

December 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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State Committee:
Scott Spilker, chair
Cindi Allen

A Message from the State Executive Director

As we near the end of the month, I want to take this opportunity to wish all our farmer and rancher customers a very Merry Christmas and a Happy New Year. We enjoy what we do on your behalf at the Nebraska FSA State Office in Lincoln and in our 71 Farm Service Agency offices across the state, and we look forward to working with you in 2019.

The new year already is shaping up to be a busy one. While details are scarce at this point, there has been a great deal of conversation on a new farm bill. We will share more information on this

Geoff Ruth
Mark Jagels

subject as soon as we can, so please keep an eye out for communications from us.

Program Chiefs:

Cathy Anderson
Doug Klein
Mark Wilke
Tim Divis

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

Meantime, I continue to hear from folks who have questions about enrollment in the Market Facilitation Program (MFP). This program provides payments to producers of soybeans, corn, wheat, grain sorghum, hogs and dairy in Nebraska to address international trade market disruptions. The deadline to apply for this program is Jan. 15, 2019. I encourage you to learn more about the program at this [link](#) and/or stop in to your county FSA office soon. As you likely heard, the second round of payments under this program is set to go out to those who already have completed enrollment. Here is the [link](#) to the news release. At this time I do not know exactly when those payments will arrive in producers' accounts.

As 2018 comes to a close, most folks are reviewing their financing options for the 2019 growing season. If you are having trouble securing commercial credit, or you are a beginning farmer or rancher, member of an ethnic minority or a woman producer, FSA has a number of farm loan program options that might be the right fit for you. I encourage you to read the story below and/or review the various programs at this [link](#), and then call your local FSA farm loan office for an appointment. We have 21 offices across the state that are staffed full-time with farm loan personnel. To find your nearest FSA farm loan office, click [here](#).

That's all I've got for this month. Wishing you a happy and healthy start to the new year.

--Nancy Johner

Submit Loan Requests Early for Financing

Your county FSA office farm loan program staff already is working on operating loans for spring 2019 so it is important that potential borrowers submit their requests early so they can be timely processed. The farm loan team 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 as 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 staff at your county FSA 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.

To learn more, visit your nearest FSA farm loan office. To find a location, visit www.farmers.gov and click on the office locator option.

FSA Offers Farm Storage Facility Loan Options

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan program, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

Market Facilitation Program Application Deadline Nears; Second Round of Payments Announced

Producers of certain commodities can sign up for the Market Facilitation Program (MFP) through Jan. 15, 2019. MFP was designed to assist producers impacted by foreign market trade disruption.

USDA's Farm Service Agency (FSA) is administering MFP to provide payments to corn (fresh and processed), cotton, dairy, hog, sorghum, soybean (fresh and processed), wheat, shelled almond, and fresh sweet cherry producers. Eligible producers must sign a program application by the Jan.

15 date, but do need final harvest data to complete the form. Final harvest data must be turned in to FSA by May 1, 2019.

An initial round of payments was announced late this summer. For a list of MFP payments rates, view the [MFP Fact Sheet](#). A second round of payments was announced Dec. 17. To view that announcement, click [here](#).

MFP payments are capped per person or legal entity as follows:

- A combined \$125,000 for eligible crop commodities
- A combined \$125,000 for dairy production and hogs
- A combined \$125,000 for fresh sweet cherries and almonds

Applicants must also have an average adjusted gross income for tax years 2014, 2015, and 2016 of less than \$900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

MFP applications are available online at www.farmers.gov/mfp. Applications can be completed at a local FSA office or submitted electronically either by scanning, emailing, or faxing. To locate or contact your local FSA office, visit www.farmers.gov.

Farm Reconstitutions

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

Estate Method — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

DCP Cropland Method — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;

Default Method — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

FSA Changes Acreage Reporting Deadline for Perennial Forage to July 15

USDA Farm Service Agency (FSA) has established a new acreage reporting deadline for perennial forage for 2019 and subsequent years. Previously set in the fall, the new deadline is July 15 for all states, except for Hawaii and Puerto Rico.

Timely and accurate acreage reports for all crops and land uses, including prevented planting or failed acreage, are the foundation for many FSA program benefits, including disaster programs for livestock owners. Producers must report their acreage to maintain program eligibility.

Producers who have coverage for perennial forage under the Noninsured Crop Disaster Assistance Program (NAP) must report their crop acreage by the earlier of any of the following:

- the established acreage reporting date (July 15)
- 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported
- the established normal harvest date for the end of the coverage period.

TIP Offers Incentive to Transfer Expiring CRP Land to Beginning, Veteran or Underserved Farmers

Retired or retiring landowners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or underserved farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the retiring farmer for up to two additional years after the CRP contract expires, provided the transition is not to a family member.

Enrollment in TIP is on a continuous basis. Beginning, veteran or underserved farmers and ranchers and retiring CRP participants may enroll in TIP beginning one year before the expiration date of the CRP contract or Aug. 15. The Aug. 15 deadline allows the Natural Resources Conservation Service (NRCS) time to complete the TIP sustainable grazing or crop production conservation plans. The TIP application must be submitted prior to completing the lease or sale of the affected lands.

New landowners or renters must return the land to production using sustainable grazing or farming methods.

For more information on TIP, visit <https://www.fsa.usda.gov/conservation>.

USDA and SCORE Joining Forces to Find Mentors

If you are a farmer or rancher, or have agricultural or business experience, join us in supporting the next generation and in investing in your local community! Your experiences and knowledge as a business owner, agricultural professional, or farmer can provide vital support to the community you live in.

USDA is collaborating with SCORE – www.score.org - the nation's largest network of volunteer, expert business mentors in an effort to expand the field of available agricultural mentors and provide free business mentoring to farmers, ranchers, and other agricultural and rural business owners. SCORE is currently looking for volunteers with experience in an agriculture-related field who would like to become a part of an extended field of volunteers. The organization's Orientation and Mentoring Certification program provides volunteers with everything needed to be a successful volunteer. Training includes background about SCORE's mission and services, as well as guidance on how to be a business mentor, including enhancement of listening, interviewing and problem-solving skills.

Current SCORE volunteer mentors have backgrounds in finance, accounting, marketing, operations, business and financial planning. The mentors provide local expertise and free one-on-one business mentoring to new and existing farmers and business owners. Together they work through the process of starting up or maintaining agricultural and rural businesses. No matter what stage a business is in, SCORE volunteer mentors can help in developing business plans, navigating financing and legal issues, identifying new markets, and other topics, in order to help their clients succeed.

FSA invites you to learn more and sign up to become a mentor today at <https://newfarmers.usda.gov/mentorship>.

Sign in/Sign up Allows for Online Access to Select FSA Programming

Farmers, ranchers and agricultural producers have new online options to access U.S. Department of Agriculture (USDA) programs. Through USDA's new streamlined process, producers doing business as an individual can now register, track and manage their applications for the Market Facilitation Program (MFP) and 2017 Wildfires and Hurricanes Indemnity Program (2017 WHIP) on the secure and convenient www.farmers.gov. USDA eAuthentication does not have the mechanism to issue login accounts to businesses, corporations, other entities, or for anyone acting on behalf of another individual or entity. Producers, doing business as an individual, first need to sign up for Level 2 eAuthentication access.

Step 1: Create an online account at www.eauth.usda.gov.

Step 2: Complete identity verification by either using the online self-service identity verification method or by completing the identity verification in-person at your USDA Service Center.

Step 3: Contact your local USDA Service Center to have your new Level 2 account linked with your USDA customer record.

Step 4: You're enrolled and ready to log in.

Users with a secure Level 2 eAuthentication ID, linked to their USDA customer record, can apply online for some USDA programs and also access **FSAfarm+**. **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.

Creating a Level 2 eAuthentication account is easy. Visit farmers.gov/sign-in to learn more.

To locate a service center near you or use online services not requiring eAuthentication access, visit www.farmers.gov. For technical assistance, call the eAuthentication help desk at 1-800-457-3642.

December FSA Interest Rates

Farm Operating: 4%
Microloan Operating: 4%
Farm Ownership: 4.250%
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: 3.75%

Dates to Remember

Dec. 24 and 25, 2018 - FSA Offices closed for holiday

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. 1, 2019 - FSA Offices closed for holiday

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

Jan. 21, 2019 – FSA Offices closed for federal holiday

****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.**

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).