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Nebraska FSA Newsletter

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State Executive Director:

Dan Steinkruger

A Message from the State Executive Director

At the mid-way mark of November, the end of harvest in Nebraska is upon us. We are ending a record production season. According to the Nebraska Office of the National Agricultural Statistics Service (NASS), Nebraska will finish 2016 with a record high corn crop of 1.75 billion bushels and a record high soybean crop of 319 million bushels. Average yield for corn is forecast at 184 bushels per acre, down just one bushel from last year, while soybeans is forecast at a record 62 bushels per acre.

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Fred Christensen
Leo Hoehn
Linda Kleinschmidt
Roy Stoltenberg

Division Chiefs:

Cathy Anderson
Doug Klein
Greg Reisdorff
Mike Sander
Mark Wilke

To find contact
information for your local
office go to
www.fsa.usda.gov/ne

While record production is exciting, it will, at least by most predictions I have seen, continue to dampen commodity prices for the immediate future. This fact has influenced some producers to consider visiting Nebraska Farm Service Agency (FSA) county offices to discuss Marketing Assistance Loans (MALs).

As noted in the article below, MALs provide producers with an option for interim financing to help meet cash flow needs, while allowing time for potential market improvement so the crop doesn't have to be sold at harvest-time lows. The interest rate on this type of loan is very reasonable. I encourage farmers who are interested in using this option as an income balancing tool for 2016 to get to their county FSA office as soon as possible.

For our livestock producers, I want to encourage those with small grazing operations (140 or fewer head of grazing beef cows, or equivalent on other grazing livestock) to take a look at a new Conservation Reserve Program (CRP) opportunity. Earlier this month we announced an application period for CRP Grasslands for this size of operations; producers can submit applications through Dec. 16, 2016, for up to 200 acres of grasslands per farm.

More details can be found in the article below. With the Conservation Reserve Program approaching its legislatively-mandated cap of 24 million acres of enrollment, this new initiative is a great opportunity for small grazing operations to make land improvements that have environmental benefits, while still allowing the land to be grazed.

In closing, I want to call attention to an educational opportunity currently being offered by the University of Nebraska-Lincoln. Called the 2016 Market Journal Roadshow, UNL has scheduled meetings in Kearney, Sidney, Norfolk and Lincoln, Nov. 28-Dec. 2, to discuss agriculture outlook and management decisions for 2017. Preregistration is requested; details can be found at: <http://marketjournal.unl.edu/roadshow>. These meetings provide a free opportunity for Nebraska producers to gain some additional perspective on the production, marketing and management climate for the coming year.

Until next time,
--Dan Steinkruger

USDA Opens CRP Grasslands Enrollment with Livestock Grazing Initiative; Deadline to Submit Applications is Dec. 16

USDA is offering a new Conservation Reserve Program (CRP) Grasslands practice specifically tailored for small-scale livestock grazing operations. Small livestock operations with 140 or fewer head of grazing beef cows (or other grazing livestock on an equivalency basis) can submit applications to enroll up to 200 acres of grasslands per farm. USDA's goal is to enroll up to 200,000 acres.

The most recent CRP Grasslands ranking period ended on Nov. 10, 2016. To date, FSA has received nearly 5,000 offers covering over 1 million acres for this CRP working-lands conservation program. These offers are predominantly larger acreage rangeland in Western states.

The new practice for small-scale livestock grazers aims, in part, to encourage greater diversity geographically and in types of livestock operations. This opportunity will close on Dec. 16, 2016. Offers selected this fiscal year will be enrolled into CRP Grasslands beginning Oct. 1, 2017.

Participants in CRP Grasslands establish or maintain long-term, resource-conserving grasses and other plant species to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands. CRP Grasslands participants can use the land for livestock production (e.g. grazing or producing hay), while following their conservation and grazing plans in order to maintain the cover. A goal of CRP Grasslands is to minimize conversion of grasslands either to row crops or to non-agricultural uses. Participants can receive annual payments of up to 75 percent of the grazing value of the land and up to 50 percent to fund cover or practices like cross-fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife.

USDA will select offers for enrollment based on six ranking factors: (1) current and future use, (2) new farmer/rancher or underserved producer involvement, (3) maximum grassland preservation, (4) vegetative cover, (5) environmental factors and (6) pollinator habitat. Offers for the second ranking period also will be considered from producers who submitted offers for the first ranking period but were not accepted, as well as from new offers submitted through Dec. 16.

Small livestock operations or other farming and ranching operations interested in participating in CRP Grasslands should contact their local FSA office. To find your local FSA office, visit <http://offices.usda.gov>. To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation.

FSA Reminds Producers of Grain Loan Requirements, Urges Timely Visit to Office for 2016 Assistance

Farmers who may be considering a Marketing Assistance Loan to assist with farm financing for 2016 should stop into their county Farm Service Agency (FSA) office as soon as possible to begin the process.

Nebraska FSA State Executive Director Dan Steinkruger said Marketing Assistance Loans (MALs) provide producers with 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.

MALs are available for feed grains, soybeans and other oilseeds, wheat, pulse crops, wool, honey and other commodities. The national loan rates for key commodities in Nebraska are \$.95/bushel for corn, \$5/bushel for soybeans and \$1.95/bushel for grain sorghum, although county loan rates vary. The November MAL interest rate is 1.625 percent.

To be eligible for a MAL, producers must have a beneficial interest in the commodity. They also must comply with conservation and wetland protection requirements, submit an acreage report to account for all cropland on the farm and meet adjusted gross income limitations. There are additional requirements and actions that need to be taken before a loan can be processed, Steinkruger said. He encouraged producers to call ahead to their county office for details about what information they should bring to an appointment.

Producers should schedule a loan appointment with their local county office prior to Dec. 15, 2016, to provide staff appropriate time to process the loan by Dec. 31, 2016.

Producers with questions about MALs or any other FSA programming, should contact their county FSA office. To find an office, visit <http://offices.usda.gov>. To learn more about MALs, visit www.fsa.usda.gov/pricesupport.

Enrollment Period Open for Safety-Net Coverage in 2017

Producers on farms with base acres under the safety-net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, could begin visiting FSA county offices starting Nov. 1, 2016, to sign contracts and enroll for the 2017 crop year. The enrollment period will continue until Aug. 1, 2017.

Since shares and ownership of a farm can change year-to-year, producers on the farm must enroll by signing a contract each program year.

If a farm is not enrolled during the 2017 enrollment period, the producers on that farm will not be eligible for financial assistance from the ARC or PLC programs for the 2017 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in 2015 must still enroll during the 2017 enrollment period.

The ARC and PLC 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, crabe, 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. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc. To find your local FSA office, visit <http://offices.usda.gov>.

Farmers and Ranchers Urged to Vote in County Committee Elections; Dec. 5 is Deadline to Return Ballots

USDA is encouraging farmers and ranchers to make their voices heard by voting in the Farm Service Agency (FSA) County Committee elections. Beginning Monday, Nov. 7, 2016, USDA began mailing ballots to eligible farmers and ranchers across the country. Producers must return these ballots to their local FSA offices by Dec. 5, 2016, to ensure that their vote is counted.

Nearly 7,700 FSA County Committee members serve FSA offices nationwide. Each committee has three to 11 elected members who serve three-year terms of office. One-third of county committee seats are up for election each year. County committee members apply their knowledge and judgment to help FSA make important decisions on its commodity support programs, conservation programs, indemnity and disaster programs, and emergency programs and eligibility.

Producers must participate or cooperate in an FSA program to be eligible to vote in the county committee election. Farmers and ranchers who supervise and conduct the farming operations of an entire farm, but are not of legal voting age, also may be eligible to vote.

Ballots include the names of candidates running for the local committee election. FSA has modified the ballot, making it easily identifiable and less likely to be overlooked. Ballots returned by mail must be postmarked no later than Dec. 5, 2016. Newly elected committee members will take office Jan. 1, 2017.

For more information, visit the FSA website at www.fsa.usda.gov/elections or contact your county FSA office.

USDA Announces Streamlined Guaranteed Loans, Additional Lender Category for Small-Scale Operators

Options Help More Beginning, Small and Urban Producers Gain Access to Credit

USDA announced the availability of a streamlined version of FSA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA also recently unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit www.regulations.gov, reference RIN 0560-AI34 and follow the instructions to submit comments.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to \$5,000 to young farmers and ranchers through the Youth Loan Program. Loans are made to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office. To find your nearest office location, visit <http://offices.usda.gov>.

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at <http://www.rd.usda.gov/publications/regulations-guidelines>. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debt agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit <http://offices.usda.gov>

USDA Invests \$1.7 Billion to Protect Sensitive Agricultural Lands Through Conservation Reserve Program

More than Half a Million Americans Involved with Protecting 24 Million Acres

USDA in October issued nearly \$1.7 billion in payments to more than half of a million Americans who have contracts with the government to protect sensitive agricultural lands. The investment, part of the voluntary USDA Conservation Reserve Program (CRP), will allow producers to protect almost 24 million acres of wetlands, grasslands and wildlife habitat in 2016.

CRP provides financial assistance to farmers and ranchers who remove environmentally sensitive land from production to be planted with certain grasses, shrubs and trees that improve water quality, prevent soil erosion, and increase wildlife habitat. In return for enrolling in CRP, USDA, through the Farm Service Agency (FSA), provides participants with rental payments and cost-share assistance. Landowners enter into contracts that last between 10 and 15 years.

More than 1.3 million acres were newly enrolled in CRP nationally in fiscal year 2016 using the continuous enrollment authority, double the pace of the previous year. In fiscal year 2016, FSA also

accepted 411,000 acres through its general enrollment authority, plus 101,000 acres in the new CRP-Grasslands program, which balances conservation with working lands. More than 70 percent of the acres enrolled in CRP-Grasslands are diverse native grasslands under threat of conversion, with more than 97 percent of the acres having a new, veteran or underserved farmer or rancher as a primary producer.

CRP has sequestered an annual average of 49 million tons of greenhouse gases, equal to taking nine million cars off the road, and prevented nine billion tons of soil from erosion, enough to fill 600 million dump trucks.

For more information about CRP, contact your local FSA office or online at www.fsa.usda.gov/crp.

USDA Climate Hub Building Block: Nitrogen Stewardship

USDA Climate Hubs are working with farmers, livestock producers, pasture and forest landowners to effectively partner in ways to help mitigate and adapt to a changing climate. Next in our series on the 10 Building Blocks for Climate Smart Agriculture and Forestry is Nitrogen Stewardship.

Within the United States, agriculture is a significant source of nitrous oxide (N₂O) emissions—a greenhouse gas (GHG) that has a global warming potential 250 times more than carbon dioxide (CO₂). In 2013, cropland agriculture released approximately 136 MMTCO₂e (Million Metric Tons of Carbon Dioxide-Equivalent) in direct N₂O emissions. More than half of these N₂O emissions are from synthetic fertilizers and organic amendments. Improved nitrogen management practices can reduce emissions from these sources.

The primary practice used in the Nitrogen Stewardship Building Block to reduce GHG emissions involves the 4Rs: right source, right rate, right time, and right place. The 4Rs come from the NRCS Conservation Practice Standard (CPS) Nutrient Management (590). To read more about Nitrogen Stewardship, click the following link or copy and paste the link into your web browser:
http://www.usda.gov/oce/climate_change/building_blocks/2_NitrogenStewardship.pdf

For more information about the USDA Climate Hubs, click here:
<http://www.climatehubs.oce.usda.gov/>.

November FSA Interest Rates

Farm Operating: 2.125%
Microloan Operating: 2.125%
Farm Ownership: 3.25%
Farm Ownership - Joint Financing: 2.50%
Farm Ownership - Down Payment: 1.50%
Emergency - Actual Loss: 3.125%
Farm Storage Facility Loan 3 year term: 1.00%
Farm Storage Facility Loan 5 year term: 1.25%
Farm Storage Facility Loan 7 year term: 1.50%
Farm Storage Facility Loan 10 year term: 1.75%
Farm Storage Facility Loan 12 year term: 1.75%
Commodity Loan: 1.625%

Dates to Remember

Dec. 1, 2016 – NAP (2017) sales closing date for honey, apples, cherries, plums, strawberries, asparagus and grapes

Dec. 5, 2016 – Deadline to return ballots for County Committee Election to USDA Service Center

Dec. 16, 2016 – Deadline to register and elect buy-up coverage for 2017 Dairy Margin Protection Program

Jan. 2, 2017 – 2017 initial reports for honeybee colonies and locations

Jan. 15, 2017 – 2016 NAP premium billing mailed

Jan. 31, 2017 – 2016 Marketing Assistance Loan availability deadline for unshorn pelts and wool

March 15, 2017 – 2017 NAP sales closing date for alfalfa, mixed forage, spring-seeded annual crops, grass, sorghum forage. For additional crops with a March 15, 2017, sales closing date, contact your local FSA office.

March 31, 2017 – Deadline to file supporting documents for 2016 Livestock Indemnity Program applications

March 31, 2017 – 2016 Marketing Assistance Loan availability deadline for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed.

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).