

November 2018



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Nebraska FSA Newsletter

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Scott Spilker, chair
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A Message from the State Executive Director

As we begin to round the corner toward December, I am hearing from folks who were finally able to wrap up harvest 2018. If you are one of those still finishing up, please be safe as you make your final rounds.

A couple of things to keep in mind regarding this year's harvest:

- If you are storing your grain and considering taking out a Marketing Assistance Loan (MAL), we need to see you sooner rather than later. There is a process involved with receiving a MAL, and it's important to start that application

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To find more information about FSA programming or contact information for your local office, go to www.fsa.usda.gov/ne.

before the middle of December if you want to receive the loan proceeds in the 2018 calendar year.

- We continue to receive inquiries for the Market Facilitation Program (MFP), which in Nebraska applies to producers of hogs, dairy, corn, soybeans, wheat and grain sorghum. Please remember you need to start your application before Jan. 15, 2019, even though you have until May to certify your total production levels.

As harvest begins to wind down, many of you already will have started finalizing arrangements for the acres you will farm or ranch next year. We ask that you remember any changes from the previous year are an important part of your FSA farm records and your eligibility for some programs. Stop in and see your county FSA office as soon as possible to report these changes.

In addition, if you are going to need financing through FSA, either through our direct or guaranteed loan programs, we are ready now to assist you. It's good to begin this planning process early. Also, please know that if you are a producer who is facing some financial stress, there are resources available to assist you. Please see the article below for more information on available resources.

In this month of Thanksgiving, we want you to know we are thankful for you, our FSA customers. Have a great rest of November.

--Nancy Johner

Producers Reminded of Conservation Requirements for Highly Erodible Land, Wetlands

Farm Service Agency (FSA) reminds producers who receive FSA, Natural Resources Conservation Service (NRCS) or Risk Management Agency (RMA) program benefits that the 2014 Farm Bill contains special provisions related to conservation that, if not followed, could negatively impact those benefits.

Highly Erodible Land

In order to maintain eligibility for USDA farm programs, including crop insurance subsidy, producers who farm highly erodible land are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan. Producers without a conservation plan can maintain eligibility by following a conservation system that mirrors the requirements of an acceptable conservation plan.

Additionally, there are provisions related to native sod being brought into production in the states of Nebraska, Iowa, Minnesota, Montana, South Dakota and North Dakota. Producers who convert native sod to production agriculture at any time after Feb. 7, 2014, are subject to the following for the first four years of cropping:

- Reduced guarantee for crop insurance;

- Reduced premium subsidy for crop insurance;
- Reduced guarantee for the Noninsured Crop Disaster Assistance Program (NAP); and
- Increased service fees for NAP policies involving the native sod acres.

Native sod is considered land on which the plant cover is composed principally of native grasses, grass-like plants, or shrubs for grazing and browsing that has never been tilled, and the producer cannot substantiate that the ground has ever been tilled, for the production of an annual crop on or before Feb. 7, 2014.

The limitations in guarantees, premium subsidy and service fees apply for the first four years of cropping on the native sod acres. After four years of cropping, the native sod is treated as traditional acres for crop insurance and NAP purposes. Insignificant acres of native sod may be eligible for an exemption as determined by FSA or RMA. Acres qualifying for an exemption are not subject to the limitations discussed above.

Wetlands

To maintain compliance with wetland conservation provisions, producers must agree, by certifying on form AD-1026, they will not plant an agricultural commodity on a converted wetland or convert a wetland in such a manner that would make the production of an agricultural commodity possible.

Specifically, persons are ineligible for benefits under certain FSA, NRCS and RMA programs if they plant an agricultural commodity on wetlands that were converted after Dec. 23, 1985, or if they convert a wetland after Nov. 28, 1990. Some examples of the conversion of a wetland are draining, dredging, tiling, leveling or removing woody vegetation. Program regulations indicate that even accidental planting of a small portion of a converted wetland must be treated as a wetland violation, and therefore would make the producer ineligible for USDA benefits on all farms for which they receive benefits. If a farm is found in violation of wetland provisions, all producers associated with the land (including their affiliates) are ineligible for program benefits and the violation could affect prior year payments.

In some cases, USDA conservation compliance policy allows for a producer who has had a wetland violation to offset that loss through mitigation to maintain eligibility for USDA benefits. (See article below.)

Producers should contact their local USDA Service Center prior to sod busting, tiling, clearing trees, dredging, land leveling, straightening a ditch, et cetera. For notification, the producer will be asked to complete FSA form AD-1026, identifying the area for the proposed activity on a map and informing what activity will be done. FSA then refers this information to NRCS, who will make the appropriate highly erodible land and wetland determinations. NRCS can assist the producer in development of a conservation plan related to farming highly erodible land and determine whether there are any exemptions that would allow the producer to proceed with the project and not jeopardize safety-net benefits.

Producers are encouraged to contact their County FSA office prior to conducting conservation work on their land. To find your local office, visit www.farmers.gov.

Wetland Mitigation Banks

Producers participating in programs administered by the USDA are required to abide by certain conditions on any land owned or farmed that is considered a wetland. To maintain compliance with

wetland conservation provisions, producers must agree, by certifying on form AD-1026, they will not plant an agricultural commodity on a converted wetland or convert a wetland to produce an agricultural commodity.

USDA conservation compliance requires any farmer who converts a wetland for commodity production to offset that loss through mitigation to maintain eligibility for USDA benefits.

Wetland mitigation banks allow farmers to remove or alter wetlands in their fields in exchange for purchasing credits in a mitigation bank. The credits correspond to an area of the mitigation bank that at least equals the size of the altered field wetlands. The price of the credits is negotiated between the buyer and seller.

A number of states have wetland mitigation banks, including Nebraska. To learn more about purchasing credits in Nebraska's mitigation bank, contact your local USDA service center. To find your local service center, visit www.farmers.gov.

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event, additional cost of transporting water because of an eligible drought and additional cost associated with gathering livestock to treat for cattle tick fever.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffered eligible livestock, honeybee, or farm-raised fish losses from Oct. 1, 2017 to Sept. 30, 2018 must file:

- A notice of loss the earlier of 30 calendar days of when the loss is apparent or by Dec. 3, 2018
- An application for payment by Dec. 3, 2018

The following ELAP Fact Sheets (by topic) are available online:

- [ELAP for Farm-Raised Fish Fact Sheet](#)
- [ELAP for Livestock Fact Sheet](#)
- [ELAP for Honeybees Fact Sheet](#)

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at www.fsa.usda.gov/factsheets.

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.

Program Participants Must Maintain Acres Enrolled in ARC/PLC, CRP

Producers enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC or PLC, the County Committee may elect to terminate the contract for the program year.

Conservation Reserve Program (CRP) participants are responsible for ensuring adequate, approved vegetative and practice cover is maintained to control erosion throughout the life of the contract after the practice has been established. Participants also must control undesirable vegetation, weeds (including noxious weeds), insects and rodents that may pose a threat to existing cover or adversely impact other landowners in the area.

All CRP maintenance activities, such as mowing, burning, disking and spraying, must be conducted outside the primary nesting or brood rearing season for wildlife, which for Nebraska is May 1 through July 15. Annual mowing of CRP for generic weed control, or for cosmetic purposes, is prohibited at all times.

For reference, the Nebraska Department of Agriculture has designated 12 weeds in the state as noxious: Canada thistle, leafy spurge, musk thistle, plumeless thistle, purple loosestrife, spotted and

diffuse knapweeds, saltcedar, phragmites, sericea lespedeza, Japanese knotweed, Bohemian knotweed and giant knotweed.

County FSA offices will complete field visits and spot-checks of ARC/PLC and CRP acreage and will consult with county weed authorities as necessary. This effort usually begins the later part of May and continues through the summer months.

FSA Loan Servicing, Other Organization Resources Available During Financial Stress

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

Farmers and ranchers also can access assistance through other entities in Nebraska that offer services during financially challenging times. The Rural Response Hotline provides referral and support services for farmers, ranchers and rural residents and their families. The number to call is (800) 464-0258.

The Nebraska Department of Agriculture manages the Negotiations Program, which offers mediation services for agricultural borrowers, creditors and USDA program participants. Through this program, participants also can access free one-on-one education on agricultural financial and legal matters. For information, call (800) 446-4071.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$300,000 and the repayment period for the loan is up to 40 years.

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit www.fsa.usda.gov. To find your local FSA office, visit <http://offices.usda.gov>.

Livestock Inventory Records Important for Programs

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster.

When disasters strike, the USDA Farm Service Agency (FSA) can assist producers who suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

Producers should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts

For more information on documentation requirements, contact your local FSA office.

Livestock Indemnity Program Assists With Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock deaths in excess of normal mortality caused by adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

LIP compensates livestock owners and contract growers. Adverse weather can include floods, blizzards, wildfires, extreme heat or extreme cold, among others.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

For 2018 livestock losses, eligible livestock owners must file a notice of loss by the later of:

- 30 calendar days of when the loss is first apparent; or
- Dec. 3, 2018

Participants must provide the following supporting documentation to their local FSA office no later than 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation

- Copy of growers contracts
- 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.

In addition to filing a notice of loss, producers must also submit an application for payment by March 1, 2019.

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

Dates to Remember:

Dec. 3, 2018 – Final day to return FSA County Committee election ballots

Dec. 14, 2018 – **NAP production reporting deadline for alfalfa and grass (2018 coverage)

Dec. 15, 2018 – Last day to begin the Marketing Assistance Loan process in order to receive disbursement of funds in calendar year 2018

Dec. 27, 2018 – Last day to remit a refund/payment to FSA in order to receive credit for the refund/payment in the 2018 calendar year

Dec. 31, 2018 – **NAP production reporting deadline for barley, rye, triticale and fall-seeded mixed forage (2018 coverage)

Jan. 2, 2019 – Deadline to report honeybees for 2019 FSA program eligibility (ELAP, NAP)

Jan. 15, 2019 – Deadline to apply for the Market Facilitation Program

****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.**

November 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: 2.875%

Farm Storage Facility Loan 5 year term: 3%

Farm Storage Facility Loan 7 year term: 3.125%

Farm Storage Facility Loan 10 year term: 3.125%

Farm Storage Facility Loan 12 year term: 3.125%

Commodity Loan: 3.625%

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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).