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Nebraska FSA Newsletter

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A Message from the Acting State Executive Director

It's the start of 2017, and like the rest of the nation, the Nebraska Farm Service Agency (FSA) is beginning the new year with a feeling of change in the air. A big part of that is because we closed out 2016 by saying farewell to FSA State Executive Director (SED) Dan Steinkruger, who retired after serving Nebraska agriculture honorably his entire career as an FSA employee.

As Acting SED, I can assure you - our state's farmers, ranchers and landowners - that Nebraska FSA will move forward aggressively with the start of the calendar year to deliver the programs and services you'll need as the production season approaches. To that point, you'll find an article below that encourages you to visit your local county FSA office now to enroll in

Division Chiefs:

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Mark Wilke

the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for coverage in 2017. While the enrollment deadline is later this year, taking care of that business now means less time in our office later when the weather is nicer, and you'd prefer to be outside.

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

I'd also like to encourage landowners to take a look at some of the current opportunities FSA has through the Conservation Reserve Program (CRP). Nebraska recently was awarded an additional allocation of 48,000 acres for three CRP special State Acres for Wildlife Enhancement (SAFE) projects. We currently are taking CRP enrollment offers for the statewide Upland Bird SAFE, as well as the Tallgrass Prairie SAFE, which is in select counties. See more information below. The third project, called the Migratory Birds, Butterflies and Pollinators SAFE, will begin enrollment soon and is focused in areas of the state with playa wetlands.

Our Farm Loan Program staff has been extremely busy working with producers regarding their options for direct or guaranteed operating loans. It's a challenging time on the farm right now, and our employees are working hard to help farmers and ranchers understand FSA's role in assisting them during this down cycle. In partnership with the local agricultural lending community, we do our best to find reasonable solutions whenever possible for our farmers and ranchers.

I'll close this column with a positive thought by reminding you that each day, through the middle of June, we are gaining more and more daylight. Just a little something to brighten your January day. Take care.

Until next time,
Mike Sander

County Offices Now Accepting CRP State Acres for Wildlife Enhancement (SAFE) Contract Offers

County FSA offices across the state of Nebraska currently are accepting Conservation Reserve Program (CRP) contract offers for State Acres for Wildlife Enhancement (SAFE) projects. In late December, then-FSA State Executive Director Dan Steinkruger announced that up to 14,000 acres are available to enroll in the Tallgrass Prairie SAFE, a CRP practice designed to enhance habitat for greater prairie chicken, and up to 24,000 acres are now available to enroll in the statewide Upland Bird SAFE, a CRP initiative designed to develop habitat for pheasants and quail.

The Upland Bird SAFE is available statewide for contract offers. Landowners can enroll tracts with a minimum of 5 acres, up to a maximum 160-acre tract.

The Tallgrass Prairie SAFE is available in select counties, including Antelope, Boone, Boyd, Cedar, Dixon, Fillmore, Gage, Garfield, Greeley, Holt, Howard, Jefferson, Johnson, Knox, Lancaster, Loup, Madison, Nance, Nemaha, Nuckolls, Otoe, Pawnee, Pierce, Richardson, Rock, Saline, Sherman, Stanton, Thayer, Valley, Wayne, Webster and Wheeler. Landowners can enroll tracts of 40-160 acres.

Landowners interested in learning more about either of these CRP SAFE initiatives or offering a contract for enrollment, should visit their county FSA office. To find a local FSA office, visit: www.fsa.usda.gov/ne and click on "county offices" in the lefthand toolbar.

USDA Makes It Easier to Transfer Land to the Next Generation of Farmers, Ranchers

Allows for Transfer of Certain Conservation Reserve Program Land to New Farmers; Provides Priority Enrollment in Working Lands Conservation Programs

The U.S. Department of Agriculture (USDA) is offering an early termination opportunity for certain Conservation Reserve Program (CRP) contracts, making it easier to transfer property to the next generation of farmers and ranchers, including family members. The land that is eligible for the early termination is among the least environmentally sensitive land enrolled in CRP.

This change to the CRP program is just one of many that USDA has implemented based on recommendations from the Land Tenure Advisory Subcommittee formed by Agriculture Secretary Tom Vilsack in 2015.

Normally if a landowner terminates a CRP contract early, they are required to repay all previous payments plus interest. The new policy waives this repayment if the land is transferred to a beginning farmer or rancher through a sale or lease with an option to buy. With CRP enrollment close to the Congressionally-mandated cap of 24 million acres, the early termination will also allow USDA to enroll other land with higher conservation value elsewhere.

Acres terminated early from CRP under these land tenure provisions will be eligible for priority enrollment consideration into the CRP Grasslands, if eligible, or the Conservation Stewardship Program or Environmental Quality Incentives Program, as determined by the Natural Resources Conservation Service.

According to the Tenure, Ownership and Transition of Agricultural Land survey, conducted by USDA in 2014, U.S. farmland owners expect to transfer 93 million acres to new ownership during 2015-2019. This represents 10 percent of all farmland across the nation. Details on the early termination opportunity that became available on Jan. 9, 2017, can be found by visiting a local USDA service center. For more information about CRP and to find out if your acreage is eligible for early contract termination, contact your local Farm Service Agency (FSA) office or go online at www.fsa.usda.gov/crp. To locate your local FSA office, visit <http://offices.usda.gov>.

USDA Expands Grasslands Conservation Program to Small-Scale Livestock Producers

Nebraska Approved for Roughly One-Third of the Acres Awarded Nationally

USDA will accept over 300,000 acres in 43 states that were offered by producers during the recent ranking period for the Conservation Reserve Program (CRP) Grasslands enrollment with emphasis placed on small-scale livestock operations. Through the voluntary CRP Grasslands program, grasslands threatened by development or conversion to row crops are maintained as livestock grazing areas, while providing important conservation benefits. Approximately 200,000 of the accepted acres were offered by small-scale livestock operations.

Of the roughly 300,000 acres accepted nationwide, Nebraska was approved for 96,000, the most of any state.

The most recent ranking period closed on Dec. 16, 2016, and included for the first time a CRP Grasslands practice specifically tailored for small-scale livestock grazing operations to encourage broader participation. Under this ranking period and for future periods, small-scale livestock operations with 100 or fewer head of grazing cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. Larger operations may still make offers through the normal process. USDA met its goal of 200,000 acres under this small-scale initiative. The new practice for small-scale livestock grazing operations encourages greater diversity geographically and in all types of livestock operations. Visit <http://go.usa.gov/x9PFS> to view the complete list of acres accepted by state.

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 of the cost of cover practices like cross-fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife.

USDA selects 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 not selected in a ranking period are rolled over into the next ranking period.

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.

Visit County Offices Now to Enroll in Safety Net Coverage for 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, can visit FSA county offices now 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 producers, shares, or leasing arrangements change for

the 2017 crop year after the farm is initially enrolled (on or before Aug. 1, 2017), a revised contract must be filed and all necessary signatures obtained no later than Sept. 30, 2017.

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, 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. 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>.

Direct Loans Available

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for both direct farm ownership and operating loans is \$300,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

FSA Works with Lenders to Offer Guaranteed Loans

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 can guarantee farm ownership and operating loans up to \$1,399,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

FSA Expands Bridges to Opportunity Program Nationwide

FSA recently announced the expansion of a unique service for farmers and ranchers. FSA's Bridges to Opportunity program provides a one-stop-shop that connects producers with resources, programs and educational services offered across the department, as well as from other USDA partner organizations. Bridges to Opportunity, which currently provides enhanced customer support to more than 150,000 customers in 20 states, will expand to serve customers across the country before the end of the month using fiscal year 2016 funds.

FSA's presence in over 2,100 county offices puts the agency in a unique position to partner with non-governmental organizations to reach thousands of agricultural producers who can benefit from the programs and services. Bridges to Opportunity allows FSA employees to search and obtain a list of all local, state, regional and national organizations that may be able assist local producers with their specific need. For example, FSA's Houston County office in Texas partnered with many agricultural organizations to serve producers affected by severe drought. When drought-stricken agricultural producers came to the county office looking for assistance, FSA employees were able to provide traditional services, such as the Livestock Forage Program and the Emergency loan program administered by FSA, as well as connect local farmers with local, regional and national organizations that provide drought assistance and education.

Bridges to Opportunity was developed by FSA to provide producers with a more comprehensive customer service experience by connecting them with other USDA agencies and nonfederal partners. Through Bridges to Opportunity, FSA county office employees have the tools to connect farmers, ranchers and anyone interested in agriculture with customized expertise on topics such as organic production, beginning farmer resources, integrated pest management, disaster assistance, conservation practices, agricultural educational courses, loans, grants and other financial assistance that can start, grow or benefit farming and ranching operations.

For more information about Bridges to Opportunity, please contact your local FSA county office. To locate your FSA county office, please see <https://offices.usda.gov>.

USDA Climate Hub 'Energy Generation and Efficiency' Building Block

Through the Agricultural Act of 2014, USDA has several authorities that encourage the adoption of renewable energy and energy efficiency technologies. The Energy Generation and Efficiency Building Block supports energy efficiency improvements in rural homes and on farm operations, for example, through EQIP's National On-Farm Energy Initiative. This Building Block also provides

opportunities to reduce Greenhouse Gas (GHG) emissions from energy generation and use, for example, through the Rural Energy for America Program.

To learn more about energy generation and efficiency opportunities from USDA, click the following link: http://www.usda.gov/oce/climate_change/building_blocks/10_EnergyGenerationEfficiency.pdf . For more information about the USDA Climate Hubs, click here: <http://www.climatehubs.oce.usda.gov/>.

January FSA Interest Rates

Farm Operating: 2.375%
Microloan Operating: 2.375%
Farm Ownership: 3.625%
Farm Ownership - Joint Financing: 2.50%
Farm Ownership - Down Payment: 1.50%
Emergency - Actual Loss: 3.375%
Farm Storage Facility Loan 3 year term: 1.50%
Farm Storage Facility Loan 5 year term: 1.875%
Farm Storage Facility Loan 7 year term: 2.25%
Farm Storage Facility Loan 10 year term: 2.375%
Farm Storage Facility Loan 12 year term: 2.50%
Commodity Loan: 1.875%

Dates to Remember

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).