

March 2019



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Montana FSA: March 2019 Newsletter

USDA Farm Service Agency - Montana

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Mike Foster

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Carl Mattson, Chair (Chester)
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Message from the State Executive Director

With the winter season drawing to a close and a busy spring in store for the agricultural community, I want to remind you of a few key program deadlines.

March 15th is the deadline to enroll many 2019 spring crops in the Noninsurable Crop Disaster Assistance Program (NAP).

April 1st is the final availability date for Commodity Loans for 2018 Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat and Sesame Seed.

The final day to certify 2018 production for the Market Facilitation Program (MFP) is **May 1**. Payments will not be issued without certification, which must be provided to your local FSA county office. Producers of corn, cotton, sorghum, soybeans, wheat, dairy, hogs, fresh sweet cherries and shelled almonds were eligible to sign up for an MFP payment by Feb. 14. More than \$27 million in MFP payments been distributed to Montana producers to date.

Liane Johnson (Cut Bank)
Bruce Tutvedt (Kalispell)

Directories:

[Online Directory of FSA Offices in Montana](#)

[PDF of Montana FSA Directory](#)

[PDF of Montana USDA Directory](#)

Special Accommodations:

Special accommodations will be made upon request for individuals with disabilities, vision impairment or hearing impairment. If accommodations are required, individuals should contact the county FSA office directly or by phone or the Federal Relay Service at 1-800-877-8339 . Alternatively, you may contact Montana FSA Civil Rights Coordinator Jennifer Cole at (406) 654.1333 , ext. 117 or jennifer.cole@mt.usda.gov

May 31st is the final availability date for Commodity Loans for Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans and Sunflower Seed.

Livestock producers suffering losses due to natural disasters are encouraged to work closely with your local FSA office to participate in the livestock disaster programs.

Additional program details are in this newsletter.

FSA offices across Montana look forward to assisting you.

Sincerely,
Mike Foster

March 2019 Loan Rates

The following are Farm Service Agency loan rates for March 2019:

Farm Loans

- [Operating Loan](#) – 3.500%
- [Operating Microloan](#) – 3.500%
- [Farm Ownership Loan](#) – 4.000%
- [Farm Ownership Microloan](#) – 4.000%
- [Farm Ownership](#) - Direct, Joint Financing - 2.500%
- [Farm Ownership](#) - Down Payment - 1.500%
- [Emergency Loan](#) - Actual Loss - 3.750%

Farm loan applications forms with instructions are available directly from FSA and online at: <https://www.fsa.usda.gov/programs-and-services/farm-loan-programs/index>.

Price Support Loans

[Commodity Loans](#) – 3.375%

[Farm Storage Facility Loan](#) (FSFL) Program

- 3-year loan – 2.500%
- 5-year loan – 2.500%
- 7-year loan – 2.625%
- 10-year loan – 2.750%
- 12-year loan – 2.750%

FSFL Microloans are also available for the 3, 5, and 7 year terms at the 3, 5, and 7 year term rates for a maximum aggregated loan amount of \$50,000 and at a reduced down payment of 5% (regular FSFL loans require 15% down and have a maximum loan amount of \$500,000).

Reminder to Montana Livestock Producers

With the 2019 calving season near or underway, the USDA Farm Service Agency reminds Montana livestock producers about the importance of record keeping and reporting your livestock losses to FSA within 30 calendar days of when the loss of livestock is apparent.

A Notice of Loss can be filed with FSA via email, phone, fax or office visit.

For more information on the Livestock Indemnity Program and other disaster programs, contact your local FSA office and/or visit online at www.farmers.gov/recover.

Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral. It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

Farm Loan Program Availability

FSA has a number of loan programs available to assist applicants to begin or continue in agricultural production. As a farmer or rancher, whether you are just starting out or have many years of experience, loans are available for farm operating purposes and/or to purchase or improve a farm or ranch. As the “Lender of First Opportunity” FSA targets some of the direct and guaranteed loan funds for beginning and/or underserved farmers or ranchers. For purposes of this program, a beginning farmer/rancher is defined as someone who started in farming or ranching less than 10 years ago and does not currently own more land than 30 percent of the average farm size in the county; underserved individuals are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

FSA’s farm loan program is a temporary source of credit. Farmers/ranchers with FSA farm loan programs are required to “graduate” their FSA loans to commercial credit when they are able to do so. Periodically FSA will request financial information to evaluate the producer’s ability to obtain credit from commercial resources. Failure to provide financial information when requested could jeopardize your current and future loans.

For more information, contact your local FSA office who can schedule an appointment with the Farm Loan Program (FLP) staff serving your area and/or visit the [National FLP Web site](#).

MSU Extension Farm and Ranch Management Workshops in Culbertson, Wolf Point, Chester and Fort Belknap

Participation in a workshop will satisfy the requirements for Farm Service Agency's Production and Financial Management Training.

Montana State University [Extension](#) is offering farm management workshops in Culbertson, Wolf Point, Chester and Fort Belknap in March.

MSU Extension economists [George Haynes](#), [Kate Fuller](#) and [Joel Schumacher](#) will lead the workshops. Other contributing faculty members will include agricultural economists Anton Bekkerman, Diane Charlton and Eric Belasco; family economist Marsha Goetting; cropping systems specialist Kent McVay; beef cattle specialist Megan Van Emon; rangeland weed specialist Jane Mangold; soil fertility specialist Clain Jones; and forage specialist Emily Meccage.

The two-day workshops will cover the following topics: financial analysis and enterprise budgeting, risk management, crop and livestock production, agricultural leases, agricultural policy issues and business succession.

The upcoming workshop locations and dates are as follows:

- Culbertson, March 13-14, Roosevelt County Extension office
- Wolf Point, March 14-15, Fort Peck Community College, Dumont building
- Chester, March 26-27, United Methodist Church
- Fort Belknap, March 27-28, Aaniiih Nakoda College

Participation in these workshops will satisfy the requirements for [Farm Service Agency](#) production and financial management training. There is no cost to attend, but participants are asked to register by contacting Keri Hayes at 406-994-3511 or khayes@montana.edu or George Haynes at 406-994-5012 or haynes@montana.edu.

2019 NAP: USDA Encourages Producers to Consider Risk Protection Coverage: March 15th Deadline

Montana producers have until **March 15** to sign-up for FSA's Noninsurable Crop Disaster Assistance Program (NAP) coverage for all **2019 Spring Crops** excluding spring seeded rye, speltz, triticale, wheat and mixed forage.

NAP provides a catastrophic level (CAT) coverage based on the amount of loss that exceeds 50 percent of the expected production at 55 percent of the average market price for the crop.

In order to meet eligibility requirements for NAP, crops must be noninsurable, commercially-produced agricultural commodity crops for which the catastrophic risk protection level of crop insurance is not available. If the Risk Management Agency (RMA) offers coverage for a crop in the county, NAP coverage is not available for that crop. For questions regarding insurability of a crop, please contact your local crop insurance agent. For information on whether a crop is eligible for NAP coverage, please contact your local FSA office.

The NAP service fee for all coverage levels is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties. FSA will waive NAP service fees for underserved, limited resource, and beginning farmers. For questions regarding NAP, please contact your local FSA office.

For more information, visit the national NAP page at: <http://www.fsa.usda.gov/nap>.

[NAP Program Factsheet](#) (pdf)

2019 CRP Spring Managed Grazing Period: March 16-May 14

Spring Managed Grazing: Livestock must be removed from CRP by May 14

Primary Nesting Season: May 15 to July 15

The Conservation Reserve Program (CRP) 2019 Spring Managed Grazing Period is March 16 to May 14. Livestock must be removed when the calculated AUMs have been utilized but no later than May 14th.

Summer/Fall Managed Harvesting Period begins July 16 following Montana's Primary Nesting Season and ends no later than Sept. 30. Summer/Fall Grazing Period begins July 16 and ends when the calculated AUMs have been utilized or no later than Sept. 13.

Producers must sign up at their local FSA office and complete a CRP-117 form for office approval before conducting any managed harvesting and/or grazing activity. Any harvesting and/or grazing activity without prior approval is a violation of the CRP contract, and standard payment reductions will apply.

USDA Commodity Loans Available to Montana Producers

Farm Service Agency reminds Montana producers that Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) are available to help producers through periods of low market prices. The 2014 Farm Bill authorized MALs and LDPs for the 2014 to 2018 crop years.

MALs provide interim financing and allow producers to delay the sale of the commodity at harvest-time lows and wait until more favorable market conditions emerge. 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.

The final availability date for Loans and LDPs for **2018 Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat and Sesame Seed** is **April 1**.

The final availability date for Loans and LDPs for **2018 Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans and Sunflower Seed** is **May 31**.

FSA offices are accepting requests for 2018 MALs and LDPs for all eligible commodities after harvest.

Before MAL and LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash-rent tenant and member contribution. Before loan disbursement, applicants will be required to provide a form CCC-679, Lien Waiver, for each lienholder discovered on a lien search. In order to meet eligibility requirements, producers must retain beneficial interest in the commodity, meaning they have control of the commodity or a title to the commodity, until the MAL is repaid or the Commodity Credit Corporation takes title to the commodity.

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: Agriculture Risk Coverage and Price Loss Coverage payments, Marketing Loan Gains and LDPs. These payment limitations do not apply to MAL disbursements.

Producers or legal entities whose total applicable three-year average adjusted gross income exceeds \$900,000 are not eligible for Marketing Loan Gains and LDPs, but are eligible for MALs repaid at principal plus interest.

For more information, please visit your local FSA office or www.fsa.usda.gov. To find your local USDA service center, visit www.farmers.gov.

Market Facilitation Program (MFP) – Certify 2018 Production by May 1, 2019

The final day to certify 2018 production for the Market Facilitation Program (MFP) is **May 1, 2019**. Payments will not be issued without certification, which must be provided to your local FSA county office. Producers of corn, cotton, sorghum, soybeans, wheat, dairy, hogs, fresh sweet cherries and shelled almonds were eligible to sign up for a MFP payment by Feb. 14, 2019. MFP is designed to help producers significantly impacted by actions of foreign governments resulting in the loss of traditional exports. Contact your local FSA county office for more information.

Storage and Handling Trucks Eligible for Farm Storage Facility Loans

Farm Storage Facility Loans (FSFL) provide low-interest financing so producers can build or upgrade facilities to store commodities. Some storage and handling trucks are eligible for the FSFL. These include:

- **Cold Storage Trucks:** A van or truck designed to carry perishable freight at specific temperatures. Cold storage trucks can be ice-cooled or equipped with any variety of mechanical refrigeration systems.
- **Flatbed Trucks:** Truck with an open body in the form of a platform with no side walls for easy loading and unloading. These trucks can be categorized into different sizes which range from light, medium, or heavy duty, compact or full-size, or short and expandable beds.
- **Grain Trucks:** A piece of farm equipment specially made to accommodate grain products and are traditionally truck chassis units with a mounted grain “dump” body where grain commodities are transported from a field to either a grain elevator or a storage bin.
- **Storage Trucks with a Chassis Unit:** Commonly referred to as a box truck, box van or straight truck, is a truck with a cargo body mounted on the same chassis with the engine and cab.

To be eligible for FSFL, the storage and handling truck must be less than 15 years old and have a maximum of four axles with a gross weight rating of 60,000 pounds or less. Pick-up trucks, semi-trucks, dump trucks, and simple insulated and ventilated vans are ineligible for FSFL.

FSFL for storage and handling trucks must be \$100,000 or less. FSFL-financed storage and handling trucks must be used for the purpose for which they were acquired for the entire FSFL term.

Eligible commodities include grains, oilseeds, pulse crops, hay, honey, renewable biomass commodities, fruits and vegetables, floriculture, hops, maple sap, milk, cheese, yogurt, butter, eggs, meat/poultry (unprocessed), rye and aquaculture.

For more information or to apply for a FSFL, contact your local [FSA Service Center](#).

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at [How to File a Program Discrimination Complaint](#) and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW, Washington, D.C. 20250-9410; (2) fax: (202) 690-7442; or (3) email: program.intake@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).