July 2016



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Montana FSA: July 2016 eNewsletter

USDA Farm Service Agency - Montana

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Steve Carney, Chair Floyd Dahlman Kelly Flaherty-Settle Anita Matt Patricia Quisno

Reasonable Accommodations:

People with disabilities who require accommodations to participate in FSA programs and/or events should contact the County Executive Director in the FSA Office in your area or Federal Relay Service at 1-800-877-8339. Alternatively, you may also contact Montana FSA Civil Rights Coordinator Jennifer

Featured Articles

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Changing Bank Accounts

All FSA payments should be electronically transferred into your bank account. In order to make timely payments, you need to notify your FSA office if you close your account or if your bank is purchased by another financial institution. Payments can be delayed if we are not aware of changes to account and routing numbers.

Cole at (406) 587-6786 or jennifer.cole@mt.usda.gov.

USDA Office Directories:

Online Directory of FSA Offices in Montana

PDF of Montana FSA Directory

PDF of Montana USDA Directory

Important FSA Deadlines for Montana Producers

Montana farmers and ranchers are reminded of important dates and deadlines with USDA Farm Service Agency (FSA). Contact your local FSA service center office ASAP for more information.

- NOW!!: File form CCC-633 EZ with FSA to protect potential Loan Deficiency Payment (LDP) eligibility
- July 15: Final Date to submit 2016 Acreage Reporting/Crop Certification to FSA for Spring Seeded Alfalfa Seed, Forage Seeding, Conservation Reserve Program (CRP), Fruit (except cherries), Vegetables, Christmas Trees, and all Spring-Seeded Crops and any other crops not required to be reported by previously announced deadlines. (In order to maintain program benefits, annual acreage reports are required. Acreage reports filed after the July 15th deadline may be subject to late-file fees.)
- **July 16:** First Day of CRP 2016 Summer/Fall Managed Harvesting and Routine Grazing Period (County Committee Approval of Request required prior to beginning any haying or grazing activity)
- Aug. 1: Final Date to obtain all required signatures for 2016 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Enrollment
- Aug. 1: Last day to request farm transfers for FY' 2016
- Aug. 1: Last day to file FSA county committee election nomination forms at the local USDA Service center
- Aug. 1: Reconstitution Request Deadline for farms with 2016 ARCPLC base acres
- Aug. 4: FY'2016 BCAP Deadline for eligible material owners
- Aug. 15: CRP Transition Incentives Program (TIP) Applications for CRP contracts expiring 9/30/2016
- Sept. 1: 2017 NAP Application Closing Date for Value-Loss Crops
- Sept. 30: 2017 NAP Application Closing Date for Annual Fall-Seeded Crops, Perennial Forage and Grazing, Mixed Forage Crops, Rye, Speltz, Triticale, Wheat and Garlic
- **Sept. 30:** Final date for some CRP producers to complete mid-contract management activity on CRP acreage
- Sept: 30: Final date to enroll in the 2017 Margin Protection Program-Dairy (MPP-Dairy)

Questions? Please contact your local FSA Office and visit Montana FSA online at www.fsa.usda.gov/mt.

FSA County Committee Nominations Due by Aug. 1

The nomination period for the FSA county committees across Montana began June 15. Nomination forms must be postmarked or received in FSA Offices by close of business on Aug. 1.

County Committees are unique to FSA and allow producers to have a voice on federal farm program implementation at the local level.

To be eligible to serve on the FSA county committee, a person must participate or cooperate in an agency administered program, be eligible to vote in a county committee election, reside in the county and have an agricultural operation in the local administrative area (LAA) in which the person is a candidate. All producers, including women, minority and beginning farmers and ranchers are encouraged to participate in the nomination and election process.

MONTANA: A map and description of this year's areas open for nomination are available on the Montana FSA web site at www.fsa.usda.gov/mt and on the following link: http://www.fsa.usda.gov/Internet/FSA File/2016mtfsaelections.pdf.

Producers may nominate themselves or others as candidates. Organizations representing minority and women farmers and ranchers may also nominate candidates. To become a nominee, eligible individuals must sign form FSA-669A. The form and more information about county committee elections is available online at: www.fsa.usda.gov/elections.

Elected county committee members serve a three-year term and are responsible for making decisions on FSA disaster, conservation, commodity and price support programs, as well as other important federal farm program issues. County committees consist of three to 11 members.

FSA will mail election ballots to eligible voters beginning Nov. 7. Ballots are due back in the County Office by mail or in person no later than Dec. 5, 2016. All newly elected county committee members and alternates will take office Jan. 1, 2017.

For more information about county committees, please contact your local FSA office and visit www.fsa.usda.gov/elections and www.fsa.usda.gov/mt.

Aug. 1 Deadline for Montana Producers to Enroll in 2016 ARC-PLC USDA Safety Net Program

Producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, can visit FSA county offices through Aug. 1, 2016, to sign contracts to enroll in coverage for 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

2016 ARCPLC payments will be based on administrative county and not physical location. Producers who wish to transfer their farm records to a different administrative county for Fiscal Year (FY) 2016 must file a request no

later than August 1, 2016. Restrictions do apply when transferring to an office other than the county in which the land is physically located. Contact your local FSA office for more information.

The two programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit http://offices.usda.gov.

Attention Montana Wheat Growers

With wheat prices falling at a range where LDPs may be applicable, producers should become familiar with the process to access this assistance. The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. A producer who is eligible to obtain a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

To be eligible for an MAL or an LDP, producers must have a beneficial interest in the commodity, in addition to other requirements. A producer retains beneficial interest when control of and title to the commodity is maintained. For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer filed Form CCC-633EZ (page 1) in the FSA County Office. If form CCC-633EZ is filed before loss of beneficial interest, the producer may obtain the LDP rate in effect on the date beneficial interest is lost. For more information, producers should contact their local FSA county office or view the LDP Fact Sheet at http://www.fsa.usda.gov/news-room/fact-sheets/index.

Daily status of <u>LDP payment rates in Montana</u> can be found by clicking the following link: http://www.fsa.usda.gov/FSA/ldppcpStateInfo?mystate=mt&area=home&subject=dalp&topic=landing

To be considered eligible for an LDP, producers must have form CCC-633EZ, Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements or redemptions using commodity certificate exchange.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP.

Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center and FSA's website www.fsa.usda.gov.

CRP Transition Incentives Program (TIP)

The 2014 Farm Bill authorized approximately \$4.1 million in Montana for the transition of expiring CRP land from a retired or retiring owner or operator to a beginning, veteran or underserved farmer or rancher to return land to production for sustainable grazing or crop production. The veteran must also be a beginning farmer or rancher. 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. Enrollment in TIP is on a continuous basis until funds are expended. Montana has approximately \$1 million dollars in CRP Transition Incentives Program (TIP) funding remaining as of July 2016. Beginning, veteran or underserved 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, 2016, the land may be enrolled in TIP from Oct. 1, 2015, through Sept. 30, 2016. Eligible CRP participants are encouraged to submit their TIP application to the local FSA office by Aug. 15, 2016. Please contact your local county FSA office for complete program details.

The national FSA website on the program is available at: http://www.fsa.usda.gov/programs-and-services/conservation-programs/transition-incentives/index.

2016 Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)

Montana livestock producers, including Honeybee and Farm-raised Fish producers, are reminded that the 2016 Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) program year began Oct. 1, 2015 and continues through Sept. 30, 2016.

Producers who suffer livestock death losses not covered under LIP, or feed losses (must be in the bale or removed from the eligible acreage) and grazing losses not covered under LFP, or losses resulting from the cost of transporting water to livestock due to an eligible drought; colony-collapse disorder, etc, are reminded to report these losses within 30 calendar days of when the loss is apparent. In addition to filing a notice of loss, a timely filed acreage report for the 2016 program year must also be submitted with the administrative FSA county office. For Honeybee producers who have become aware of colony collapse while in another state, the notice of loss can be filed with the local FSA office in that state.

After producers have timely filed their notice of loss and acreage report, the next step is to make the application for payment. The application for payment must be filed with the FSA county office no later than **Nov. 1**, **2016**. Since ELAP funds are limited to \$20 million per fiscal year, the national office must determine if the requested ELAP payments exceed the \$20 million allocation. If the requested 2016 ELAP benefits exceed \$20 million, all payments will be factored.

ELAP Program Factsheet (pdf)

Filing for NAP Losses

The CCC-576, Notice of Loss, documents a producer's loss or damage to a crop or commodity due to an eligible cause of loss, as well as failed acreage and prevented planting. A CCC-576, Notice of Loss must be provided for prevented planting claims, within 15 calendar days after the final planting date established for the crop, and for low yield claims, the earlier of:

- 15 calendar days after the disaster occurrence or date of loss or damage to the crop first becomes apparent
- 15 calendar days after the normal harvest date established for the crop.

Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office by the dates previously mentioned.

A Montana NAP factsheet is available electronically <u>HERE</u>.

Ongoing FSA Notice of Loss Requirements

Montana farmers and ranchers are reminded to timely report all crop and livestock losses to your local FSA office. For any questions, please contact your local FSA county office.

NAP – Noninsured Crop Disaster Assistance Program: Submit Notice of Loss within 15 calendar days of the earlier of a natural disaster occurrence, the final planting date if planting is prevented by a natural disaster, the date that damage to the crop or loss of production becomes apparent; or the normal harvest date.

ELAP – Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program: Submit Notice of Loss the earlier of 30 calendar days of when the loss is apparent or Nov. 1st after the end of the program year in which the loss occurred.

LIP - Livestock Indemnity Program: Submit Notice of Loss within 30 calendar days of when the loss is apparent.

TAP - Tree Assistance Program: Final Date to Submit an Application and Supporting Documentation is the later of 90 calendar days of the disaster event or the date when the loss is apparent

Visit FSA's national disaster assistance <u>website</u> at: <u>http://www.fsa.usda.gov/programs-and-services/disaster-assistance-program/index.</u>

Reporting Losses to Assist with Disaster Designations

Even if you have no intention of participating in any of the above programs, reporting your losses to FSA assists FSA in making recommendation for disaster designations from the President and/or Secretary of Agriculture. This process previously originated with the county commissioners of each county but in 2012 the rules changed and now FSA can initiate this process. Having a disaster designation has some tax benefits for not only you, the producers, but also provides some benefits and disaster assistance to local businesses in your communities that rely on agriculture. Don't forget to also report any physical loss to your farm/ranch. If you have lost or have suffered damage to buildings, fences, or other structures on your farm/ranch, please report

these also. The loss or damage could have been caused by hail, fire (due to lightening/drought related conditions), high winds, including tornados, or any number of weather related events.

Emergency Loans – Disaster Designations in Montana

FSA's Emergency Loan Program is available for agricultural producers in counties designated as primary or contiguous natural disaster areas. See map below of current Disaster Designations in Montana by County. Contact your local FSA office for specific designations in your area and time frames to apply. Eligible producers have **eight months** from the date of the disaster designation to apply for low-interest emergency loans 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; or 4.) refinance certain debts, excluding real estate. Producers interested in applying for an emergency loan, or other FLP loans, should contact their local FSA office to set up an appointment with the Farm Loan Program staff serving your area.

Current Disaster Designations in Montana (by county)

Emergency Loan Factsheet (pdf)

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

Near the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower fails to provide the requested financial information or to graduate when requested, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

FY'16 Biomass Crop Assistance Program (BCAP)

FSA has announced that incentives resumed for farmers and foresters who grow and harvest biomass for renewable energy and biobased products. The funds come through the Biomass Crop Assistance Program (BCAP), which was reauthorized by the 2014 Farm Bill.

Enrollment for facilities seeking to be qualified by USDA to accept biomass was May 23 to June 6, 2016. BCAP provides financial assistance to farmers and ranchers who establish and maintain new crops of energy biomass, or who harvest and deliver forest or agricultural residues to a USDA-approved facility that creates energy or biobased products.

In fiscal year 2016, there is \$3 million available for BCAP.

Between June 15 to Aug. 4, 2016, USDA will accept applications from foresters and farmers seeking incentives to remove biomass residues from fields or national forests for delivery to energy generation facilities. The retrieval payments are provided at match of \$1 for \$1, up to \$20 per dry ton. Eligible crops include corn residue, diseased or insect-infested wood materials, or orchard waste.

To learn more about BCAP or to enroll in updates, visit www.fsa.usda.gov/bcap or contact your local FSA county office. To find your local county office, visit http://offices.usda.gov.

Dairy Producers Can Enroll to Protect Milk Production Margins: July 1 to Sept. 30, 2016

FSA in Montana announced that dairy producers can enroll for 2017 coverage in the Margin Protection Program for Dairy (MPP-Dairy) starting July 1. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer.

The Margin Protection Program gives participating dairy producers the flexibility to select coverage levels best suited for their operation. Enrollment began July 1 and ends on Sept. 30, 2016, for coverage in calendar year 2017. Participating farmers will remain in the program through 2018 and pay a minimum \$100 administrative fee each year. Producers have the option of selecting a different coverage level during open enrollment each year.

USDA has a web tool to help producers determine the level of coverage under the Margin Protection Program that will provide them with the strongest safety net under a variety of conditions. The online resource, available at www.fsa.usda.gov/mpptool, allows dairy farmers to quickly and easily combine unique operation data and other key variables to calculate their coverage needs based on price projections. Producers can also review historical data or estimate future coverage needs, based on data projections. The secure site can be accessed via computer, Smartphone or tablet 24 hours a day, seven days a week.

To complete enrollment, producers must make coverage elections during the enrollment period and pay the annual \$100 administrative fee that provides basic catastrophic protection that covers 90 percent of milk production at a \$4 margin coverage level. For additional premiums, operations can protect 25 to 90 percent of production history with margin coverage levels from \$4.50 to \$8, in 50 cent increments. Once enrolled, dairy operations are required to participate through 2018 by making coverage elections each year. Producers can mail the appropriate form to the producer's administrative county FSA office, along with applicable fees without necessitating a trip to the local FSA office. If electing higher coverage for 2017, dairy producers can either pay the premium in full at the time of enrollment or pay 100 percent of the premium by Sept. 1, 2017. Premium fees may be paid directly to FSA or producers can work with their milk handlers to remit premiums on their behalf.

Also beginning July 1, 2016, FSA will begin accepting applications for intergenerational transfers, allowing program participants who added an adult child, grandchild or spouse to the operation during calendar year 2014 or 2015, or between Jan. 1 and June 30, 2016, to increase production history by the new cows bought into the operation by the new family members. For intergenerational transfers occurring on or after July 1, 2016, notification to FSA must be made within 60 days of purchasing the additional cows.

Dairy operations enrolling in the new program must meet conservation compliance provisions and cannot participate in the Livestock Gross Margin Dairy Insurance Program.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local FSA office to learn more about the Margin Protection Program. To find a local FSA office in your area, visit https://offices.usda.gov.

Farm Service Agency (FSA) and Risk Management Agency (RMA) to Prevent Fraud, Waste, and Abuse

FSA supports the RMA in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA. Producers can report suspected cases to the county office staff, the RMA office, or the Office of the Inspector General.

FSAfarm+, FSA's Customer Self-Service Portal

FSA has launched a new tool to provide farmers and ranchers with remote access to their personal farm information using their home computers. Farmers and ranchers can now view, print or export their personal farm data all without visiting an FSA county office.

The program, known as **FSA**farm+, provides you with secure access to view your personal FSA data, such as base and yields, Conservation Reserve Program data, other conservation program acreage, Highly Erodible Land Conservation and Wetland Conservation status information, field boundaries, farm imagery, name and address details, contact information and membership interest and shares in the operation. This data will be available in real time, at no cost to the producer and allow operators and owners to export and print farm records, including maps. Producers also can electronically share their data with a crop insurance agent from their own personal computer.

Farm operators and owners first will need "Level 2 eAuthentication" to access the webportal. This level of security ensures that personal information is protected for each user. Level 2 access can be obtained by going to www.eauth.usda.gov, completing the required information and then visiting your local FSA office to finalize access.

For more information on **FSA**farm+, the customer self-service portal, contact your local FSA office. To find your local FSA county office, click http://offices.usda.gov.

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).