

August 2018



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Nebraska FSA Newsletter

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### Nebraska Farm Service Agency

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**State Executive Director:**  
Nancy Johner

**Program Chiefs:**  
Cathy Anderson  
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### A Message from the State Executive Director

We are at the halfway point through August, and our county offices across the state are wrapping up some loose ends after heavy traffic due to acreage certification and enrollment in the Agriculture Risk Coverage/Price Loss Coverage (ARC/PLC) farm program safety net for 2018.

Now might seem like a good time to catch our collective breath, but this really isn't the case. We still have much work to do on your behalf. In fact, if you made any changes to your operation since you enrolled into ARC/PLC for 2018, you have until the end of September to come into your local office to update your contract. This would include changes in shares or producers, for example. Also, if you previously enrolled your farm, but a reconstitution has

Mark Wilke  
Tim Divis

been completed, a new contract must be filed for the new FSA farm number.

**State Committee:**

Scott Spilker, Chair  
Cindi Allen  
Geoff Ruth  
Mark Jagels

As you'll note below, with harvest around the corner, and crop prices as they are, folks may start thinking about Marketing Assistance Loans (MALs). If you are considering this route, there are several factors to keep in mind. Read more below so that you are prepared to utilize this program.

To find contact information for your local office or more information on FSA programming, go to [www.fsa.usda.gov/ne](http://www.fsa.usda.gov/ne)

While it appears Nebraska may be on track for record yields in some crops, I know there are folks who have unfortunately been hit by severe weather. Please remember to report weather-related losses to your county office. We aggregate that information into reports that, if the losses are significant enough, can be used to support potential secretarial disaster designation requests.

Our loan staff still is busy completing summer farm visits. It's an important part of the overall loan process, and as a state with one of the largest loan portfolios, it keeps us hopping. Please try to have patience and flexibility with our staff as they work to get around to see those who are scheduled for a farm visit this year.

That's all I've got for this month. Talk to you in the Fall.

--Nancy Johner

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## Report Noninsured Crop Disaster Assistance Program (NAP) Losses

The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to producers of non-insurable crops when low yields, loss of inventory, or prevented planting occur due to natural disasters including freeze, hail, excessive moisture, excessive wind, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

Eligible producers must have purchased NAP coverage for 2018 crops. A notice of loss must be filed the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

Producers of hand-harvested crops and certain perishable crops must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy and industrial crops.

For more information on NAP, contact your local FSA office or visit [www.fsa.usda.gov/nap](http://www.fsa.usda.gov/nap).

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## Marketing Assistance Loans, Loan Deficiency Payments

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. Marketing loan provisions and LDPs are not available for sugar and extra-long staple cotton.

FSA is now accepting requests for 2018 MALs and LDPs for all eligible commodities after harvest. Requests for loans and LDPs shall be made on or before the final availability date for the respective commodities.

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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## Beginning Farmer Loans Available from FSA

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm.

Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Maintaining Good Credit History Important to Access FSA Loan Programming

Farm Service Agency (FSA) farm loan programs require that applicants have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, if bills are paid timely and to determine the impact on cash flow.

Information found on a customer's credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score.

- Make sure to pay bills on time. Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt.
- Keep your credit card balances low.
- Avoid suddenly opening or closing existing credit accounts.

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report. For more information on FSA farm loan programs, visit [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## 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*

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. 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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## Authorization Required for Incidental Grazing of CRP Acres

In certain situations, landowners and operators may need to graze a field containing Conservation Reserve Program (CRP) continuous practices such as grass waterways (CP8A), contour grass strips (CP15A); filter strips (CP21); quail and upland bird habitat buffers (CP33), denitrifying bioreactor on filter strips (CP21B), or saturated filter strips (CP21S). FSA must first authorize the incidental grazing on CRP in a field intended to be gleaned.

Grazing is incidental to the gleaning of the crop residue in a field or before the harvest of a small grain and occurs after the harvest of crops from within the surrounding field, or during the dormant period of a small grain intended for harvest. The grazing cannot occur during the primary nesting season, which for Nebraska is May 1 through July 15. In addition, grazing can only occur if the approved cover for that practice has been established and the grazing will not adversely impact the purpose or performance of the practice.

All livestock shall be removed from CRP acreage **no later than two months** after incidental grazing begins. CRP participants utilizing incidental grazing will have a payment reduction for the acreage being grazed. Participants are also responsible, at their own expense, to re-establish a cover destroyed or damaged as a result of the incidental grazing.

If the acreage to be grazed is separated from the surrounding cropland by a fence, the CRP acreage shall not be grazed.

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## Application Period Remains Open for Producers Recovering from Cattle Loss, Other Disasters

*Signup Began June 4 for Livestock Indemnity Program and Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish*

The U.S. Department of Agriculture (USDA) began accepting disaster assistance program applications on June 4 from agricultural producers who suffered livestock, honeybees, farm-raised fish and other losses due to natural disasters.

USDA's [Farm Service Agency](#) (FSA) reopened the application period for these two disaster assistance programs in response to statutory changes made by Congress earlier this year.

As of June 4, FSA began accepting new applications for losses for calendar year 2017 or 2018 filed under the [Livestock Indemnity Program](#) (LIP) or [Emergency Assistance for Livestock, Honey Bees, and Farm-raised Fish Program](#) (ELAP). Producers who already submitted applications and received decisions on their applications for these years do not need to file again, but they can reapply if they have additional losses or their application was disapproved because it was filed late.

In February, Congress passed the Bipartisan Budget Act of 2018, which made several changes to these two disaster programs, including:

- Removing ELAP's \$20 million fiscal year funding cap, enabling FSA to pay producers' 2017 applications in full and their 2018 applications as soon as they are approved.
- Removing the per-person and legal entity annual program payment limitation of \$125,000 for LIP for 2017 and future years. (The income limitation applies as it did before, meaning producers with an adjusted gross income of more than \$900,000 are not eligible.)
- Changing LIP to allow producers to receive a payment for injured livestock that are sold for a reduced price due to an eligible event. Previously, the program only covered financial loss for livestock death above normal mortality.

Producers interested in LIP or ELAP should contact their [local USDA service center](#). To apply, producers will need to provide verifiable and reliable production records and other information about their operation.

Drought, wildfires and other disasters continue to impact farmers and ranchers, and LIP and ELAP are two of many programs available through USDA to help producers recover. Learn more at <https://www.usda.gov/disaster>.

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## August FSA Interest Rates

Farm Operating: 3.750%  
Microloan Operating: 3.750%  
Farm Ownership: 4.125%  
Farm Ownership - Joint Financing: 2.50%  
Farm Ownership - Down Payment: 1.50%  
Emergency - Actual Loss: 3.750%  
Farm Storage Facility Loan 3 year term: 2.625%  
Farm Storage Facility Loan 5 year term: 2.750%  
Farm Storage Facility Loan 7 year term: 2.875%  
Farm Storage Facility Loan 10 year term: 2.875%  
Farm Storage Facility Loan 12 year term: 2.875%  
Commodity Loan: 3.375%

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## Dates to Remember

**Sept. 3, 2018** – Nebraska FSA offices closed for Labor Day holiday  
**Sept. 28, 2018** - Deadline to enroll in ARC/PLC or revise an ARC/PLC contract for 2018  
**Oct. 1, 2018** – \*\*NAP application closing deadline for alfalfa, mixed forages (2019 coverage)  
**Oct. 1, 2018** – Enrollment period closes for 2019 coverage for Margin Protection Program for Dairy  
**Nov. 1, 2018** – Deadline to apply for 2018 ELAP losses  
**Nov. 15, 2018** – Acreage reporting deadline for fall-seeded crops and perennial grasses for 2019 program eligibility (including for NAP\*\*)  
**Nov. 15, 2018** - \*\*NAP application closing deadline for grass (2019 coverage)  
**Nov. 20, 2018** - \*\*NAP application closing deadline for aronia berries, grapes (2019 coverage)

**\*\*Please note the above NAP calendar references may not be inclusive for all NAP-covered crops; NAP participants should contact their County FSA Office to confirm important program deadlines.**

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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).