent} \\
 &= 85 \text{ payment acres} \\
 &\times 110 \text{ bushels direct payment yield} \\
 &\times \$0.28 \text{ per bushel direct payment rate} \\
 &= \$2,618 \text{ direct payment}
 \end{aligned}$$

Direct payments are not based on producers' current plantings of covered commodities or peanuts, but instead are calculated using the base acres and payment yields established for covered commodities and peanuts on the farm.

Counter-cyclical Payments

In addition to direct payments, the 2008 Farm Bill authorizes counter-cyclical payments, which provide

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Direct and Counter-Cyclical Payments

January 2012

income support as part of a “safety net” in the event of low crop prices. Counter-cyclical payments for a commodity are only issued if the effective price for a commodity is below the target price for the commodity. Target prices, as provided by the 2008 Farm Bill, for each commodity are as follows:

Crop	2012 Target Price
Barley	\$2.63/bu
Chickpeas, large (Garbanzo bean, Kabuli)	\$12.81/cwt
Chickpeas, small (Garbanzo bean, Desi)	\$10.36/cwt
Corn	\$2.63/bu
Dry Peas	\$8.32/cwt
Grain Sorghum	\$2.63/bu
Lentils	\$12.81/cwt
Oats	\$1.79/bu
Other Oilseeds	\$12.68/cwt
Peanuts	\$495/ton
Rice, long grain	\$10.50/cwt
Rice, medium/short grain	\$10.50/cwt
Soybeans	\$6.00/bu
Upland Cotton	\$0.7125/lb
Wheat	\$4.17/bu

The counter-cyclical payment rate is the amount by which the target price of each commodity exceeds its effective price. The effective price for each commodity equals the direct payment rate plus the higher of:

- The national average market price received by producers during the marketing year as determined by the USDA Secretary (see Example A) or;
- The national loan rate for the commodity (see Example B).

Example A:

If the 2012 national average market price for soybeans is \$11.21 per bushel:

$$\begin{aligned} & \$0.44 \text{ direct payment rate} \\ & + \$11.21 \text{ average market price}^* \\ & = \$11.65 \text{ effective price} \end{aligned}$$

(*Average market price is used since it is higher than the 2012 national loan rate of \$5.00/bu)

$$\begin{aligned} & \$6.00 \text{ target price} \\ & - \$11.65 \text{ effective price} \\ & = \$0.00 \text{ counter-cyclical payment rate because the effective price is above the target price} \end{aligned}$$

Example B:

If the 2012 national average market price for corn is \$1.90 per bushel:

$$\begin{aligned} & \$0.28 \text{ direct payment rate} \\ & + \$1.95 \text{ national loan rate}^* \\ & = \$2.23 \text{ effective price} \end{aligned}$$

(*National loan rate of \$1.95/bu is used since it is higher than the average market price)

$$\begin{aligned} & \$2.63 \text{ target price} \\ & \$2.23 \text{ effective price} \\ & = \$0.40 \text{ counter-cyclical payment rate} \end{aligned}$$

For each commodity, the total counter-cyclical payment for producers on a farm is determined by multiplying 85 percent of the farm’s commodity base acres multiplied by the farm’s commodity counter-cyclical payment yield multiplied by the counter-cyclical payment rate.

An example for 2012 soybeans (using the counter-cyclical payment rate of \$0.26) is:

$$\begin{aligned} & 100 \text{ base acres of soybeans} \\ & 85 \text{ payment acres} \\ & \times 30 \text{ bushels per acre counter-cyclical payment yield} \\ & \times \$0.26 \text{ per bushel counter-cyclical payment rate} \\ & = \$663 \text{ counter-cyclical payment} \end{aligned}$$

The DCP payment schedule for the 2012 crop year is in the table located on page 3 of this fact sheet.

Timing of Payments

For 2012, no advance direct or advance CC payments are authorized.

Producers will receive the entire 2012 direct payment in October 2012.

Final counter-cyclical payments will be made beginning Oct. 1, 2012, or as soon as practicable thereafter, after the end of the marketing year for the crop.

Sign-Up Period

The DCP sign-up period for the 2012 crop begins Jan. 23, 2012 and ends June 1, 2012. The CCC-509 sign-up form, “Direct and Counter-cyclical Program Contract,” includes base acres, payment acres, payment yields, producer payment shares and signatures of the producer and county office representative.

All owners and operators who will share in the DCP payments on the farm must sign form CCC-509 by June 1, 2012.

The following documents are required and applicable determinations must be made before the county committee can approve a producer’s share on the CCC-509 for payment:

FACT SHEET

Direct and Counter-Cyclical Payments

January 2012

- A farm operating plan (CCC-902 and related forms);
- An average adjusted gross income certification (CCC-931);
- A certification of compliance with highly erodible land and wetland conservation provisions (AD-1026).

A certification of the acreage of all cropland on the farm (FSA-578) is needed before final payments can be issued.

Planting Flexibility Provisions

Producers who participate in DCP may plant cropland in excess of the total base acreage on the farm to any commodity. However, producers are subject to certain restrictions on the planting of wild rice, fruits and vegetables (other than mung beans and pulse crops). Information on wild rice, fruits and vegetable restrictions is contained in the FSA fact sheet “Direct and Counter-cyclical Payment Program: Wild Rice, Fruit, and Vegetable Provisions.” A 2012 fact sheet is available on FSA’s Web site at: <http://www.fsa.usda.gov>; click on “find FSA fact sheets.

Planting Transferability Pilot Project

The 2008 Farm Bill provides for the development of a pilot project for certain states to permit the planting of cucumbers, green peas, lima beans, pumpkins, snap beans, sweet corn and tomatoes grown for processing on base acres during each of the 2009 through 2012 crop years. DCP base acres on a farm for a crop year will be reduced by one acre for each acre planted under the pilot program.

The number of base acres eligible during each crop year for the pilot year for the pilot project is:

- Illinois: 9,000
- Indiana: 9,000
- Iowa: 1,000
- Michigan: 9,000
- Minnesota: 34,000
- Ohio: 4,000
- Wisconsin: 9,000

The 2008 Farm Bill directed USDA to prepare a report assessing the Planting Transferability Pilot Project, which can be found at: <http://www.fsa.usda.gov/FSA/fbapp?area=home&subject=cmdt&topic=landing>. This url contains additional Congressional reports that may be of interest.

For More Information

Further information on DCP and other FSA programs is available at local FSA offices or on FSA’s website at: <http://www.fsa.usda.gov/dcp>.

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2012 Scheduled Timetable for DCP Payments						
Month/Year	Commodity					
	Barley Oats Wheat	Dry Peas Lentils	Peanuts Rice Upland Cotton	Corn Sorghum Soybeans	"Other" Oilseeds	Large Chickpeas Small Chickpeas
Marketing Year	June 1 - May 31	July 1 - June 30	August 1 - July 31	September 1 - August 31	Varies by crop	September 1 - August 31
Beginning October 2012	Final Direct		Final Direct	Final Direct	Final Direct	
Beginning October 2013	Final CC	Final CC	Final CC for Peanuts & Upland Cotton	Final CC		
Beginning December 2013					Final CC	Final CC
Beginning February 2014			Final CC for Rice			

1/ By statute, counter-cyclical (CC) payments for crop year 2012 can be made no earlier than October 1, 2012.



FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

March 2009

Direct and Counter-cyclical Payment Program Fruit, Vegetable, and Wild Rice Provisions

Overview

The Food, Conservation, and Energy Act of 2008 (2008 Act) re-authorized the Direct and Counter-cyclical Program (DCP), which is administered by USDA's Farm Service Agency (FSA). DCP provides payments to eligible producers for the 2008 through 2012 crop years.

Producers who participate in DCP are subject to certain restrictions on the planting of fruits, vegetables and wild rice (FAV/WILD RICE).

Applicable Crops

FAV/WILD RICE planting provisions apply to the following commodities:

- fruits (including nuts);
- vegetables, other than mung beans and pulse crops; and
- wild rice.

FAV/WILD RICE Planting Provisions on DCP Base Acreage

In general, harvesting FAV/WILD RICE on DCP base acres is a violation of the DCP contract. Also, planting perennial FAV/WILD RICE on DCP base acres is a violation of the DCP contract even if the FAV/WILD RICE is destroyed without benefit before harvest.

FAV/WILD RICE may be

planted on DCP base acres and a DCP contract violation will not occur if any of the following three exceptions to the planting restriction rule apply:

Double-Cropping Exception

FAV/WILD RICE may be planted in a double-cropping practice with a DCP eligible commodity. The following provisions apply to this exception:

- DCP payment acres are not reduced for such plantings.
- The farm must be in a region approved for double-cropping DCP eligible commodities with FAV/WILD RICE. These regions were established by FSA state committees and are published in the Federal Register (7 CFR 1412).

Farm History Exception

FAV/WILD RICE may be planted on a farm with an established history of planting FAV/WILD RICE. The following provisions that apply to this exception are farm-specific:

- Although no contract violation will result, the DCP payment acres will be reduced by an acre for each acre of base acreage

planted to FAV/WILD RICE.

- FAV/WILD RICE farm history is based on the farm's plantings for crop years 1991-1995 or 1998-2001.

Producer History Exception

A producer with an interest in planting a specific FAV/WILD RICE has an established history of planting that specific FAV/WILD RICE. The following provisions apply to this exception:

- Although no contract violation will result, the DCP payment acres will be reduced by an acre for each acre of base acreage planted to FAV/WILD RICE.
- The planting must not exceed the producer's average annual planting history for the specific FAV/WILD RICE for either (but not both) the 1991-1995 or 1998-2001 crop years, as chosen by the producer and determined by FSA.

Failure to Comply with FAV/WILD RICE Planting Restrictions

In general, if FAV/WILD RICE are planted on DCP base acres and one of the above three exceptions does not apply, the DCP contract

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has been violated and may be terminated by FSA.

If FSA determines the violation does not warrant contract termination, the farm's payment acres will be reduced by an acre for each acre of FAV/WILD RICE planted on base acres. FSA will also assess an additional payment reduction based on the market value of the FAV/WILD RICE. FSA state committees establish the per-acre market value of the FAV/WILD RICE planted. The reductions cannot exceed the total amount of DCP payments for the farm for that crop year.

FAV/WILD RICE Planting Provisions on DCP Non-Base Acreage

Planting FAV/WILD RICE on acres that are not considered DCP base acres is not a DCP contract violation and will not result in payment reductions. This rule applies regardless of whether or not the farm or producer has a FAV/WILD RICE history.

FAV/WILD RICE Planting Provisions for Non-DCP Farms

- If a farm is eligible to participate in DCP but is not enrolled in DCP for a particular year, unlimited FAV/WILD RICE can be planted and harvested for that year:
- The farm will not receive any DCP payments for the applicable year;
- The farm may be enrolled

in DCP in succeeding years and be eligible for DCP benefits; and

- Production of loan commodities from the farm is eligible for marketing assistance loans and loan deficiency payments.

For More Information

For additional information on FAV/WILD RICE rules or other DCP program matters, please contact your local USDA Service Center, or visit FSA's Web site at: www.fsa.usda.gov.

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