

February 2019



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Nebraska FSA State Newsletter

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### Nebraska Farm Service Agency - State Office

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**State Executive Director:**  
Nancy Johner

**State Committee:**  
Scott Spilker, *chair*  
Geoff Ruth

### A Message from the State Executive Director

FSA offices across the state have had a busy few weeks in February, working hard to help you meet enrollment requirements and timelines for programs like the Market Facilitation Program, as well as processing 2019 farm operating loans. We know you are preparing for spring planting and perhaps calving season (if you haven't already started), so please know we will do all we can to get you in and out the door when you drop by our offices for these and other services.

One of the most common questions we are getting these days is "what are you hearing about the new Farm Bill?" At this point, we know the Farm Bill was enacted on Dec. 20, 2018, and we know

Hilary Maricle  
Mark Jagels

**Program Chiefs:**

Cathy Anderson,  
*Production/Compliance*  
Doug Klein,  
*Conservation/Price Support*  
Mark Wilke, *Farm Loans*  
Tim Divis, *Executive Officer*

they are working hard at FSA headquarters in Washington, D.C., to analyze it to understand all the changes that were initiated through it. Beyond that, we don't have much in the way of official 2018 Farm Bill details. I am sure you are anxious to get enrolled in the main commodity crop safety net programs - the Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) programs – both of which were retained, or to learn more about the increased farm operating and ownership loan limits that were approved. Trust me when I say the Nebraska FSA staff across the state is excited to get started, too.

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

As soon as we have more Farm Bill details, we will get that information out to you. Here's what you can do in the meantime: If you've added or lost acres to your farm or ranch operation, changed addresses or are banking at a different financial institution than last year, let us know. All these changes are important to your FSA record and our timely delivery of program benefits to you. Taking care of this now is one less thing we will have to worry about when the new Farm Bill details come out.

Pay close attention to your email inbox for announcements through the GovDelivery electronic newsletter. You also can visit [fsa.usda.gov/ne](http://fsa.usda.gov/ne) or [farmers.gov](http://farmers.gov) for up to date information.

That's it for this month. Stay warm and be optimistic. Spring is hiding just around the corner.

--Nancy Johner

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## USDA Encourages Producers to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

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. Beginning, underserved and limited resource farmers are eligible for free catastrophic level coverage.

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, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, 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/ActuarialInformationBrowser2018/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.

Deadlines for coverage vary by state and crop. To learn more about NAP visit [www.fsa.usda.gov/nap](http://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.

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## Maintain the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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## Seek Authorization for Disposition of Loan Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

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## Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, this will result in a denial of the request. There are exceptions regarding the Stafford Act and emergencies. It is important to wait until you receive written approval of your project proposal before starting any actions, including, but not limited to, vegetation clearing, site preparation or ground disturbance.

Remember to contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

Applications cannot be approved contingent upon the completion of an environmental review. FSA must have copies of all permits and plans before an application can be approved.

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## Livestock Indemnity Program Offers Assistance for 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, and 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 livestock losses, eligible livestock owners must file a notice within 30 calendar days of when the loss is first apparent.

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. For losses suffered in 2018, that application is due by March 1, 2019.

Additional information about LIP is available at your local FSA office or online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

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## Fire Management on CRP Acres

Landowners who participate in the Conservation Reserve Program (CRP) are responsible for fire management on their CRP acreage. Fireguard technical practices should be outlined in the Conservation Plan of Operations (CPO).

Landowners must complete the necessary management activities outside of the Primary Nesting Season. In Nebraska, the Primary Nesting Season is May 1 through July 15. The goal is to suppress the amount of fuel in the event of a wildfire while still promoting the diversity of the conservation cover.

FSA encourages producers to be proactive in preventing the spread of wildfire. Fire management includes installing firebreaks, which should be included in the contract support document and installed according to NRCS firebreak standards.

Barren firebreaks will only be allowed in high risk areas, such as transportation corridors, rural communities, and adjacent farmsteads. A conservationist must certify that there will not be an erosion hazard from the barren firebreak. If erosion becomes a problem, remedial action will be taken.

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## Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,750,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

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## 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.

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## 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 to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

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## February FSA Interest Rates

*\*Loan interest rates are announced at the beginning of the month.*

### **FARM OPERATING/OWNERSHIP LOANS**

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 LOANS**

Farm Storage Facility Loan, 3 year term: 2.5%  
Farm Storage Facility Loan 5 year term: 2.5%  
Farm Storage Facility Loan 7 year term: 2.625%  
Farm Storage Facility Loan 10 year term: 2.750%  
Farm Storage Facility Loan 12 year term: 2.750%

### **MARKETING ASSISTANCE LOANS**

Commodity Loan: 3.625%

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## Dates to Remember

**Feb. 18, 2019** – FSA offices closed for federal holiday

**March 1, 2019** – Deadline to file supporting documents for 2018 Livestock Indemnity Program applications, as well as application for payment

**March 15, 2019** – 2019 NAP application closing date for spring-seeded annual crops, sorghum forage, most annual fruits and vegetables, oats and peas. For additional crops with a March 15, 2019, sales closing date, contact your local FSA office.

**April 1, 2019** – 2018 Marketing Assistance Loan availability deadline for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed

**May 1, 2019** - Deadline to certify 2018 production figures for Market Facilitation Program

**May 31, 2019** – 2018 Marketing Assistance Loan availability deadline for corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans and sunflower seed

**\*\*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).