



**Montana  
Farm Service Agency  
State E-Newsletter**

**September 2012**

**Montana State FSA  
Committee:**

Steve Carney, *Chair*  
Floyd Dahlgren, *Member*  
Kelly Flaherty-Settle, *Member*  
Hans McPherson, *Member*  
Patricia Quisno, *Member*

**State Executive Director  
Bruce Nelson**

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**Montana FSA Web site:**  
[www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt)

**Hours:**

Monday - Friday  
8:00 a.m. - 5:00 p.m.

**Upcoming 2012 State Committee  
Meeting:**

Oct. 10-11 in the Montana State  
Office located at 10 East Babcock  
on the 5th Floor of the Federal  
Building in Bozeman.

**FSA State Office Management:**

Dick Deschamps,  
*Chief Administrative Officer*  
Dave Pitts, *Farm Loan Chief*  
Amy Webbink,  
*Price Support/Conservation Chief  
Program Specialist*  
Shelly Rolando, *Disaster and  
Compliance Program Chief*  
Jennifer Perez Cole, *Public Affairs  
Specialist, Outreach Coordinator,  
State Civil Rights Coordinator*  
Cindy Coad,  
*Program/Management Analyst*

**Need accommodations?:**

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, contact the State or County Executive Director directly or by phone at the county FSA Office or the Federal Relay Service at 1-800-877-8339.

## New 2013 Crop Acreage Reporting Dates for Montana

The goal of the Acreage Crop Reporting Streamlining Initiative (ACRSI) is to have a common USDA framework for producer commodity reporting in support of USDA programs in order to simplify and standardize the reporting process. Farm Service Agency (FSA) and Risk Management Agency (RMA) have worked together to identify differences and recommend consolidation for as many acreage reporting dates as possible. The implementation of the new acreage reporting dates will be for the 2013 crop year. Although these common acreage reporting dates are now established, producers will be required to continue to report the specific crops/acreage to both FSA and RMA at this time. Prior to the ACRSI initiative, Montana producers were required to report all crops by a final reporting date of July 15<sup>th</sup>. Now most Montana producers will have at least two (2) crop reporting dates starting in crop year 2013; however, it is possible for some producers to have up to four (4) final reporting dates. The following are the common acreage reporting dates for Montana:

- **NOV. 15, 2012** – Apiculture, Perennial Forage, PRF, Fall Wheat (HRW), and all other Fall-Seeded Small Grains, and Native and Tame Pasture
- **JAN. 2, 2013** – (or 30 days after placement of colonies) Honey covered under NAP
- **JAN. 15, 2013** – Cherries, Established Stand Alfalfa Seed, Fall Alfalfa Seed
- **JULY 15, 2013** – Spring Alfalfa Seed, Barley, Canola, Corn, Dry Beans, Dry Peas, Flax, Forage Seeding, Mustard, Spring Oats, Potatoes, Safflower, Sugar Beets, Sunflowers, Spring Wheat, CRP, and all other crops

**Remember, producers with Apiculture, Perennial Forage, PRF, Fall Wheat (HRW), and all other Fall-Seeded Small Grains, and Native and Tame Pasture MUST report these crops by NOV. 15, 2012 in order to be considered timely filed.** County offices have been in the process of preparing the compliance maps for the 2013 acreage reporting process. The maps should be available for pickup in late-August or early September.

## USDA FSA Disaster Program Assistance

USDA FSA provides assistance for natural disaster losses resulting from drought, flood, fire, freeze, tornados, pest infestation and other calamities. For up-to-date listing of FSA disaster news visit the state FSA website at: [www.fsa.usda.gov/mt](http://www.fsa.usda.gov/mt). Here's a summary of FSA programs: [Emergency Haying and Grazing of Conservation Reserve Program \(CRP\)](#) may be authorized for a limited time with prior FSA approval to provide relief to livestock producers in areas affected by a severe drought. Fifty one (51) Montana counties approved as of Aug. 1<sup>st</sup>. A CRP payment reduction will apply. Contact your FSA county office for details. **Emergency Use of CRP:** In cases of wildfire, livestock producers in the affected county may get approval to temporarily use CRP in order to protect their livestock. The [Emergency Loan Program](#) provides low-interest 2.25 percent loans to help producers recover from production and physical losses due to drought, flooding, other natural disasters, or quarantine. A secretarial, presidential or FSA administrator's disaster declaration is required. The [Disaster Debt Set-Aside Program](#) is an option for direct-loan FLP borrowers. The [Emergency Conservation Program](#) (ECP) provides assistance to producers if their land was damaged by a natural disaster and needs conservation practices. Examples include removing debris; restoring fences and conservation structures; and providing water for livestock in drought situations. The [The Emergency Forest Restoration Program \(EFRP\)](#) provides cost-share for private forest land. [The Noninsured Disaster Assistance Program \(NAP\)](#) provides assistance for crop losses when federal crop insurance is not available. A policy must be purchased by sales closing date. Prior approval is required. For more info, contact your local FSA office.

*FSA DISASTER PROGRAMS CONTINUED ON NEXT PAGE*

## EMERGENCY CRP GRAZING:

Producers in the Montana counties approved for emergency grazing of CRP acres must sign up with their county office and be granted written approval. The emergency grazing period deadline was extended from Sept. 30<sup>th</sup> to Nov. 30<sup>th</sup> for general sign up practices only. Authorized producers can use CRP acreage for their own livestock or may grant another livestock producer use of the CRP acreage upon written approval. Under new provisions, CRP participants can sell or donate hay to any livestock producer or may lease the land for grazing. Producers previously approved for Managed Grazing of CRP acres may be able to switch to Emergency Grazing, which has a lower payment reduction, but must contact the county office. For more specific rules and information, contact your county office.

## Continuous CRP Opportunities

### *Highly Erodible Land & Pollinator Habitat Practice*

The Continuous CRP allows participants to enroll acreages in conservation practices that will reduce soil erosion, improve water and soil quality and provide wildlife habitat and food sources. Several new Continuous CRP practices have recently been announced. Continuous CRP offers are now being accepted under the Pollinator Habitat practice, which supports a variety of pollinator species. Pollinator habitats are areas of permanent vegetation located in an agricultural landscape: field edges, field middles, odd corners, or any agricultural location that is suitable for establishing pollinator habitat. A new initiative for highly erodible lands has also been announced. **Montana has 45,000 acres of Highly Erodible Land available for land with an Erodibility Index of 20 or greater. The acres are available through Continuous CRP sign up until the 45,000 acres are allocated or Sept. 30<sup>th</sup>, whichever is first.** Continuous CRP program participation is voluntary. Eligible landowners enter into contracts that range from 10 to 15 years in length. In return, the landowners will receive annual rental payments, incentive payments for certain activities, and cost share for establishment. For more info on Continuous CRP enrollments, please contact your local FSA office and visit the website [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation).

### **Preparing to Return CRP Acres to Crop Production**

Producers whose CRP contracts are in the final year and who are planning to return the ground to crop production can request to begin preparing the fields prior to the end of the CRP contract. There are several options depending on whether you are going to plant the acres to fall seeded crops or spring seeded crops. Payment reductions may apply depending on the date you plan to start the preparation activities. Early land preparation activities must be requested and approved prior to the destruction of any CRP cover. Contact the office and set up an appointment if you would like to discuss CRP Early Land Preparation in detail.

## FSA Disaster Programs, cont. from page 1

**DISASTER PROGRAMS:** Authority for five disaster programs (LIP-Livestock Indemnity Program, LFP-Livestock Forage Program, ELAP-Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program, TAP-Tree Assistance Program & SURE-Supplemental Revenue Assistance Program) was only authorized for natural disasters occurring before Sept. 30, 2011. Sign up for the SURE crop disaster program for the 2011 crop year is expected to occur this winter/fall.

**RECORDKEEPING:** While we do not know what the program requirements will be for any new disaster programs in the new farm bill, FSA encourages producers with losses for natural disasters occurring Oct. 1, 2011 and thereafter to keep records, including photos of dead livestock, receipts, inventories, description of cause of loss, dates of loss, etc., in anticipation of a future disaster programs. For more info on FSA programs, contact your county FSA office.

## Over the Counter Channel (OTCnet)

FSA/CCC is moving toward OTCnet, an electronic method for processing customer check payments. When a check is submitted for payment either in person or through the mail, the check will be converted into an Electronic Funds Transfer (EFT). The funds will be debited from the producer's account, usually within 24 hours of receipt. Please see the U.S. Department of Treasury legal notices posted in the Service Center or visit the following U.S. Department of Treasury Internet site for detailed information.

<http://fms.treas.gov/otcnet/legal.html>

### What is OTCnet?

OTCnet is a Web-based online application process for converting paper checks presented to FSA into electronic debits to the producer's bank account. It presents many benefits, such as reducing lost/misplaced checks and paper handling. This improves customer relations, speeds the check clearing process, and reduces the potential for human error.

### How will my check be handled?

The check will be scanned into the system and voided. The customer will not receive the check back from FSA. FSA will hold checks for up to 14 calendar days to ensure that the item was successfully processed, and then FSA will shred the check.

### How quickly will funds be transferred from my account?

The transfer of funds from your account could occur within 24 hours. Therefore, you should be sure that you have sufficient funds in your account to process the transaction. If you do **not** have sufficient funds, we may initiate the transaction again.

### How will this transaction appear on my account statement?

The transfer of funds will be reflected on your account statement. The transaction may be recorded in a different place on your statement than where your checks normally appear, such as under "other withdrawals" or "other transactions".

### What are my rights if there is a problem with the transaction?

You have protections under Federal law for an unauthorized electronic fund transfer from your account. You should contact your financial institution immediately if you believe that the transaction reported on your account statement was not properly authorized or is otherwise incorrect.

## **USDA Montana Farm Service Agency Producer Notifications:**

**Loan and LDP Programs:** Marketing assistance loans provide producers interim financing at harvest time to meet cash flow needs without having to sell eligible commodities when market prices are typically at harvest-time lows. Marketing assistance loans are 9-month loans with the commodity pledged as collateral for the loan. Producers can settle their loan during the 9-month period by selling the commodity and repaying the principal plus accrued interest or by forfeiting the commodity to the Commodity Credit Corporation (CCC). Under certain circumstances, market loan repayment provisions specify that producers may repay loans at less than principal plus accrued interest and other charges. Alternatively, a producer who is eligible to receive a marketing assistance loan may agree to forgo the loan and instead obtain a loan deficiency payment (LDP) on their crop. LDPs allow the producer to receive a payment when the alternative repayment rate posted for a commodity is below the loan rate for that commodity. For a commodity to be eligible for a marketing assistance loan or an LDP, the producer must have beneficial interest in the commodity and meet other eligibility requirements. A producer has beneficial interest in a commodity if he or she has title to and control of the commodity. Producers may obtain marketing assistance loans 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) until specified dates in the following calendar year. Contact your local FSA office for more information.

**Farm Storage and Facility Loan Program:** FSA's Farm Storage and Facility Loan (FSFL) Program provides low-interest financing for producers of eligible commodities to build or upgrade farm storage and handling facilities. The maximum principal amount of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15 percent, with Commodity Credit Corporation (CCC) providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Loan terms of seven, ten, or twelve years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department. Payments are available in the form of a partial disbursement and the remaining final disbursement. A partial disbursement of up to 50 percent of the total loan amount will be available, if desired, after a portion of the construction has been completed. The final disbursement will be made when all construction is completed. An FSFL generally must be approved before any site preparation or construction can begin. The following commodities are eligible for farm storage facility loans: corn, grain sorghum, honey, soybeans, oats, wheat, barley, or minor oilseeds harvested as whole grain; corn, grain sorghum, wheat, oats, or barley harvested as other than whole grain; hay; renewable biomass; fruits (including nuts) and vegetables—cold storage facilities. Contact your local FSA office for more information.

**Cash-rent Tenant:** A cash-rent tenant rule applies to any producer that rents land from another producer for cash or a crop share guaranteed as the amount of the commodity to be paid in rent. The rule also applies to any producer who rents land for zero dollars or who farms the land in exchange for compensation other than cash, such as controlling weeds on land not owned, or barter arrangements. Any cash-rent tenant shall be ineligible to receive payment unless the cash-rent tenant makes a significant contribution of active personal labor to the farming operation; or a significant contribution of active personal management **and** a significant contribution of equipment. A cash-rent tenant must also meet all applicable requirements to be considered "actively engaged in farming."

**Foreign Person Rule:** A foreign individual is someone who is not a citizen of the United States or a lawful alien possessing a valid Alien Registration Receipt Card (Form I-551 or I-151). A foreign entity is a corporation, trust, estate, limited partnership, limited liability company, or other similar organization that has more than 10 percent of its beneficial interest held by individuals who are not citizens of the United States or lawful aliens possessing a valid Alien Registration Receipt Card (Form I-551 or I-151). In addition to the requirements for "actively engaged in farming," the following significant contributions must be provided by an individual or entity considered to be a "foreign person." An individual determined to be a "foreign person" must provide a significant contribution of land, capital, and active personal labor. Each foreign individual who is a member of an entity determined to be a "foreign person" must provide a significant contribution of active personal labor.

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

**Actively Engaged in Farming:** For an individual or entity to be considered "actively engaged in farming," the participant must make a significant contribution of land, capital, or equipment. The participant must also make a significant contribution of active personal labor or active personal management. The participant's contributions to the farming operation must be commensurate with his/her claimed share of the profits or losses from the farming operation and the contributions must be at risk. For corporations and similar entities leasing land, each shareholder must now make a separate, significant, regular, documented contribution of labor or management in order to qualify their share in the entity for payment. An exception may be made for entities earning payment where all members, cumulatively through all interests, earn less than \$40,000 in direct payments, and members owning a minimum of 50% share are making qualifying labor or management contributions.

**Planting Fruits and Vegetables or Wild Rice:** Planting fruits, vegetables, or wild rice on base acres may adversely affect your program benefits. Please contact this office before you plant or lease land for production of fruits, including nut trees, vegetables or wild rice, to discuss acreage reporting requirements, prevention of possible violation of program provisions, payment reductions, and severe penalties.

**Farm Loans for Minority Groups:** FSA can make direct and guarantee loans to groups considered as minorities under USDA definition. These groups include women, African Americans, American Indians, Alaskan Natives, Hispanics, and Asian Americans and Pacific Islanders. Funds can be used to buy and operate family-sized farms and ranches. Individuals and entities primarily and directly engaged in farming and ranching on family-sized operations may apply. A family-sized farm is considered to be one that a family can operate and manage itself. Applicants must meet all requirements for FSA's regular farm loan program assistance. Contact the FSA office for exact criteria. 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. Interest rates for guaranteed loans are established by the lender. Applications for direct loans are made through the local FSA office. Applications for guaranteed loans are made with the financial institution of your choice.

**Debarment:** Individuals convicted of a felony involving fraud in USDA programs must be permanently debarred from participation in any USDA programs with the exception of domestic food assistance programs. Debarment may be reduced to a period of not less than 10 years. In addition, these individuals can be debarred for 3 years from participation in any federal programs with limited exceptions.

**Annual Notice of Payment Eligibility to Producers:** USDA payments and benefits are subject to producer eligibility and limitation provisions as defined by law. FSA program benefits may not be provided to any producer until the applicable payment eligibility determinations are made. A producer will remain ineligible until all required forms for the specific situation are provided.



**FSA: Upcoming Important Dates to Remember:**

- Sept. 13: CRP Managed Summer/Fall Grazing Period Ends
- Sept. 30: CRP Emergency Grazing (continuous practices) Period Ends
- Nov. 5: County Committee Election Ballots Mailed to Eligible Voters
- Nov. 15: Apiculture, Perennial Forage, PRF, Fall Wheat (HRW), and all other Fall-Seeded Small Grains, and Native and Tame Pasture
- Nov. 12: All hay bales must be removed from CRP acres.
- Nov. 30: CRP Emergency Grazing (general signup practices only) Period Ends
- Dec. 3: Last day to return voted County Committee ballots to FSA county office
- Jan. 1: New County Committee Members and Alternates take office.
- Continuous - Continuous CRP Signup
- Jan. 2, 2013 – (or 30 days after placement of colonies) Honey covered under NAP
- Jan. 15, 2013 – Cherries, Established Stand Alfalfa Seed, Fall Alfalfa Seed
- July 15, 2013 – Spring Alfalfa Seed, Barley, Canola, Corn, Dry Beans, Dry Peas, Flax, Forage Seeding, Mustard, Spring Oats, Potatoes, Safflower, Sugar Beets, Sunflowers, Spring Wheat, CRP, and all other crops

Selected Interest Rates- Sept. 2012	
Loan Type	Current Rate (%)
Farm Operating	1.125
Farm Ownership	3.00
Farm Ownership – Down Payment	1.50
Emergency – Actual Loss	2.125
Farm Storage Facility Loan - 7 year	1.125
Farm Storage Facility Loan -10 year	1.625
Farm Storage Facility Loan -12 year	1.875
Commodity Loans	1.125

**2012 Women Stepping Forward for Agriculture  
Symposium Scheduled for Sept. 25-27 in Great Falls**



For more information, contact Lori Valadez at (406) 587-6969 or [lori.valadez@mt.usda.gov](mailto:lori.valadez@mt.usda.gov). Registration form, booth registration, agenda and lodging information are available at: [www.mt.nrcs.usda.gov/news/womenag.html](http://www.mt.nrcs.usda.gov/news/womenag.html).

**USDA Nondiscrimination Statement/Complaint Process:**

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