



NEWSLETTER



**December
2010**

**Stillwater County
Farm Service
Agency**

334 N 9th St
Columbus, MT 59019
406-322-5348 phone
406-322-4816 fax

County Executive Director:
Dane Schneidt

County Committee:
Susan Arnold
Lance Eisenman
Robert Yates

Staff:
Michelle Eder
Susan Pederson
Marsha Schultz

**Sweet Grass
County
Farm Service
Agency**

US Hwy 10 E.
PO Box 610
Big Timber, MT 59011
406-932-5159 Phone
406-932-5285 Fax

County Executive Director:
Dane Schneidt

County Committee:
Sheri Tronrud
Wm. "Toby" Cheatham, Jr.
Kevin Halverson

Staff:
Marla Moen

DCP and ACRE Signup, Advance Payments

Enrollment for the 2011 Direct and Counter-cyclical Program (DCP) and also the 2011 ACRE Program has begun and will continue through June 1, 2011.

Advance payments of 22 percent on the 2011 DCP & ACRE direct payments program will be available starting Dec. 1, 2010. The remaining 78 percent of your direct payment will be issued after October 1, 2011. ACRE is a revenue based payment alternative to the price-based counter-cyclical (CC) payments.

Eligible producers will receive direct payments at rates established by statute regardless of market prices. DCP or ACRE contract signatures for enrollment are due by the signup deadline of June 1, 2011. For more information producers can contact their local FSA office.

Maintaining the Quality of Loaned Grain

This year's large grain crop has its obvious up side, but there is a down side, too. Many producers are hard pressed to find adequate storage for every bushel harvested. Overfilled grain storage bins can lead to grain quality problems.

Bins are ideally designed to hold a maximum volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases. Producers who take out farm-stored marketing assistance loans should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

Livestock Indemnity Program

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

Conservation Loan Program

The Conservation Loan (CL) Program provides farmers with the funds to implement conservation measures on their land. The available limit for a direct CL is \$300,000, and the limit for a guaranteed CL is \$1,119,000.

The Natural Resources Conservation Service (NRCS) will work with applicants to develop a conservation plan containing approved conservation practices. Examples of some conservation practices are: water conservation structures, forest cover, permanent pastures, manure digesters and other installations.

For more information on a potential Conservation Loan, call the local FSA office and make an appointment with a loan officer.

Loan and LDP Deadline for Wool, Mohair, and Unshorn Lamb Pelts

Eligible producers have until January 31, 2011, to apply for 2010 Loan Deficiency Payments (LDP's) for wool, mohair, and unshorn pelts. January 31st is also the deadline for requesting 2010 Marketing Assistance Loans for Wool and Mohair. Unshorn pelts are not eligible for Marketing Assistance Loans.

To be eligible for a 2010 mohair or wool Marketing Assistance Loan or LDP, producers must: (a) have beneficial interest in the mohair or wool; (b) produce and shear eligible mohair or wool in the U.S. in 2010; and (c) own the sheep or goats that produced the mohair or wool for a period of not less than 30 days before shearing.

To be eligible for an unshorn pelt LDP, producers must: (a) have beneficial interest in the pelts; (b) own the lamb for at least 30 calendar days before the date of slaughter and before submitting the LDP request; and (c) sell the unshorn lamb for immediate slaughter or slaughter the unshorn lamb for personal use. Producers must also comply with wetland conservation and highly erodible land conservation provisions on all lands they operate or have interest in.

To qualify for payment, the wool, mohair, or pelts must have been produced by an eligible producer from live animals of domestic origin and located in the United States.

Continuous CRP

The Continuous Conservation Reserve Program 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.

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 information on Continuous CRP enrollments or local Conservation Reserve Enhancement Program (CREP) availability, please contact your local FSA office or visit the website

http://www.fsa.usda.gov/pas/publications/facts/html/crpc_ont03.htm.

IRS Form 1099-G

Each year producers receive 1099-G forms from the Commodity Credit Corporation (CCC) detailing payments producers have received from the CCC. CCC's annual report of program payments on the 1099-G helps our customers report taxable income. It is not intended to replace the producer's own responsibility to report income to the IRS. FSA staff cannot interpret IRS regulations or advise producers about which payments to report on their income tax returns. However, county office staff can review payments for accuracy.

NAP Coverage Deadlines for 2011 Crop Year

The Non-Insured Crop Disaster Assistance Program (NAP) was designed to provide financial assistance to producers of non-insurable crops when low yields or prevented planting occurs as the result of natural disasters. Statutes limit NAP coverage to each commercial crop or agricultural commodity, except livestock, for which the catastrophic (CAT) level of insurance is not available. Application deadlines for 2011 NAP coverage for all crops, except value-loss and honey, is **March 15, 2011**. The deadline for value-loss crops was Sept. 1, 2010 and Dec. 1, 2010, for honey. Producers who choose to obtain NAP coverage for 2011 must file a CCC-471 application for coverage and pay the applicable service fee by the sales closing deadline. 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. Please contact your local FSA Office for additional information.

Commodity Loans

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

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

Paper Check Conversion (PCC)

Over the next year, the Farm Service Agency (FSA) and the Commodity Credit Corporation (CCC) are moving to an electronic method for processing checks from producers. This will allow FSA/CCC to process collections faster.

When producers present checks, either in person or through the mail, the checks will be converted into an Electronic Funds Transfer (EFT) and 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 USDA Service Center office or visit the following U.S. Department of Treasury Internet site for detailed information:

<https://www.pccotc.gov/pccotc/pcc/usingpcc/Legal%20Notices/legalnotices.htm>

Farm Loan Programs

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having trouble getting the credit you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

If you've had a setback and your lender is reluctant to extend or renew your loan, ask your lender about an FSA loan guarantee. Guaranteed loans can reach a maximum of \$1,119,000.

Direct farm ownership loans or farm operating loans may be obtained from FSA for a maximum of up to \$300,000. Producers are encouraged to apply early so that the application and loan can be processed and funded in a timely manner.

Rural Youth Loans

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Many farm and even city families have found the Youth Loan program an excellent means to introduce the next generation to the business of agriculture. Is there someone in your family who may qualify?

Beginning and Limited Resource Farmers

FSA sets aside targeted funding to assist beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 % of the county's average size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.usda.gov

Loans for the Socially Disadvantaged

While all qualified producers are eligible to apply for Farm Service Agency loan programs, the FSA has provided priority funding for socially disadvantaged applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of a group. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Agricultural Lending Opportunities

For questions regarding obtaining credit to start or enlarge a farm or ranch operation; financing agricultural operating expenses; or livestock, machinery purchases call:

Mike Turley, Farm Loan Manager, at 406-657-6135 ext. 116

Farm Storage Facility Loan Program Undergoes Changes

The 2008 Farm Bill provided changes to the Farm Storage Facility Loan Program (FSFL). FSFL provides low-interest financing for producers of eligible commodities to build or upgrade farm storage and handling facilities. The maximum principal of a loan through FSFL is \$500,000. Participants are required to provide a down payment of 15% , with the Commodity Credit Corporation providing a loan for the remaining 85% of the net cost of eligible storage facility and drying an handling equipment. Loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates of each term may be different and are based on the rate which CCC borrows from the Treasury Department. The final fund disbursement will be made when all construction is completed.

The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, soybeans, oats, wheat, barley, or minor oilseeds harvested as whole grain
- Corn, grain sorghum, soybeans, oats, wheat, or barley harvested as other-than-whole grain
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables – cold storage facilities

Contact the office prior to January if you are interested in installing bins for the 2011 crop year.

Stillwater County FSA
 334 N 9th St.
 Columbus, MT 59019



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Dates to Remember	
Oct. 1, 2010	2011 ACRE Sign-Up Began
Oct. 1, 2010	2011 DCP Sign-Up Began
Dec. 1, 2010	NAP sales closing date for honey
Dec. 6, 2010	County Committee ballots due back to County Office
Dec. 24, 2010	USDA Service Centers Closed for Christmas holiday
Dec. 31, 2010	USDA Service Centers closed for New Year's holiday
Jan. 30, 2011	Last Day to file Application for Payment for 2010 LIP & ELAP where timely Notices of Losses were filed
Jan. 31, 2010	2010 Wool, Mohair and Unshorn Pelt Marketing Assistance Loan and LDP Deadline
March 15, 2011	NAP sales closing date for all other crops except except value-loss and honey
June 1, 2011	2011 DCP / ACRE Filing Deadline

Selected Interest Rates - December 2010	
90-Day Treasury Bill	0.125%
Farm Operating - Direct	1.750%
Farm Ownership - Direct	4.125%
Farm Ownership - Direct Down Payment, Beginning Farmer or Rancher	1.500%
Conservation Loan	4.125%
Emergency	3.750%
Farm Storage Facility	2.0 - 3.0%
Commodity Loans 2010	1.25%

Reasonable Accommodations:
 Persons with disabilities who require accommodations to attend or participate in any FSA programs should contact the County Executive Director at the FSA Office or the Federal Relay Service at 1-800-877-8339

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