

September 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Nebraska FSA State Office Newsletter

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**State Executive Director:**  
Nancy Johner

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

### A Message from the State Executive Director

A busy fall at county FSA offices across Nebraska just got a little busier with the USDA release of details for the Coronavirus Food Assistance Program 2 (CFAP 2). Like CFAP 1, this program is a direct payment program designed to assist farmers and ranchers due to the negative market impacts of the global pandemic.

Many, if not most, of the crop and livestock commodities raised in Nebraska are eligible for the program. County offices began taking applications for CFAP 2 on Sept. 21, but please note that the application window runs through Dec. 11, 2020, so there is plenty of time for you to work with your local office.

The version 2 program does vary a bit from CFAP 1. You can learn more by visiting [farmers.gov/cfap](https://farmers.gov/cfap). An "eligible commodities finder"

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](http://www.fsa.usda.gov/ne).

on that website can help you figure out if your commodity is part of the program and understand the payment structure under CFAP 2. From there, I would encourage you to contact your county FSA office as there are various options regarding how to apply for the program. Staff will be able to provide you guidance on what the best option is for the successful completion of an application.

Our offices continue to address drought impacts across the state through implementation of the Livestock Forage Program in counties that have met program triggers, as well as Conservation Reserve Program emergency haying and grazing, again in counties that have met program triggers. Please visit the spotlights section of the [Nebraska FSA webpage](#) to learn more and view a listing of counties where these programs are being implemented. Contact your county FSA office with questions.

You'll find below an article on the availability of the FSA Youth Loan program. This time of year students often are considering projects for their Supervised Agricultural Experience (SAE) through their ag education program at their high school or for next season's 4-H programs. Through our Youth Loan program, students can gain financial resources to develop their project while learning valuable lessons about managing credit. Read the article and then contact a member of our farm loan staff at your local office.

In closing, I want to make you aware of an upcoming education opportunity for folks who are looking to get started in the business of farming or ranching or looking to grow an already-established, but small, operation into something larger. The Aspiring Farmer Virtual Course, being hosted by Nebraska Extension, is scheduled to begin Oct. 6 and will run for six weeks. If you, or someone you know, have dreams for their own farm or ranch, have them check out the course and register at [this link](#).

That's all for this month. Have a safe and productive harvest season.

--Nancy Johner

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## **USDA to Provide Additional Direct Assistance to Farmers, Ranchers Impacted by the Coronavirus Through CFAP 2**

USDA announced up to an additional \$14 billion for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. Signup for the Coronavirus Food Assistance Program (CFAP 2) is open and will run through December 11, 2020.

This program provides financial assistance that gives producers the ability to absorb increased marketing costs associated with the COVID-19 pandemic. Producers will be compensated for ongoing market disruptions. USDA will use funds being made available from the Commodity Credit Corporation (CCC) Charter Act and CARES Act to support row crops, livestock, specialty crops, dairy, aquaculture and many additional commodities. USDA has incorporated improvements in

CFAP 2 based from stakeholder engagement and public feedback to better meet the needs of impacted farmers and ranchers.

CFAP 2 is a new program that is separate and distinct from the initial CFAP program. There are some program changes from version 1 to version 2, including some new covered commodities, so all producers should go online to [farmers.gov/cfap](https://farmers.gov/cfap) to review the program parameters. An “eligible commodities finder” on that website can help producers figure out if their commodity is part of the program and understand the payment structure. Most Nebraska commodities, both crops and livestock, are eligible for CFAP 2 (excluding hay and crops intended for grazing).

Producers can apply for CFAP 2 at USDA’s Farm Service Agency (FSA) county offices or online through the [farmers.gov/cfap](https://farmers.gov/cfap) webpage. The CFAP 2 website explains the various options for completing a program application. Producers should contact their county FSA office if they have questions about these processes. County office staff will be able to provide guidance on what the best options are for successful completion of an application.

Producers also can learn about CFAP 2 during a webinar, scheduled for Thursday, Sept. 24, at 2 p.m. CT. Register at this link: [Register for the Webinar](#).

CFAP 2 payments will be made for three categories of commodities – Price Trigger Commodities, Flat-rate Crops and Sales Commodities.

### **Price Trigger Commodities**

Price trigger commodities are major commodities that meet a minimum 5-percent price decline over a specified period of time. Eligible price trigger crops include barley, corn, sorghum, soybeans, sunflowers, upland cotton, and all classes of wheat. Payments will be based on 2020 planted acres of the crop, excluding prevented planting and experimental acres. Payments for price trigger crops will be the greater of: 1) the eligible acres multiplied by a payment rate of \$15 per acre; or 2) the eligible acres multiplied by a nationwide crop marketing percentage, multiplied by a crop-specific payment rate, and then by the producer’s weighted 2020 Actual Production History (APH) approved yield. If the APH is not available, 85 percent of the 2019 Agriculture Risk Coverage-County Option (ARC-CO) benchmark yield for that crop will be used.

For broilers and eggs, payments will be based on 75 percent of the producers’ 2019 production.

Dairy (cow’s milk) payments will be based on actual milk production from April 1 to Aug. 31, 2020. The milk production for Sept. 1, 2020, to Dec. 31, 2020, will be estimated by FSA.

Eligible beef cattle, hogs and pigs, and lambs and sheep payments will be based on the maximum owned inventory of eligible livestock, excluding breeding stock (but ask your County FSA office about replacements), on a date selected by the producer, between Apr. 16, 2020, and Aug. 31, 2020.

### **Flat-rate Crops**

Crops that either do not meet the 5-percent price decline trigger or do not have data available to calculate a price change will have payments calculated based on eligible 2020 acres multiplied by \$15 per acre. These crops include alfalfa, extra long staple (ELS) cotton, oats, peanuts, rice, hemp, millet, mustard, safflower, sesame, triticale, rapeseed, and several others.

### **Sales Commodities**

Sales commodities include specialty crops; aquaculture; nursery crops and floriculture; other commodities not included in the price trigger and flat-rate categories, including tobacco; goat milk; mink (including pelts); mohair; wool; and other livestock (excluding breeding stock) not included

under the price trigger category that were grown for food, fiber, fur, or feathers. Payment calculations will use a sales-based approach, where producers are paid based on five payment gradations associated with their 2019 sales.

Additional commodities are eligible in CFAP 2 that weren't eligible in the first iteration of the program. If your agricultural operation has been impacted by the pandemic since April 2020, we encourage you to apply for CFAP 2. A complete list of eligible commodities, payment rates and calculations can be found on [farmers.gov/cfap](https://farmers.gov/cfap).

### **Eligibility**

There is a payment limitation of \$250,000 per person or entity for all commodities combined. Applicants who are corporations, limited liability companies, limited partnerships may qualify for additional payment limits when members actively provide personal labor or personal management for the farming operation. In addition, this special payment limitation provision has been expanded to include trusts and estates for both CFAP 1 and 2.

Producers will also have to certify they meet the Adjusted Gross Income limitation of \$900,000 unless at least 75 percent or more of their income is derived from farming, ranching or forestry-related activities. Producers must also be in compliance with Highly Erodible Land and Wetland Conservation provisions.

### **Applying for Assistance**

Applications will be accepted through Dec. 11, 2020.

Additional information and application forms can be found at [farmers.gov/cfap](https://farmers.gov/cfap). Documentation to support the producer's application and certification may be requested. All other eligibility forms, such as those related to adjusted gross income and payment information, can be downloaded from [farmers.gov/cfap/apply](https://farmers.gov/cfap/apply). For existing FSA customers, including those who participated in CFAP 1, many documents are likely already on file. Producers should check with the FSA county office to see if any of the forms need to be updated.

Customers seeking one-on-one support with the CFAP 2 application process also can call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with FSA, Natural Resources Conservation Service or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors are also required to wear a face covering during their appointment. Our program delivery staff will be in the office, and they will be working with our producers in the office, by phone and using online tools. More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

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## **Loan Maturity for Marketing Assistance Loans Extended to 12 Months**

Agricultural producers now have more time to repay Marketing Assistance Loans (MAL) as part of the U.S. Department of Agriculture's implementation of the Coronavirus Aid, Relief, and Economic

Security (CARES) Act of 2020. The loans now mature at 12 months rather than nine, and this flexibility is available for most commodities.

The maturity extension applies to nonrecourse loans for crop years 2018, 2019 and 2020. Eligible open loans must be in good standing with a maturity date of March 31, 2020, or later or new crop year (2019 or 2020) loans requested by September 30, 2020. All new loans requested by September 30, 2020, will have a maturity date 12 months following the date of approval.

Loans requested after September 30, 2020, will have a nine-month term.

Eligible commodities include barley, chickpeas (small and large), corn, cotton (upland and extra-long staple), dry peas, grain sorghum, honey, lentils, mohair, oats, peanuts, rice (long and medium grain), soybeans, unshorn pelts, wheat, wool (graded and nongraded); and other oilseeds, including canola, crambe, flaxseed, mustard seed, rapeseed, safflower, sunflower seed, and sesame seed. Seed cotton and sugar are not eligible.

For more information on MALs, contact your local USDA Service Center.

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## Alert FSA to Bank Account Changes for Timely Payments

FSA program payments are issued electronically into your bank account. In order to make timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for whatever reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2019 through the Agriculture Risk Coverage and Price Loss Coverage program are scheduled to be paid in the coming months.

If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

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## Noninsured Crop Coverage Helps Producers Manage Risks

The Farm Service Agency's (FSA) Noninsured Crop Disaster Assistance Program (NAP) helps you manage risk through coverage for both crop losses and crop planting that was prevented due to natural disasters. The eligible or "noninsured" crops include agricultural commodities not covered by federal crop insurance.

*You must be enrolled in the program and have purchased coverage for the eligible crop in the crop year in which the loss incurred to receive program benefits following a qualifying natural disaster.*

NAP application deadlines are approaching for several crops for coverage in the 2021 production season.

- Rye, triticale and wheat: Sept. 30, 2020
- Alfalfa, mixed forages and grass: Nov. 15, 2020

- Apples, aronia berries and grapes: Nov. 20, 2020

Coverage varies by county, so producers interested in learning more should contact their FSA county office.

### **NAP Buy-Up Coverage Option**

NAP offers higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested.

Producers of organics and crops marketed directly to consumers also may exercise the “buy-up” option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.

NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

Buy-up coverage is not available for crops intended for grazing.

### **NAP Service Fees**

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

### **NAP Enhancements for Qualified Military Veterans**

Qualified veteran farmers or ranchers are eligible for a service fee waiver and premium reduction, if the NAP applicant meets certain eligibility criteria.

Beginning, limited resource and targeted underserved farmers or ranchers remain eligible for a waiver of NAP service fees and premium reduction when they file form CCC-860, “*Socially Disadvantaged, Limited Resource and Beginning Farmer or Rancher Certification.*”

For NAP application, eligibility and related program information, contact your local FSA office.

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## **Disaster Assistance for 2020 Livestock Forage Losses Available in Several Counties**

Producers in several Nebraska counties are eligible to apply for 2020 Livestock Forage Disaster Program (LFP) benefits. A current listing of those counties can be found on the Nebraska FSA website at [www.fsa.usda.gov/ne](http://www.fsa.usda.gov/ne).

LFP provides compensation if you suffer grazing losses for covered livestock due to drought on privately owned or leased land where the producer has a risk in the grazing or fire on federally managed land.

County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted

livestock on federally managed lands due to qualifying fire. You must complete a CCC-853 and the required supporting documentation no later than Jan. 30, 2021, for 2020 losses.

For additional information about LFP, including eligible livestock and fire criteria, visit [fsa.usda.gov](https://fsa.usda.gov).

## FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) can 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.

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 \$600,000, and the repayment period for the loan is up to 40 years.

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 farm loans, contact your county USDA Service Center or visit [farmers.gov/fund](https://farmers.gov/fund).

## Applying for Youth Loans

The Farm Service Agency (FSA) makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

### Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources

- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

For help preparing the application forms, contact your county USDA Service Center. To find the nearest service center visit [farmers.gov](http://farmers.gov) and click on the Office Locator feature.

## AskFSA Transitions to Ask USDA

AskFSA, the tool for FSA customers to ask questions about FSA programs and services, transitioned to Ask USDA on September 21. This is part of USDA's ongoing effort to improve and streamline customer service.

Ask USDA, available at <https://ask.usda.gov> is similar to AskFSA, but provides information for all USDA programs. Moving to Ask USDA will allow all USDA customers to search for and read answers about FSA programs and services in the same location as they read about other USDA programs and services.

Customers will still be able to submit questions if they need more information. In addition to email, Ask USDA offers the ability to ask questions through phone or online chat. This improved customer service approach further builds on Secretary Sonny Perdue's OneUSDA vision and provides the customer a one-stop shopping experience that covers all of USDA's many programs.

## FSA Dates to Remember and September Interest Rates

### Dates to Remember:

- September 30, 2020** – Deadline to complete Price Loss Coverage (PLC) Program yield update
- September 30, 2020** – \*\*\*Noninsured Crop Disaster Assistance Program (NAP) application closing deadline for coverage for rye, triticale and wheat in the 2021 production season
- October 12, 2020** – FSA offices closed for federal holiday observance
- November 2, 2020** – Application deadline for the Organic Certification Cost Share Program for certification expenses incurred Oct. 1, 2019, through Sept. 30, 2020
- November 16, 2020** – Acreage reporting deadline for fall-seeded crops for 2021 program eligibility (including for NAP\*\*\*)
- November 16, 2020** – \*\*\*NAP application closing deadline for coverage for alfalfa, mixed forages and grass in the 2021 production season
- November 20, 2020** – \*\*\*NAP application closing deadline for coverage for aronia berries and grapes in the 2021 production season
- December 11, 2020** - Coronavirus Food Assistance Program 2 (CFAP 2) application deadline

**\*\*\*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.**

### September FSA Interest Rates

#### OPERATING/OWNERSHIP

Farm Operating: 1.25%



Microloan Operating: 1.25%  
Farm Ownership: 2.25%  
Farm Ownership - Joint Financing: 2.5%  
Farm Ownership - Down Payment: 1.5%  
Emergency - Actual Loss: 2.25%

**FARM STORAGE**

Farm Storage Facility Loan 3 year term: 0.125%  
Farm Storage Facility Loan 5 year term: 0.25%  
Farm Storage Facility Loan 7 year term: 0.5%  
Farm Storage Facility Loan 10 year term: 0.625%  
Farm Storage Facility Loan 12 year term: 0.75%

**MARKETING ASSISTANCE**

Commodity Loan: 1.125%

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