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- [Farm Loan Program Availability](#)
- [Farm Loan Information Chart](#)
- [Changes to CRP "Early Land Preparation" Regulations](#)
- [FSA Loan Program Partners with NRCS \(EQIP\) and RD \(REAP\) Programs to Provide Funds to Farmers](#)
- [Emergency Loan Program](#)
- [Filing for NAP Losses](#)
- [2015 FSA Acreage Reporting/Certification Deadline](#)
- [Upcoming Montana FSA Dates and Deadlines:](#)
- [Other USDA News: NRCS Sets Program Funding Application Cutoff for June 1](#)
- [Other USDA News: Rural Development's Rural Energy for America Program \(REAP\) available for Montana Ag Producers](#)
- [Breaking New Ground](#)

Montana FSA: May 2015 eNewsletter

USDA Montana Farm Service Agency

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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. In an effort to keep up with increased demand, FSA was allocated additional Farm Ownership funds for direct and guaranteed loans this fiscal year. All qualified producers are eligible to apply for these loan programs. As the "Lender of First Opportunity"

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

**Montana USDA
Directories:**

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Offices](#)

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Reasonable

Accommodations: People with disabilities who require accommodations to participate in FSA programs 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 Cole at (406) 587-6786 or jennifer.cole@mt.usda.gov.

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; 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. 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](#).

Farm Loan Information Chart

A Farm Loan Information Chart Fact Sheet containing information on maximum loan amounts, loan terms, and use of proceeds is available. The fact sheet can be accessed by clicking [here](#). Additional details on available Farm Loan Programs can be obtained at local FSA offices and on FSA's website: <http://www.fsa.usda.gov>.

Changes to CRP "Early Land Preparation" Regulations

In August of 2014, FSA's regulations relating to "early land preparation" of expiring CRP acreage were revised to state that destruction of the CRP cover could **not** begin until after the end of the primary nesting season. Since the primary nesting season in Montana runs from May 15th through July 15th, this regulation meant that CRP cover destruction could not be initiated until July 16th.

Local FSA county committees have now received authority to authorize chemical destruction of expiring CRP cover as early as May 1st if the producer intends to plant the acreage to a fall-seeded crop.

Note that only chemical destruction is authorized prior to July 16th. The acreage may not be hayed, grazed, or mechanically tilled prior to July 16th.

A payment reduction will be assessed on all contracts where "early land preparation" is

approved. **The new regulations state that the CRP payment will not be earned from the date that cover destruction is initiated through the contract expiration date.** Therefore, if a producer chooses to begin cover destruction on May 1st, no CRP payment will be earned from May 1st through September 30th. For example, a CRP contract that normally generates a \$40/acre annual rental payment, would have a payment reduction in the amount of \$16.77/acre. If that same producer waited until June 1st to begin cover destruction, the payment reduction would amount to \$13.37/acre.

CRP participants wishing to obtain approval for early land preparation activities must sign form CRP-IG prior to beginning cover destruction.

If you have questions concerning this option, please feel free to contact our office at any time.

FSA Loan Program Partners with NRCS (EQIP) and RD (REAP) Programs to Provide Funds to Farmers

When applying for cost-share funds and/or grant funds through other USDA Agencies such as the [Natural Resources Conservation Service \(NRCS\)](#) and [Rural Development \(RD\)](#), producers often have to put practices or purchases in place prior to receiving that cost-share or grant. See related articles under Other USDA News of this eNewsletter. FSA Microloans can be part of the “package” producers put together to finance these practices or purchases. Microloans can be closed based on an approved cost-share or grant application. Cost-share and/or grant funds can then be applied to this loan balance when received, to reduce the debt. Microloan repayment may be based on the difference between the original loan amount and the cost-share/grant funds expected to be received.

[Microloans](#), not to exceed \$50,000, can be used for any FSA Operating Loan purpose, including but not limited to:

- Initial start-up expenses;
- Annual expenses such as seed, fertilizer, utilities, land rents;
- Establishment of conservation practices;
- Marketing and distribution expenses;
- Purchase of livestock, equipment, and other materials essential to farm operations;
- Minor farm improvements such as wells, coolers, renewable energy projects, install a natural gas pipeline, etc.,
- Hoop houses to extend the growing season;
- Essential tools;
- Irrigation;
- Delivery vehicles.

Eligible producers must project a minimum of \$1,000 in farm sales and have some farm experience or a mentor.

For annual operating purposes, microloans must be secured by a first lien on a farm property or agricultural products having a security value of at least 100 percent of the microloan amount, and up to 150 percent, when available. Microloans made for purposes other than annual operating expenses must be secured by a first lien on a farm property or agricultural products purchased with loan funds and having a security value of at least 100 percent of the microloan amount.

Eligible applicants may obtain a microloan for up to \$50,000. The repayment term may vary and will

not exceed seven years. Annual operating loans are repaid within 12 months or when the agricultural commodities produced are sold.

Interest rates are based on the regular OL rates that are in effect at the time of the microloan approval or microloan closing, whichever is less.

As with all other FSA Loan Programs, there is a test for credit required. Producers need to certify that they are unable to obtain conventional credit at reasonable rates and terms for the project they want funded.

Additional information on the FSA microloan, and [other FSA Loan Programs](#), may be obtained by calling the local FSA or through the FSA website at www.fsa.usda.gov/mt.

Emergency Loan Program

FSA's Emergency Loan Program is available for agricultural producers in counties designated as primary or contiguous natural disaster areas. Montana disaster designation maps for 2014 and 2015 are linked below. 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.

The interest rate for May 2015 is 3.5 percent.

Producers interested in applying for an emergency loan, or other FLP loans, should contact their local FSA office to obtain specific information on available loan programs.

- A current list of Montana disaster designations is available electronically for **2014** and **2015**.
- An Emergency Loan factsheet is available electronically [HERE](#).
- The link to the national FLP page is [HERE](#).

A link to the Montana FSA Directory is [HERE](#).

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.

An acreage report must be on file prior to the Notice of Loss being filed.

A Montana NAP factsheet is available electronically [HERE](#).

2015 FSA Acreage Reporting/Certification Deadline

Producers are reminded to file their acreage reports/crop certification by the deadline of :

- **July 15, 2015:** 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

Past 2015 Reporting Deadlines:

- **Nov. 15, 2014:** Apiculture, Perennial Forage, Pasture, Rangeland & Forage (PRF) including Native Grass, Fall Wheat (Hard Red Winter – HRW), and all other Fall-Seeded Small Grains
- **Jan. 15, 2015** – Established Stand Alfalfa Seed, Fall Alfalfa Seed, Cherries

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of “cover only,” “green manure,” “left standing,” or “seed,” then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above or 15 calendar days before grazing or harvesting of the crop begins.

Any crop reported after the applicable deadline for the crop will be considered late-filed. Producers are encouraged to contact the local FSA county office for an appointment to complete your 2015 acreage report.

Upcoming Montana FSA Dates and Deadlines:

- **May 14:** CRP Managed Spring Grazing Period Ends
- **May 15 to July 15:** Primary Nesting and Brood Rearing Season
- **May 25:** USDA Service Centers Closed for Memorial Day, a Federal Holiday
- **May 26:** Deadline to Submit Written Comments on USDA's Actively Engaged Proposed Rule
- **June 1:** Final LDP Availability Date for Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower, Small Chickpeas, Large Chickpeas, Soybeans and Sunflower Seed

- **June 15:** Nomination Period Begins for County Committee Elections. Request Nomination Forms from FSA at the local USDA Service Center or obtain online at <http://www.fsa.usda.gov/elections>.
- **July 1 to Sept. 30:** Registration/Coverage Election Period for 2016 Margin Protection Program – Dairy (MPP-Dairy)
- **July 15:** 2015 Acreage Reporting Deadline 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
- **July 15:** Final 2014 Noninsured Crop Disaster Assistance Program (NAP) Production Reports Are Due
- **July 16:** CRP Summer/Fall Managed Haying and Grazing Begins (with County Committee Approval of Request)
- **Aug. 1:** Deadline to Request a Reconstitution or Farm Transfer for 2015
- **Aug. 3:** Deadline to Submit County Committee Election Nomination Form (FSA-669A) to FSA (or postmarked) at the local USDA Service Center
- **Sept. 1:** 2016 NAP Application Closing Date for Value-Loss Crops
- **Sept. 30:** 2016 NAP Application Closing Date for Annual Fall-Seeded Crops, Perennial Forage and Grazing, Mixed Forage Crops, Rye, Speltz, Triticale, and Wheat
- **Sept. 30:** Last day of the Registration/Coverage Election Period for 2016 MPP-Dairy Program

Other USDA News: NRCS Sets Program Funding Application Cutoff for June 1

The USDA Natural Resources Conservation Service (NRCS) has set a June 1, 2015, application cutoff for agricultural operators to be considered for 2016 conservation program funding through the Environmental Quality Incentives Program.

NRCS provides funding and technical assistance to help farmers and ranchers implement conservation practices that provide environmental benefits to help sustain agricultural operations. Conservation program participation is voluntary and helps private landowners and operators defray the costs of installing conservation practices.

NRCS accepts conservation program applications year-round; however, applications for 2016 funding consideration must be submitted by June 1, 2015. Applications made after the June 1 cutoff will be considered in the next funding cycle. Additional information is available on the Montana NRCS website at www.mt.nrcs.usda.gov under the Programs tab.

Other USDA News: Rural Development's Rural Energy for America Program (REAP) available for Montana Ag Producers

USDA is making more than \$280 million available nationally to eligible applicants through the [Rural Energy for America Program \(REAP\)](#). Application deadlines vary by project type and the type of assistance requested. Details on how to apply are on page 78029 of the December 29, 2014 [Federal Register](#) or are available by contacting [state Rural Development offices](#).

USDA is offering grants for up to 25 percent of total project costs and loan guarantees for up to 75

percent of total project costs for renewable energy systems and energy efficiency improvements. The REAP application window has been expanded. USDA will now accept and review loan and grant applications year-round.

In MONTANA - The application window for REAP funding is currently open! During 2015, competitions for grant funding will occur subsequent to the April 30, 2015 and **June 30, 2015** window closing dates. Contact Montana's Rural Development State Office (Business Programs Section) at 406-585-2540 for application materials and to locate your local specialist or find us online at www.rd.usda.gov/mt.

For AGRICULTURAL PRODUCERS (at least 50% of gross income from agricultural operations) – REAP Grant and Loan Guarantee funds may be used for the purchase, installation and construction of renewable energy systems (solar, hydro, wind, geothermal, renewable biomass) and to make energy efficient improvements, such as: switch from diesel to electric irrigation motor, electric, solar or gravity pumps for sprinkler pivots, replacement of energy inefficient equipment, replace or update cooling and refrigeration units, doors, windows & insulation, lighting upgrades and high efficiency heating, ventilation and air conditioning systems (HVAC) amongst others. Rural Small Businesses are also eligible for REAP assistance.

For more information please contact the Montana State Office Business Programs section at 406-585-2540, your local Area Office or the Rural Development Montana website at www.rd.usda.gov/mt.

Breaking New Ground

Producers requesting USDA benefits are reminded to follow the Highly Erodible Land Conservation (HELC) provisions provided in the 1985 Food Security Act, as amended. In order to maintain eligibility for USDA programs, all producers planting agricultural commodities on predominantly highly erodible land (HEL) shall ensure they are following tillage, crop residue, and rotation requirements according to the provisions of an approved conservation system or conservation plan. Producers should contact their local Farm Service Agency (FSA) prior to breaking new ground to file an AD-1026.

Producers are also reminded to follow the Wetland Conservation (WC) provisions. The 1985 Food Security Act, as amended, states that producers are ineligible for benefits if they plant agricultural commodities on wetlands that were converted after December 23, 1985 or convert a wetland after November 28, 1990, by draining, dredging, filling, leveling, or any other means for the purpose, or to have the effect, of making the production of an agricultural commodity possible.

Annual reviews are conducted by FSA and the Natural Resources Conservation Service (NRCS) to ensure producers follow an approved conservation system or conservation plan on highly erodible land and to ensure that identified wetlands have not been altered. Violations may lead to ineligibility for USDA program benefits.

A HELC-WC factsheet is available electronically [HERE](#).

USDA is an equal opportunity provider and employer. 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).