

February 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Nebraska State FSA Newsletter

Nebraska State Farm Service Agency

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A Message from the State Executive Director

Some people dread February. It's still cold, it's often snowy, and hibernating inside gets kind of old after several months of it. I, however, like the month because it often brings optimism, delivering a few days of relatively mild weather that can get us excited about Spring being around the corner.

I suspect that very soon it's going to be so nice outside you won't feel you have the time to come visit us at our FSA county offices. That's why now is as good a time as any to stop by. It's especially a good time to visit if you are considering the need to access USDA farm loan program credit for farm operating expenses. As the article below notes, it's better to visit us sooner rather than later. We want to ensure adequate time to go over your plan for the production

Mark Jagels

season to help you access the best loan options available for a successful year.

Program Chiefs:

Bob Herchenbach, acting
Cathy Anderson
Doug Klein
Greg Reisdorff
Mark Wilke

If you raise alfalfa, annual fruits and vegetables, perennial grass, as well as some other crops, now is the time to learn about FSA programming that helps protect you from losses. The Noninsured Crop Disaster Assistance program (NAP) provides coverage for crops not insurable through the federal crop insurance program. The sales deadline for coverage of some crops is March 15, so if you are considering this program, visit your local office as soon as possible to go over your options.

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

As mentioned in the article below, we currently are accepting Conservation Reserve Program (CRP) contract offers in some Nebraska counties through the Migratory Birds, Butterflies and Pollinators State Acres for Wildlife (SAFE) initiative. Acres to be enrolled must be located in designated playa areas. See the article below for more information.

That's all I have for this month.

Until next time,

--Nancy Johner

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well.

Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation and update their CCC-902 Farm Operating Plan. If you have any updates or corrections, please call your local FSA office.

Submit Operating Loan Requests Early

The Farm Loan staff members at your local county office already are working on operating loans for spring 2018, so it is important that potential borrowers submit their requests early so they can be timely processed. Staff can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

Microloans are a simplified loan program that will provide up to \$50,000 to eligible applicants. These loans, targeted for smaller operations and non-traditional operations, can be used for operating expenses, starting a new agricultural enterprise, purchasing equipment, and other needs associated with a farming operation. The Farm Loan staff at your local FSA county office can

provide more details on farm operating and microloans and provide loan applications. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

Marketing Assistance Loans allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

Farm Storage Facility Loans can be used to build permanent structures used to store eligible commodities, or for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

Please call your local FSA county office if you have questions about any of the loans available through FSA.

Report 2018 Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to floods, blizzards, wildfires, extreme heat or extreme cold.

For 2018, eligible losses must occur on or after Jan. 1, 2018, and no later than 60 calendar days from the ending date of the applicable adverse weather event or attack. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 90 calendar days after the end of the calendar year in which the eligible loss condition occurred: proof of death documentation; copy of growers contracts; and proof of normal mortality documentation.

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 5%. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2018 must file both of the following: a notice of loss the earlier of 30 calendar days of when the loss was apparent and an application for payment by March 31, 2019.

Additional information about LIP is available at your local FSA office or online at www.fsa.usda.gov.

Several County FSA Offices Accepting CRP Offers for Migratory Bird, Butterfly and Pollinator Initiative

Several county Farm Service Agency (FSA) offices in Nebraska currently are accepting Conservation Reserve Program (CRP) contract offers under the Kansas-Nebraska CRP Migratory Bird, Butterfly, and Pollinator State Acres For Wildlife Enhancement (SAFE) project. Sign-up began last year and will be ongoing until the acres are filled. In Nebraska there are 10,000 acres available for enrollment.

The Migratory Bird SAFE project is designed to improve habitat by restoring playas for migrating and wintering waterfowl, shorebirds and water birds. Playas are round, shallow depressions that often fill with water after spring rainstorms or fill from underlying aquifers.

The minimum enrollment per offer is two acres, and the maximum enrollment per offer is 160 acres. The process for enrollment will be by competitive bid, and the offers will be reviewed periodically, ranked, and contracts offered.

Contracts will only be made available for acres that are located within designated playa areas. Contact your local FSA office to determine if your land is in a designated playa area and to learn more about the project. To find a county office in your area, visit: <http://offices.usda.gov>.

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:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- 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.

USDA Encourages Producers to Consider NAP Risk Protection Coverage before March 15 Sales Deadline

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, such as perennial grass, forage and grazing crops, fruits, vegetables, floriculture, ornamental nursery, aquaculture, turf grass, honey, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/actuarialinformationbrowser2017/CropCriteria.aspx>.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Center, go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

Management Required on CRP Acres

All Conservation Reserve Program (CRP) participants with contracts from 2004 and beyond must complete at least one management activity during the life of the contract. Contracts that have been re-enrolled will require two management activities, one at the beginning and one mid-contract.

Management activities must be completed before the end of year six for 10-year contracts. Required management activities must not occur during the last three years of the CRP contract. An approved Conservation Plan of Operation will provide information on when the CRP management activity is scheduled during the life of the CRP contract.

Management activities must be completed outside the primary nesting season. For Nebraska the primary nesting season is May 1 through July 15. Management activities create plant diversity for wildlife as well as enhance permanent cover. Producers can choose from the following appropriate management practices:

- Prescribed burn and inter-seeding;
- Tillage and inter-seeding;
- Spraying with inter-seeding;
- Haying with inter-seeding; or
- Prescribed grazing with inter-seeding.

Inter-seeding is optional if the existing CRP cover meets plant diversity requirements. If using the broadcast seeding method, the seeding rate should be doubled.

If prescribed burning is chosen, a "burn packet" consisting of a burn plan and burn permit should be obtained from your local FSA office prior to burning. The FSA staff also will provide instructions for grass seeding for the areas being inter-seeded.

Based on the choice of practice, your local FSA office will furnish the necessary forms to report completion, cost associated with the activity and request for cost-share assistance. CRP participants must complete and sign the FSA-848B and provide necessary paperwork such as bills and seed receipts to receive cost-share assistance for the management activity.

Please contact your local county FSA office to discuss management practices.

Dates to Remember

Feb. 19, 2018 – FSA offices closed for federal holiday

March 15, 2018 – 2018 NAP sales closing date for alfalfa, mixed forage, spring-seeded annual crops, grass, sorghum forage, most annual fruits and vegetables, oats, and peas. For additional crops with a March 15, 2018, sales closing date, contact your local FSA office.

April 2, 2018 – Deadline to file supporting documents for 2017 Livestock Indemnity Program applications

April 2, 2018 – 2017 Marketing Assistance Loan availability deadline for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed

May 31, 2018 – 2017 Marketing Assistance Loan availability deadline for corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans and sunflower seed

February FSA Interest Rates

Farm Operating: 3.125%

Microloan Operating: 3.125%

Farm Ownership: 3.750%

Farm Ownership - Joint Financing: 2.50%

Farm Ownership - Down Payment: 1.50%

Emergency - Actual Loss: 3.75%

Farm Storage Facility Loan 3 year term: 2.125%

Farm Storage Facility Loan 5 year term: 2.250%

Farm Storage Facility Loan 7 year term: 2.375%

Farm Storage Facility Loan 10 year term: 2.5%

Farm Storage Facility Loan 12 year term: 2.5%

Commodity Loan: 2.750%

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).