

Dec. 21, 2015



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Montana FSA: December 2015 eNewsletter

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[Online Directory of FSA
Offices](#)

Season's Greetings from FSA!

USDA Farm Service Agency (FSA) offices will be closed for the afternoon of Dec. 24, Christmas Eve, and all day on Dec. 25, Christmas, in observance of the federal holiday. USDA service centers will also be closed all day on Jan. 1 in observance of New Year's Day, a federal holiday. We wish you all a safe holiday season and a Happy New Year!

All the Best,
Bruce Nelson, State Executive Director

USDA Begins 49th Enrollment Period for the Conservation Reserve Program

*December 2015 Marks 30th Anniversary for the Nation's Most
Successful Voluntary Conservation Program*

Farmers and ranchers are reminded that the general enrollment period for the Conservation Reserve Program (CRP) began Dec. 1, 2015, and ends Feb. 26, 2016. December, 2015 also marks the

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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.

30th anniversary of CRP, a federally funded program that assists agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat. Participants in CRP establish long-term, resource-conserving plant species, such as approved grasses or trees (known as “covers”) to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. In return, FSA provides participants with rental payments and cost-share assistance. At times when commodity prices are low, enrolling sensitive lands in CRP can be especially attractive to farmers and ranchers, as it softens the economic hardship for landowners at the same time that it provides ecological benefits. Contract duration is between 10 and 15 years. The long-term goal of the program is to re-establish native plant species on marginal agricultural lands for the primary purpose of preventing soil erosion and improving water quality and related benefits of reducing loss of wildlife habitat. Contracts on more than 66,000 acres of CRP are set to expire on Sept. 30, 2016 in Montana. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

December, 2015 also marks the 30th anniversary of CRP.

For more information FSA conservation programs, visit a local FSA office or www.fsa.usda.gov/mt. To find your local FSA office, visit <http://offices.usda.gov>.

[FSA Factsheet: CRP General Enrollment/Signup 49](#) (pdf)

[FSA Factsheet: CRP Enrollment 49 - Environmental Benefits Index](#) (pdf)

Enrollment Period Underway for USDA Safety Net Coverage

FSA has announced that 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 begin visiting FSA county offices starting Dec. 7, 2015, to sign contracts to enroll in coverage for 2016. The enrollment period will continue until Aug. 1, 2016.

Although the choice between ARC and PLC was made by producers earlier this year and remains in effect through 2018, producers must still annually 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.

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>.

2015 Livestock Forage Disaster Program Available in 21 Montana Counties: Feb. 1, 2016 Application Deadline

Livestock producers in 21 Montana counties are eligible to apply for 2015 Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved pasture, annual ryegrass and forage sorghum. LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

Eligible producers must own or lease grazing land physically located in a county affected by a qualifying drought during the normal grazing period for the county. County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire.

A total of 21 Montana counties have triggered drought eligibility for the 2015 LFP Program. Qualifying livestock producers with land in **Broadwater, Gallatin, Madison counties** are eligible for one monthly payment. Livestock producers in **Beaverhead, Deer Lodge, Flathead, Glacier, Granite, Jefferson, Lake, Lewis and Clark, Lincoln, Mineral, Missoula, Pondera, Powell, Ravalli, Sanders, Silver Bow, Teton and Toole counties** are eligible for four monthly payments.

For 2015 and subsequent years, eligible livestock producers must complete a CCC-853 and the required supporting documentation no later **Feb. 1, 2016**. Additional Information about LFP, including eligible livestock and fire criteria, is available at your local FSA office or online at: www.fsa.usda.gov.

LFP provided almost \$60 million in disaster relief to more than 4,100 Montana livestock producers for the 2012 and 2013 crop years.

[FSA Factsheet: Livestock Forage Disaster Program](#) (pdf)

Producers are Reminded to Complete NASS Crop Surveys

The National Agricultural Statistics Service (NASS) Field Offices are currently completing 2015 small grain yield surveys and will contact growers in December to complete row crop yield surveys. If you are one of the producers contacted to complete a 2015 yield survey, we encourage your participation and cooperation as many USDA agencies including the Farm Service Agency (FSA) and Risk Management Agency (RMA) use the NASS yield data for their programs. FSA uses NASS county yield data for farm credit, conservation, disaster programs, loan and commodity programs. Under the 2014 Farm Bill, FSA uses the NASS county yield data to calculate Agriculture Risk Coverage – County (ARC-CO) benchmark revenues and current year county revenues. For example, the 2014 NASS county yield, along with the crop's marketing year average price (MYA), are used to determine the county's current year revenue to determine if the county will trigger an ARC-CO payment. An ARC-CO payment is triggered for a county when the current year revenue falls below the guarantee revenue for the crop and crop year. In cases where NASS county yield data is not available, the FSA State Committee must determine a county yield using RMA yield data or the best available yield data, including assigning a county yield using neighboring county yields from NASS or RMA.

Any information that producers provide to NASS is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. All reports will be available at www.nass.usda.gov.

USDA Removes Farm Program Payments to Managers Not Actively Engaged in Farming

USDA finalized a rule to ensure that farm safety-net payments are issued only to active managers of farms that operate as joint ventures or general partnerships, consistent with the direction and authority provided by Congress in the 2014 Farm Bill. The action, which exempts family farm

operations, closes a loophole where individuals who were not actively part of farm management still received payments.

Since 1987, the broad definition of “actively engaged” resulted in some general partnerships and joint ventures adding managers to the farming operation, qualifying for more payments, that did not substantially contribute to management. The rule applies to operations seeking more than one farm manager, and requires measureable, documented hours and key management activities each year. Some operations of certain sizes and complexity may be allowed up to three qualifying managers under limited conditions. The changes apply to payments for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, Loan Deficiency Payments (LDP) and Marketing Loan Gains (MLG) realized via the Marketing Assistance Loan program.

As required by Congress, the new rule does not apply to family farms, or change regulations related to contributions of land, capital, equipment, or labor. The changes go into effect for the 2016 crop year for most farms. Farms that have already planted fall crops for 2016 have until the 2017 crop year to comply. For more details, producers are encouraged to consult their local FSA office.

[FSA Factsheet: Payment Eligibility and Payment Limitations](#) (pdf)

2015 Tree Assistance Program (TAP) Sign-up: Feb. 1 Deadline

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2015 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters. Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

[FSA Factsheet: Tree Assistance Program](#) (pdf)

USDA Improves Access to Capital for Tribal Farmlands with Multiple Owners

New Program Allows More Farm Loans for “Highly Fractionated” Tribal Land

USDA announced on Dec. 1, 2015 that it is expanding the availability of farm loans for Indian tribes and members to purchase tribal farmland that has multiple owners. The improved lending opportunities are possible due to new authority granted by the 2014 Farm Bill, which allows USDA Farm Service Agency (FSA) to provide revolving loan funds to qualified intermediary lenders that can relend the funds to qualified tribes and individuals. The program became available Dec.1, 2015. As a direct result of more than a dozen tribal meetings across the country, USDA is able to implement a solution to a longstanding barrier to financing, which will increase the availability of farm loans to Native Americans who want to start or expand a farming or ranching operation on Indian lands.

Under the 1887 Dawes Act, Indian reservation land was divided and allotted to individual tribal members such that with the passing of each generation, title ownership was divided and parceled among heirs, while the land was not. As a result, land once owned by a single person could today

be owned by hundreds or thousands of individuals, resulting in what is known as “highly fractionated Indian land.” In many instances, landowners are unknown or cannot be located, which complicates the coordination of ownership or prevents the use of the property altogether. There are more than 245,000 owners of three million fractionated land interests, spanning approximately 150 Indian reservations.

Under the rules published Dec. 1, USDA will now allow tribes and tribal members to submit a farm loan application to an intermediary lender. To participate, intermediary lenders first must be approved by USDA. The lenders may be private and tribal nonprofit corporations, public agencies, Indian tribes, or lenders subject to federal or state regulation (such as a credit union or other financial institution). FSA will lend to the intermediary, which will relend to the applicant. The intermediary lender also will administer the loan for the applicant.

USDA also has opened a 90-day period for the public to submit comments on this program. Written comments must be submitted by Feb. 29, 2016, at www.regulations.gov, using Regulation Identifier Number 0560-AI32.

[FSA Factsheet: Highly Fractionated Indian Land Loan Program](#) (pdf)

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. All qualified producers are eligible to apply for these loan programs. 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; 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](#).

[FSA Factsheet: Farm Loan Program Overview](#) (pdf)

Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

[FSA Website: Guaranteed Farm Loans](#)

Youth Loans

FSA makes loans to youth to establish and operate agricultural 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 \$5000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For more information, contact FSA.

[FSA Factsheet: Youth Loans](#) (pdf)

Upcoming FSA Deadlines in Montana

- **Jan. 1:** Newly Elected County Committee Members Take Office
 - **Jan. 2:** 2016 Acreage Reporting Deadline (or 30 days after placement of colonies) Honey covered under NAP
 - **Jan 15:** 2016 Acreage Reporting Deadline for Established Stand Alfalfa Seed, Fall Alfalfa Seed, Cherries
 - **Feb. 1:** Deadline for the 2015 Livestock Forage Program (LFP) Notice of Loss, Application for Payment and Supporting Documentation
 - **Feb. 1:** Deadline for 2015 Livestock Indemnity Program (LIP) Application for Payment
 - **Feb. 1:** Deadline for Tree Assistance Program (TAP) Application for Payment and Supporting Documentation for Loss for 2015 (or 90 days after disaster event or loss was apparent)
 - **Feb. 1:** Final Availability Date for Loans and LDPs for Mohair, Unshorn Pelts (LDP only) & Wool
 - **Feb. 26:** Last Day of Conservation Reserve Program (CRP) General Signup
 - **March 15:** 2016 NAP Application Closing Date for Spring Crops
 - **March 31:** Final Availability Date for Loans and LDPs for Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Wheat and Sesame Seed
 - **May 31:** Final Availability Date for Loans and LDPs for Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Rice, Safflower Seed, Chickpeas, Soybeans and Sunflower Seed
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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).