

February 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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State FSA Newsletter

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Nancy Johner

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Scott Spilker, *chair*
Geoff Ruth

A Message from the State Executive Director

Temperatures have been all over the thermometer the past couple of weeks, and it's been nice to glimpse Spring via a few 50-degree days. Slowly, we are marching toward calving and planting season. If for nothing else, I like February for the feeling of anticipation it provides.

Our Nebraska Farm Service Agency (FSA) offices across the state also are in a mood of anticipation as staff works to get you, our farmer and rancher customers, set for the new production season. This means we have a great deal of traffic coming through our doors. Here's what we are working on:

Lonnie Starke
Mark Jagels

Program Chiefs:

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

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

- **Farm loans:** We have a high volume of customers requesting direct loans, for both operating and ownership, as well as farm storage facility loans. Because we have such high demand, you can help our offices out greatly by scheduling, and keeping, your appointment, and coming to your appointment “knowing your numbers.” What do I mean by that? Please come prepared to discuss your farm business plan for the coming year. That helps us be efficient and effective with your time.
- **Ag Risk Coverage/Price Loss Coverage election and enrollment:** The deadline to make a program election for 2019 and 2020, and enroll for 2019, is March 16, 2020. See the article below for more information, but in short, don’t miss this deadline.
- **Conservation Reserve Program (CRP):** The deadline to submit an application for general CRP practices is Friday, Feb. 28. It’s been a long time since we have offered the opportunity to enroll for general practices, so if you are interested in this, please don’t delay another day.

For those of you who already have been in the office, thank you for working with us. For those of you who haven’t been in yet, please schedule an appointment if you don’t have one already. We are excited to be a part of your planning process for the new year.

I will catch up with you again in March.

--Nancy Johner

Conservation Reserve Program General Signup Period Closes Feb. 28

The U.S. Department of Agriculture (USDA) reminds agricultural producers interested in the Conservation Reserve Program (CRP) 2020 general signup that there is less than two weeks before the enrollment deadline of February 28, 2020. This signup is available to farmers and private landowners who are either enrolling for the first time or re-enrolling for another 10- to 15-year term.

Farmers and ranchers who enroll in CRP receive yearly rental payments for voluntarily establishing long-term, resource-conserving plant species, such as approved grasses or trees (known as “covers”), which can control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands.

CRP has 22 million acres enrolled, but the 2018 Farm Bill lifted the cap to 27 million acres.

The CRP continuous signup is ongoing, which enables producers to enroll for [certain practices](#). FSA plans to open the Soil Health and Income Protection Program, a CRP pilot program, in early 2020, and the 2020 CRP Grasslands signup runs from March 16, 2020 to May 15, 2020.

To enroll in CRP, contact your local FSA county office or visit fsa.usda.gov/crp. To locate your local FSA office, visit farmers.gov/service-locator.

Make An Appointment Now to Complete Agriculture Risk Coverage, Price Loss Coverage Enrollment

USDA's Farm Service Agency (FSA) encourages agricultural producers to enroll now in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. March 16, 2020, is the enrollment deadline for the 2019 crop year.

Although more than 200,000 producers across the nation have enrolled to date, FSA anticipates 1.5 million producers will enroll for ARC and PLC. By enrolling soon, producers can beat the rush as the deadline nears. Producers who complete the ARC and PLC election and enrollment process now, ahead of the deadline, still will have until March 16 to make changes, if necessary.

ARC and PLC provide financial protections to farmers from substantial drops in crop prices or revenues and are vital economic safety nets for most American farms.

The programs cover the following commodities: barley, canola, large and small chickpeas, corn, grain sorghum, oats, dry peas, rapeseed, soybeans, sunflower seed and wheat, among others.

Producers are reminded that if they do not complete the ARC/PLC election process by the deadline, they will be ineligible to receive a payment for the 2019 crop year.

More Information

To assist with the decision-making process, informational resources are available at www.fsa.usda.gov/arc-plc. Producers also can access www.fsa.usda.gov/ne where information under the "Spotlights" section includes a webinar that provides ARC and PLC information shared at recent public meetings held across Nebraska.

To enroll, contact your [FSA county office](#) for an appointment.

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.

Streamlined Guaranteed Loans Assist Small-Scale Operators

Options Help More Beginning, Small and Urban Producers Gain Access to Credit

The U.S. Department of Agriculture (USDA) has the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office.

Livestock Inventory Records Important for Disaster Programs

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster and are an important part of disaster assistance program applications, including applications for the Livestock Indemnity Program (LIP) and the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP).

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.

To be eligible for financial assistance for livestock deaths, producers must submit evidence to support their losses. Some examples of records that could be used to help support a claim include: veterinary records, contemporaneous producer records, veterinary certification existing at the time of the event, balance sheets, brand inspection records, loan records, docking records, bank statements, shearing records, farm credit balance sheets, property tax records, ear tag records, trucking and/or livestock hauling records, sales and purchase receipts, inventory records used for

tax purposes, private insurance documents, chattel inspections, and canceled check documentation.

To be eligible for livestock injuries, producers must submit one of the following documents: sales receipt from a livestock auction, sale barn or other similar livestock sales facility; private insurance documents; or processing plant receipt. At a minimum, these records must include livestock kind, type, and weight, and the price for which the animal was sold.

For more information on documentation requirements associated with receiving disaster-related assistance, contact your local FSA office.

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.

Management Requirements 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 or before the end of year nine for contracts with a 15-year contract length. 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 county FSA office to discuss management practices.

Cover Crop Termination and Reporting Guidelines

The Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA) have a consistent, simple and flexible policy for cover crop practices.

The termination and reporting guidelines for cover crops can be found below.

Termination:

The cover crop termination guidelines provide the timeline for terminating cover crops, are based on zones and apply to non-irrigated cropland. To view the zones and additional guidelines visit <https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/> and click “Cover Crop Termination Guidelines.”

Reporting:

The intended use of cover only will be used to report cover crops. This includes crops that were terminated by tillage and reported with an intended use code of green manure. An FSA policy change will allow cover crops to be hayed and grazed. Program eligibility for the cover crop that is being hayed or grazed will be determined by each specific program.

If the crop reported as cover only is harvested for any use other than forage or grazing and is not terminated properly, then that crop will no longer be considered a cover crop.

Crops reported with an intended use of cover only will not count toward the total cropland on the farm. In these situations a subsequent crop will be reported to account for all cropland on the farm.

Cover crops include grasses, legumes, and forbs, for seasonal cover and other conservation purposes. Cover crops are primarily used for erosion control, soil health improvement, and water quality improvement. The cover crop may be terminated by natural causes, such as frost, or

intentionally terminated through chemical application, crimping, rolling, tillage or cutting. A cover crop managed and terminated according to NRCS Cover Crop Termination Guidelines is **not** considered a crop for crop insurance purposes.

Cover crops can be planted: with no subsequent crop planted, before a subsequent crop, after prevented planting acreage, after a planted crop, or into a standing crop.

Dates to Remember

Feb. 28, 2020 – Deadline to apply under general signup for Conservation Reserve Program

Feb. 28, 2020 – Deadline to submit an application for the On-Farm Storage Loss Program (disaster program)

March 2, 2020 – Deadline to file supporting documents for 2019 Livestock Indemnity Program applications, as well as application for payment

March 16, 2020 – Election and 2019 enrollment deadline for the Ag Risk Coverage (ARC) and Price Loss Coverage (PLC) programs

March 16, 2020 – 2020 NAP application closing date for a large variety of crops. For details on which specific crops have this sales closing date, contact your local FSA office.**

April 1, 2020 – 2019 Marketing Assistance Loan availability deadline for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat and sesame seed

June 1, 2020 – 2019 Marketing Assistance Loan availability deadline for corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans and sunflower seed

****Please note any 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.**

February FSA Interest Rates

OPERATING/OWNERSHIP

Farm Operating: 2.625%

Microloan Operating: 2.625%

Farm Ownership: 3.25%

Farm Ownership - Joint Financing: 2.5%

Farm Ownership - Down Payment: 1.5%

Emergency - Actual Loss: 3.625%

FARM STORAGE

Farm Storage Facility Loan 3 year term: 1.625%

Farm Storage Facility Loan 5 year term: 1.625%

Farm Storage Facility Loan 7 year term: 1.75%

Farm Storage Facility Loan 10 year term: 1.875%

Farm Storage Facility Loan 12 year term: 1.875%

MARKETING ASSISTANCE

Commodity Loan: 2.5%

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).