

March 2017



Farm Service Agency

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## NEWSLETTER



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## Nebraska FSA Newsletter

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### Nebraska Farm Service Agency

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### A Message from the Acting State Executive Director

It's that time of year. Spring and winter are playing a back and forth game of tennis, basketball fans are getting their fill, and our farmers are starting to get the itch to get in the fields.

It's also a time to note the important contributions of our farmers and ranchers. National Ag Week is March 19-25, with National Ag Day on March 21. This year's theme is "Agriculture: Food for Life," and I just want to take a moment here to let our state's producers know that Nebraska FSA appreciates what you do, every day, to bring us the food, fuel and fiber we all need on a daily basis.

Doug Klein  
Greg Reisdorff  
Mark Wilke

To find contact information  
for your local office go to  
[www.fsa.usda.gov/ne](http://www.fsa.usda.gov/ne)

Beyond the obvious need we have for you, three times a day at mealtime, you also are a critical part of our state's economy. Your success is good for us all, and that is why Nebraska Farm Service Agency (FSA) is proud to deliver federal programming intended to help you do just that.

In order to be a good partner in your operation, we need to hear from you. And in most cases, the earlier the better. For example, for our farm loan borrowers, please let us know as soon as possible if there are proposed or significant changes to a farming operation or to family income or expenses, or generally if any problem situation arises. You can learn more about this in the "Communication is Key in Lending" article below.

We also need to hear from you as important deadlines approach. Two that are coming up on March 31 include the deadline to file supporting documents for 2016 Livestock Indemnity Program applications, as well as the deadline for securing a 2016 Marketing Assistance Loan for crops such as wheat, oats, canola, barley and others.

Lastly, we want to hear from you whenever you have questions, particularly as new programs are introduced. For example, the Nebraska FSA recently took over implementation of the National Organic Certification Cost Share Program from the Nebraska Department of Agriculture. Through this program, we can help organic producers and handlers pay for a portion of their application fees, inspection costs and other items associated with receiving USDA-accredited certification of their operations. To learn more, check out the article below and then stop in to your county FSA office for assistance with the program.

That's all I have for this month. Thank you, again, to all our farmers and ranchers. Happy National Ag Week.

-- Mike Sander

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## Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions.

While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is

crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following: proposed or significant changes in the farming operation; significant changes to family income or expenses; the development of problem situations; and any losses or proposed significant changes in security.

In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## **Organic Producers, Handlers May Apply for Certification Cost Share Reimbursements**

Starting March 20, 2017, organic producers and handlers will be able to visit over 2,100 USDA Farm Service Agency (FSA) offices, including those in Nebraska, to apply for federal reimbursement to assist with the cost of receiving and maintaining organic or transitional certification.

USDA reimburses organic producers up to 75 percent of the cost of organic certification, through a program called the National Organic Certification Cost Share Program (NOCCSP), but only about half of the nation's organic operations currently participate in it. Historically, many state departments of agriculture have administered the program by obtaining grants to disburse the reimbursements to those producers and handlers qualifying for cost share assistance. Nebraska FSA has assumed this function from the Nebraska Department of Agriculture, and organic producers and handlers in the state now will be able to apply for organic cost share assistance either by mail or in person at local FSA offices across the state. While at FSA offices, producers also will be able to learn about access other USDA programs, such as disaster protection and loans for farms, facilities and marketing. Producers can also access information on nonfederal agricultural resources, and get referrals to local experts, including organic agriculture, through USDA's Bridges to Opportunity service at the local FSA office.

Eligible producers include any certified producers or handlers who have paid organic or transitional certification fees to a [USDA-accredited certifying](#) agent. Application fees, inspection costs, fees related to equivalency agreement/ arrangement requirements, travel/per diem for inspectors, user fees, sales assessments and postage are all eligible for a cost share reimbursement from USDA.

Once certified, producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year up to a maximum of \$750 per certification scope—crops, livestock, wild crops and handling. This announcement also adds transitional certification and state organic program fees as additional scopes.

To learn more about organic certification cost share, please visit [www.fsa.usda.gov/organic](http://www.fsa.usda.gov/organic) or contact a local FSA office by visiting <http://offices.usda.gov>.

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## **Deadline Nears for Marketing Assistance Loans for Some 2016 Crops**

The Agricultural Act of 2014 authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs), with a few minor policy changes.

Among the changes, farm-stored MAL collateral transferred to warehouse storage will retain the original loan rate, be allowed to transfer only the outstanding farm-stored quantity with no additional quantity allowed and will no longer require producers to have a paid for measurement service when moving or commingling loan collateral.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, rice, peanuts, cotton, wool and honey. MALs provide producers 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. 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.

FSA currently is accepting requests for 2016 MALs with March 31 as the final loan availability date for wheat and other crops such as barley, canola, crambe, flaxseed, honey, oats, rapeseed and sesame seed. May 31 is the final loan availability date for corn and soybeans and other crops such as dry peas, grain sorghum, sunflower seed, chickpeas and others.

Before MAL repayments with a market loan gain or LDP disbursements can be made, producers must meet the requirements of actively engaged in farming, cash rent tenant and member contribution.

Commodity certificates are available to loan holders who have outstanding nonrecourse loans for wheat, upland cotton, rice, feed grains, pulse crops (dry peas, lentils, large and small chickpeas), peanuts, wool, soybeans and designated minor oilseeds. These certificates can be purchased at the posted county price (or adjusted world price or national posted price) for the quantity of commodity under loan, and must be immediately exchanged for the collateral, satisfying the loan. MALs redeemed with commodity certificates are not subject to the actively engaged in farming, cash-rent tenant, Adjusted Gross Income provisions or the payment limitation.

To be considered eligible for an LDP, producers must have form [CCC-633EZ](#), Page 1 on file at their local FSA Office before losing beneficial interest in the crop. Pages 2, 3 or 4 of the form must be submitted when payment is requested.

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: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements or redemptions using commodity certificate exchange.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Payment Limitations by Program

The 2014 Farm Bill established a maximum dollar amount for each program that can be received annually, directly or indirectly, by each person or legal entity. Payment limitations vary by program for 2014 through 2018.

Below is an overview of payment limitations by program.

### **Commodity and Price Support Programs**

The annual limitation for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs, Loan Deficiency Payments (LDPs) and Market Loan Gains is \$125,000 each.

### **Conservation Programs**

The Conservation Reserve Program (CRP) annual rental payment and incentive payment is limited to \$50,000. CRP contracts approved before Oct. 1, 2008, may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

The Emergency Conservation Program (ECP) has an annual limit of \$200,000 per disaster event. The Emergency Forest Restoration Program (EFRP) has an annual limit of \$500,000 per disaster event.

### **Disaster Assistance Programs**

The annual limitation of \$125,000 applies to the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP), Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Noninsured Crop Disaster Assistance Program (NAP) and Tree Assistance Program (TAP). The total payments received under ELAP, LFP and LIP may not exceed \$125,000. A separate limitation applies to TAP payments.

Payment limitations also apply to Natural Resources Conservation Service (NRCS) programs. Contact your local NRCS office more information.

For more information on FSA payment limitations by program, visit [https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/payment\\_eligibility\\_payment\\_limitations.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/payment_eligibility_payment_limitations.pdf).

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## **FSAfarm+, FSA's Customer Self-Service Portal**

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) has launched a new tool to provide farmers and ranchers with remote access to their personal farm information using their home computers. Farmers and ranchers can now view, print or export their personal farm data all without visiting an FSA county office.

The program, known as **FSAfarm+**, provides you with secure access to view your personal FSA data, such as base and yields, Conservation Reserve Program data, other conservation program acreage, Highly Erodible Land Conservation and Wetland Conservation status information, field boundaries, farm imagery, name and address details, contact information and membership interest and shares in the operation. This data will be available in real time, at no cost to the producer and allow operators and owners to export and print farm records, including maps. Producers also can electronically share their data with a crop insurance agent from their own personal computer.

Farm operators and owners first will need "Level 2 eAuthentication" to access the webportal. This level of security ensures that personal information is protected for each user. Level 2 access can be obtained by going to [www.eauth.usda.gov](http://www.eauth.usda.gov), completing the required information and then visiting your local FSA office to finalize access.

For more information on **FSAfarm+**, the customer self-service portal, contact your local FSA office. To find your local FSA county office, click <http://offices.usda.gov>.

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## **USDA Microloans Help Farmers Purchase Farmland, Improve Property**

*Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land*

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

The microloan program has been hugely successful, providing more than 16,800 low-interest loans, totaling over \$373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land and building purchases, and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers, and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program visit [www.fsa.usda.gov/microloans](http://www.fsa.usda.gov/microloans), or contact your local FSA office.

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## **USDA Announces New Conservation Opportunity to Improve Water Quality**

USDA will offer farmers and ranchers more opportunities to participate in the Conservation Reserve Program (CRP). The announcement includes new CRP practices to protect water quality.

The new conservation initiative known as Clean Lakes, Estuaries and Rivers (CLEAR) will add new tools to CRP that can help to improve water quality. CLEAR will assist landowners with the cost of building bioreactors and saturated buffers that filter nitrates and other nutrients from tile-drained cropland. Early estimates indicate that CLEAR could help to reduce nitrate runoff by as much as 40 percent over traditional conservation methods. CLEAR may cover up to 90 percent of the cost to install these new practices through incentives and cost-share. These new methods are especially important in areas where traditional buffers have not been enough to prevent nutrients from reaching bodies of water.

The continued strong demand for CRP combined with the limited acreage available for enrollment and lower land rental rates, allows USDA to modify certain program components without affecting the integrity of the program. Signing incentives are being reduced by \$25 per acre on certain practices for fiscal year 2018 enrollments (incentives are currently between \$100 and \$150 per acre) and a cap on the maximum soil rental rate is being instituted for Continuous CRP at \$300 per acre. The savings from these changes are being reinvested back in CRP, including the additional acres for SAFE, pollinator habitat and wetlands restoration.

To learn more about FSA's conservation programs, visit [www.fsa.usda.gov/conservation](http://www.fsa.usda.gov/conservation) or contact your local FSA office.

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## USDA Makes it Easier to Transfer Land to the Next Generation of Farmers and Ranchers

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

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.

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 will be available starting on Jan. 9, 2017, at local USDA service centers. 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](http://www.fsa.usda.gov/crp).

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## Dates to Remember

**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

**June 1, 2017** – Final date to file an AD-1026 for 2018 crop insurance eligibility

**July 17, 2017** – Acreage reporting deadline for all spring-seeded crops, including Conservation Reserve Program (CRP) acreage, and all other crops for the 2017 crop year.

**August 1, 2017** – Enrollment period for ARC/PLC ends

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## March FSA Interest Rates

Farm Operating: 3.00%

Microloan Operating: 3.00%

Farm Ownership: 4%

Farm Ownership - Joint Financing: 2.50%

Farm Ownership - Down Payment: 1.50%  
Emergency - Actual Loss: 4.00%  
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: 2.50%  
Farm Storage Facility Loan 12 year term: 2.50%  
Commodity Loan: 1.875%

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