



NEWSLETTER



Montana Farm Service Agency State E-Newsletter

July 2012

Montana State FSA Committee:

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

Acting State Executive Director Dick Deschamps

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Montana FSA Web site: www.fsa.usda.gov/mt

Hours:

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

Upcoming 2012 State Committee Meetings:

July 9-10 and 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.

2012 Crop Acreage/Certification Reports due July 16th

The final date to file the annual 2012 acreage report for all crops and rangeland is **July 16**. If you haven't picked up your maps yet, please do so. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage, can prevent loss of program benefits. To be considered timely filed, FSA-578 certification must be filed for all farms by **July 16, 2012**. In addition, acreage reports for prevented planted acreage are required to be submitted no later than 15 calendar days after the final planting date for the applicable crop and failed acreage shall be filed before the disposition of the crop.

NOTE: A CCC-576 "Notice of Loss" must be filed in conjunction with the FSA-578 for prevented planted and failed acreage requests. A CCC-576 is available at your local FSA office. FSA-578's may be certified by the farm operator, farm owner, person authorized by power of attorney, or tenants and share-croppers. These producers can only certify to crops that they have an interest or share. It may be possible that more than one signature is required on a FSA-578.

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 15th. 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:

- **NOVEMBER 15, 2012** – Apiculture, Perennial Forage, PRF, Fall Wheat (HRW), and all other Fall-Seeded Small Grains, and Native and Tame Pasture
- **JANUARY 2, 2013** – (or 30 days after placement of colonies) Honey covered under NAP
- **JANUARY 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 NOVEMBER 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 sometime in August.

2012 DCP/ACRE Sign-Up – Late Filed Authority

FSA Deputy Administrator for Farm Programs has authorized a late-file CCC-509 enrollment period for 2012 Direct & Counter-Cyclical Program (DCP) and 2012 Average Crop Revenue Election Program (ACRE). CCC-509's for 2012 enrollments, or requests to withdraw that satisfy all other program requirements and that are submitted to FSA by **Aug. 1** of the current contract year, will be considered timely filed. If you missed the June 1 sign up deadline and still wish to enroll please contact the FSA County Office to schedule an appointment.

CONSERVATION CORNER:

CRP General Signup 43 Results

The Conservation Reserve Program (CRP) General Signup 43 report of unacceptable and accepted offers was released in late May. Written notifications were mailed to everybody who submitted offers. Producers whose offers were not accepted can explore options available through the Continuous CRP Signup initiatives.

Continuous CRP

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. 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, please contact your local FSA office and visit the website 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.

CRP Managed Haying and Grazing

Managed Haying and Grazing of CRP must be requested and approved by FSA prior to beginning haying or grazing activities. The FSA State Committee has approved the Conservation Reserve Program (CRP) haying and grazing periods as follows:

- **Summer-Fall grazing period:** July 16th to Sept. 13th
- **Managed Haying Period:** July 16th – September 30th. All hay bales must be removed from CRP acres no later than Nov. 12, 2012. One year after the CRP has been certified as established producers may do either of the following:
 - Hay 50% of each field or contiguous block of fields 1 out of every five (5) yrs. The balance may be hayed the following year.
 - Graze 100% of a field one (1) out of every three (3) yrs.

FSA is accepting nominations for 2012 County Committee Election until Aug. 1st

Completed and signed Nomination Form FSA 669A must be delivered to the FSA County Office or postmarked no later than **Aug. 1**. If you have any questions about eligibility or the election process, please call or visit the county office. Forms are available at any FSA service center office or online at: www.fsa.usda.gov/elections.

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:

- July 4: USDA Offices closed in observance of Independence Day federal holiday
- July 16: Final date to file 2012 Acreage Report and 2011 NAP Production Report and 2011 NAP Application for Payment
- July 16: CRP Managed Summer/Fall Grazing Period Begins
- Aug. 1: Last day to file County Committee nomination forms
- Aug. 1: Farm/Tract Reconstitution Deadline
- Sept. 13: CRP Managed Summer/Fall Grazing 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.
- 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

Selected Interest Rates- July 2012

Loan Type	Current Rate (%)
Farm Operating	1.25
Farm Ownership	3.375
Farm Ownership – Down Payment	1.50
Emergency – Actual Loss	3.75
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	1.250

ANNUAL MONTANA USDA SUMMER FOOD DRIVE

June - Aug. 31, 2012

USDA Service Centers and NRCS Tribal Offices across Montana are accepting canned good donations from the public that will be donated to local community food banks at the end of each month. For more information, contact the local Service Center or NRCS tribal office.



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. Registration form, booth registration, agenda and lodging information are available at: 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."