



Valley County March 2009

Valley County FSA
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Stephanie Meier, PT
Roberta Hopstad, PT
Sheri Daggett, PT
Darlene Otten, PT
Jodie Berg, PT
Britney Cornwell, PT
Sharon Baillargeon, FLM
Jaylein Nickels, FLO

Dates to Remember:

March 10 – Public meeting
for 2008 Farm Bill Programs

March 16 – NAP Sales
closing date for all crops
except value loss crops and
honey

March 16 – Crop insurance
sales closing date for 2009
spring-seeded crops

March 25-28 – FFA
Convention – Great Falls.

March 31 – Final loan/LDP
availability date for various
crops harvested in 2008

The Valley County Farm Service Agency will hold a public meeting for all interested persons on March 10, 2009 beginning at 1:00 PM at the Glasgow Elks Club. This will be an informative meeting on the 2008 Farm Bill and associated programs.

2009 Direct and Counter-cyclical Program (DCP) Signup

Contact Person: Darlene Otten

The 2009 Direct and Counter-cyclical Payment (DCP) program for farms with base acres began December 22, 2008 and will continue until June 1, 2009. Farms may not be enrolled after June 1 of the applicable contract period.

There are no late filed provisions for contract years 2009-2012. A farm's base acres and payment yields will remain the same through 2012. Direct and Counter-cyclical payments for the 2009-2011 years will be made on 83.3% of the farm's base acreage. Direct advance payments will be 22% and final direct payments will be issued in October 2009.

Pulse crops have been added as an eligible commodity for base acres for the 2009 crop year for counter-cyclical payments only. Pulse crops include dry peas, lentils, small chickpeas (Garbanzo bean, Desi), and large chickpeas (Garbanzo bean, Kabuli). If pulse crops are added to the base acreage, base may not exceed the available DCP cropland acreage on the farm. To establish base acreage, FSA will use the acreage planted and considered planted to the commodities in the crop years 1998 through 2001. Yields will be determined by averaging the yields per planted acre from 1998 through 2001. If you planted dry peas, lentils, Desi garbanzo beans, or Kabuli garbanzo beans in any of the years 1998 through 2001, and you are interested in establishing a base for those crops, you will need to provide production reports to also establish yields. Policy and procedure to establish the bases and yields is still being finalized.

A producer with 10.0 acres or less base acreage on a farm is not eligible for Direct Payments, Counter-Cyclical Payments, or ACRE. ***Exception:*** If the farm is wholly owned by a socially disadvantaged farmer or rancher or is wholly owned by a limited resource farmer or rancher, the farm is eligible for payments. Reconstitutions may be requested.

Please call for an appointment to sign up before the June 1st, deadline!

Producer Handbooks will be available in the Valley County FSA Office. These handbooks contain several fact sheets on programs available through FSA.

Please stop by and pick one up!

The 2008 Farm Bill permanent Disaster programs from 2008 through 2012:

The definition of a "FARM" according to the 2008 Farm bill: "FARM" is defined as **the sum of all crop acreage in all counties that is planted or intended to be planted for harvest by the producer.**

Producers must purchase the following on all crops on **all farms in all counties:**

At least CAT level of crop insurance for all insurable crops and/or NAP coverage for all non-insurable crops. In order to be eligible for disaster programs, you must meet the Risk Management Purchase Requirement (RMPR).

SURE-Supplemental Revenue Assistance Program -provides assistance for crop production and or quality losses due to a natural disaster. To be eligible for SURE the county has to be declared a secretarial disaster designation or be a contiguous county to a disaster declaration **and** a producer has to have a 10% loss on at least one crop of economic significance **OR** an individual producer with a 50% production loss (a 50% difference between "Normal Production on the Farm" and "Actual Production on the Farm". The Risk Management Purchase Requirement (RMPR) applies to all crops except grazing to be eligible for SURE. ***Valley County is eligible for SURE for 2008 but sign-up will not begin until after the National Average Market Price is determined. The earliest possible sign-up will be after July 2009.***

There are two De Minimis exceptions that apply only to the SURE program that gives producers the option to waive the RMPR requirements for crops. De Minimis Exception (1) is "crops that are not economically significant (less than 5% of the total production of a SURE farm nationwide)" and exception (2) "a crop for which the administrative fee for NAP coverage exceeds 10% of the value of that coverage". (Any crop's value that exceeds \$9090.90 is considered a crop of economic significance and therefore the NAP fee cannot be waived).

LFP-Livestock Forage Program-Provides compensation to **eligible livestock producers** who suffer grazing losses due to drought conditions on private and federal land. Producers are eligible for LFP if located in a county with drought designation on the U.S. Drought Monitor as D2, D3 or D4. The drought must occur during the normal grazing period for the specific type of grazing land. ***Valley County is not eligible for LFP for 2008. Grazing insurance is required for 2009 grazing land to be eligible for LFP. Only insured acres will be eligible.***

LIP-Livestock Indemnity Program-compensates producers for livestock death losses in excess of normal mortality due to adverse weather. There is no RMPR requirement for LIP and there does not need to be a state, county or other trigger declared. There is no sign-up period, but A Notice of Loss needs to be filed with your county office within 30 days of when the loss is apparent.

ELAP-Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish Program-ELAP provides emergency relief to eligible producers of livestock, honey bees and farm-raised fish to aid in the reduction of losses not covered under SURE, LIP AND LFP. Losses may occur due to disease, adverse weather and other conditions such as blizzards and wildfires. There are no disaster triggers for ELAP, but insurance (RMPR) is required on all crops of economic significance that are mechanically harvested.

If you qualify for any of the following, RMPR requirement may be waived for the farm bill disaster programs.

a. Limited Resource Producer (applies to all farm bill programs & NAP)

Producer with ***both*** of the following: 1.) Direct or indirect gross farm sales not more than \$100,000 in both of the previous 2 years. 2.) Total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years. (Web tool @ <http://www.lrfstool.sc.egov.usda.gov/tool.asp>)

b. Beginning Farmer & Rancher (applies only to farm bill disaster programs)

An individual who has not operated a farm or ranch for more than 10 years; and materially and substantially participates in the operation.

c. Socially Disadvantaged (applies only to farm bill disaster programs)

A farmer or rancher who is a member of a socially disadvantaged group. A group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities.

Payment Eligibility*Contact Person: Stephanie Meier*

The 2008 Farm Bill has changes in Payment Eligibility. There are new forms to be completed, which require more detailed information. The land section is to include all land, both farming and grazing. The capital section requires percentage estimates of where the operating capital comes from. If producers have livestock, the type and numbers, is to be included on the other line under capital. The labor section also includes a new item of donated labor. The management section is to include the type of management duties performed.

The new status date for entities is **June 1st** each year to determine the members and shares. Each member is required to perform active personal labor, active personal management or a combination thereof, if the entity leases land. The activities must be performed on a regular basis, be identifiable and documentable, and be separate and distinct from any other member.

A record or log will need to be kept to identify what very specific activities related to the farming operation were completed, when such activities were completed, and how much time was expended by each member. This information is necessary for qualifying the entity to receive full payment based on each member's activities in the operation.

Producers must still be determined "actively engaged in farming," but there is no longer a "person" determination. The three permitted entity rule no longer applies. No payments may be issued until producers have been determined eligible. At this time the deadline to complete the eligibility forms is June 1st.

NAP Deadline is March 16, 2009*Contact Person: Roberta Hopstad*

The deadline to signup for Non-insured Crop Disaster Assistance Program (NAP) is March 16, 2009.

All required paperwork and administrative fees must be paid to the local FSA county office by the **NAP closing date of March 16, 2009** for all non-insurable crops. The administrative fee has increased for 2009 to \$250 per crop not to exceed \$750 per producer per county.

NAP is only available on crops which Federal Crop Insurance is not available.

12 Counties Declared Primary Disaster Areas

Twelve Montana counties were declared primary natural disaster areas due to losses caused by drought, excessive heat, hail, severe storms, high winds, wildfires and insect damage that occurred during the period beginning Jan. 1, 2008 and continuing.

▶▶▶▶ The following counties have received the disaster designation: Broadwater, Custer, Daniels, Dawson, Fallon, Golden Valley, McCone, Prairie, Richland, Roosevelt, Sheridan, Wibaux.

▶▶▶▶ Contiguous counties include: Carter, Fergus, Gallatin, Garfield, Jefferson, Lewis and Clark, Meagher, Musselshell, Powder River, Rosebud, Stillwater, Sweet Grass, Valley, Wheatland, Yellowstone.

Under the designation, all qualified producers within the above named counties could be eligible for low interest emergency loans from the USDA Farm Service Agency (FSA).

Existing FSA borrowers could also be eligible for the debt set aside.

Deadline for Loans and LDP's*Contact Person: Sheri Daggett*

The final availability date for loans and LDP's for the 2008 crop year for wheat, barley, oats, canola, and flax is **March 31, 2009**. The final availability date for corn, dry peas, lentils, mustard, safflower, small chickpeas, soybeans, and sunflower is **May 31, 2009**.

Page 1 of the CCC-633EZ (Loan Deficiency Payment (LDP) Agreement & Request) must be filed before beneficial interest is lost and before the final loan availability date of the commodity. To be eligible for a loan or LDP, a producer must maintain beneficial interest (title, risk of loss, and control of the commodity) through the date on which the loan is repaid or LDP is requested. **For wool**, beneficial interest will be considered to be lost upon the earlier of delivery to the wool pool or delivery to an agent of the wool pool.

Producers only need to file in one County Office for all counties in which they have an interest in an eligible commodity. Filing a CCC-633EZ, page 1, does not make the producer ineligible to take a loan on that commodity. Only specific quantities for which an LDP is requested on Page 2 will be ineligible for loans.

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Average Crop Revenue Election Program (ACRE)

Contact Person: Darlene Otten

ACRE is a new program authorized by the 2008 Farm Bill that protects against crop revenue shortfalls resulting from price and/or production declines at state and farm levels. Covered commodities are the same as under the 2009 – 2012 crop years Direct and Counter-Cyclical Payment Program (DCP) and include barley, canola, Desi and Kabuli garbanzo beans (chickpeas), corn, crambe, dry peas, flax, grain sorghum, lentils, mustard, oats, rapeseed, safflower, sesame, sunflowers, soybeans, and wheat. The election to participate in ACRE is irrevocable through the life of the Farm Bill (2012). All producers and owners on the farm must agree to the enrollment of the farm into ACRE.

Farms that participate in ACRE will still receive their Direct DCP payment, but it will be reduced by 20%. The loan rate for marketing assistance loans will be reduced by 30%. No counter-cyclical payments will be made on farms participating in ACRE. ACRE participants must report five years of production to establish a Farm Expected Yield and Actual Farm Yield for the year of enrollment. If five years of production are not available, the County committee will assign production based on 3 similar farms for the applicable crop year or utilize the county average yield.

Sign-up and final regulations will be announced at a later date!
(Target Dates are set for April 1st through June 1st)