



Nebraska Producer News

May 2011

From the State Executive Director

As the 2011 crops go into the ground and first cuttings of alfalfa are baled, I would remind you of several farm program concerns:



Dan Steinkruger
State Executive Director

- To save on administrative costs, we are sharply reducing our newsletters. Our Nebraska FSA website is www.fsa.usda.gov/FSA/ne. Our monthly e-Newsletter can also be found on this site. Please bookmark this. If you have an e-mail address, share it with your FSA office to facilitate your communication with FSA.
- The DCP and ACRE programs have direct payments. While market prices are excellent, don't miss this federal assistance by enrolling for 2011 ASAP.
- Highly erodible and wetland compliance is required for federal program assistance. Don't jeopardize your long-term eligibility without talking to FSA and NRCS first.
- File a timely acreage report for all crops and land uses to meet your USDA program requirements in 2011, and to protect your long-term eligibility.
- If you do not have direct deposit, save Uncle Sam some money and sign up. It is the only way to go.

Agriculture Secretary Vilsack Announces Process to Resolve Discrimination Claims of Hispanic and Women Farmers

As part of continued efforts to close the chapter on allegations that discrimination occurred at USDA in past decade, Agriculture Secretary Tom Vilsack and Assistant Attorney General Tony West announced the establishment of a process to resolve the claims of Hispanic and women farm-

ers and ranchers who assert they were discriminated against when seeking USDA farm loans.

The claims process offers a streamlined alternative to litigation and provides at least \$1.33 billion in compensation, plus up to \$160 million in farm debt, to eligible Hispanic and women farmers and ranchers. This announcement follows the Obama Administration's settlement of longstanding litigation brought by African American farmers and Native American farmers.

In conjunction with this announcement, USDA is launching an outreach effort to potential claimants that will include a call center for farmers and ranchers, a website, public service announcements, and in-person meetings around the country. Individuals interested in participating in the claims process may register to receive a claims package, or may obtain more information, by visiting www.farmerclaims.gov. Beginning February 25, 2011, individuals can register a claims package by calling the Farmer and Rancher Call Center at 1-888-508-4429. USDA cannot provide legal advice to potential claimants. Persons seeking legal advice may contact a lawyer or other legal services provider.

2011 Direct and Counter-Cyclical (DCP) and Average Crop Revenue Election (ACRE) Program Sign Up

The sign-up period for 2011 DCP and ACRE enrollment ends June 1, 2011. A late-file period is available from June 1 – August 1. All participant signatures must be submitted on the DCP/ACRE contract by August 1, 2011. At the time of enrollment participants may elect to receive a 22% advance direct payment. Producers wishing to elect the ACRE option on specific farms for 2011-2012, must do so no later than June 1, 2011. Farms previously elect-

ing ACRE must still file an annual contract for 2011 and following years. Producers are encouraged to contact their county office to schedule an appointment to complete the enrollment process.

DCP/ACRE program provisions prohibit payments on farms with 10.0 base acres or less. An exception exists for Socially Disadvantaged or Limited Resource Producers having at least a 50% ownership interest in the farm. Small base farms are allowed to be aggregated into larger farms in order for the base acreage to exceed the 10.0 acre limitation. Normal reconstitution rules and procedures must be met in these cases. Contact your local county office to discuss your options on these farms.

Fruit and Vegetable (FAV) Plantings

The planting of fruits and vegetables or wild rice (WR) on base acres enrolled in the Direct and Counter-cyclical Program (DCP) or the Average Crop Revenue Election (ACRE) is prohibited unless the farm or producer has a FAV history or the commodity is destroyed without benefit before harvest. FAVs and WR are considered “planted for harvest” at the time of planting. Producers participating in DCP or ACRE may plant the cropland that exceeds the farm’s total base acres (referred to as “free acres”), to any commodity. FAV/WR plantings on base acres are allowed if the farm has a history of planting FAVs/WR or the producer has a history of planting the specific FAV(s) or WR. Contact your local county office to determine if either type of history applies (farm or producer) to your farm.

Failure to comply with FAV/WR provisions is a violation of the CCC-509 (DCP or ACRE) contract. If FAVs are planted on base acres and the history exceptions do not apply, the acres in violation may be destroyed prior to harvest. FSA must be notified, a paid-for farm visit must be completed, and the participant must submit a revised FSA-578 acreage report. Compliance with FAV/WR provisions is critical in order to avoid severe payment reductions or possible termination of the 2010 DCP or ACRE contract.

Final Loan Availability Date

It is important to remember that you remain eligible to obtain loans or receive price support on all or part of your eligible production anytime during the loan availability period if you maintain beneficial interest. The loan avail-

ability period runs from when the commodity is normally harvested (or sheared for wool) until specified dates in following years. For 2010 crop barley, canola, crambe, flaxseed, honey oats, rapeseed, wheat and sesame seed, the final loan or LDP availability date was March 31 2011. For 2010 crop corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, small chickpeas, soybeans and sunflower seed, the deadline is May 31, 2011. For 2011 sheared wool and unshorn pelts, the deadline is January 31, 2012. At the present time, price support benefits are no longer available for mohair production.



County Committee Elections

County Committee (COC) members are a critical component of the operations of FSA. COCs help deliver FSA farm programs at the local level. Farmers and ranchers who serve on COCs help with the decisions necessary to administer the programs in their counties. They work to ensure FSA agricultural programs serve the needs of local producers. COCs provide local input on:

- Commodity price support loans and payments
- Conservation programs
- Incentive, indemnity and disaster payments for some commodities
- Emergency programs
- Payment eligibility

County Committees operate within official regulations designed to carry out federal laws. COC members apply their judgment and knowledge to make local decisions.

Nominations

To become a nominee for the COC, eligible individuals must sign nomination form FSA-669A. The form includes a statement that the nominee agrees to serve if elected. This form is available at Service Centers and online at <http://www.fsa.usda.gov/elections>. Nomination forms for the 2011 election must be postmarked or received in the local Service Center by close of business August 1, 2011.

Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the county committee. Individuals may nominate themselves or others as a candidate. Additionally, organizations representing minority and women farmers or ranchers may nominate candidates. Nomination forms are filed for the COC in the office that administers a producer's farm records.

Election Period

June 15, 2011 – The nomination period begins
August 1, 2011 – Last day to file nomination forms at the local Service Center
November 4, 2011 – Ballots mailed to eligible voters
December 5, 2011 – Last day to return voted ballots to the Service Center
January 2, 2012 – Newly elected COC members take office

Additional election information may be found at:
<http://www.fsa.usda.gov/elections>

More information about voting eligibility requirements can be found in the FSA fact sheet titled "FSA County Committee Election - Eligibility to Vote and Hold Office as a County Committee Member." Producers may contact their local Service Center for more information.



Signup for 2009 Crop Revenue Losses (SURE Program) Continues

The Supplemental Revenue Assistance Payment (SURE) program provides benefits for crop losses due to natural disasters. This program is revenue based which accounts for losses in both production quantity and quality, as well as price. Prior crop disaster programs dealt only with production losses and did not account for decreases in revenue. This program was authorized by the 2008 Farm Bill and is legislated through 2011. As of the end of March 2011, approximately \$7 million has been issued in SURE benefits to over 500 producers in Nebraska counties.

For the SURE program, a producer's "farm" includes all acres of all crops in all counties. To be eligible, a producer

must have at least part of their "farm" located within a Secretarial disaster declared county, a contiguous county or you must have suffered at least a 50% loss of your actual production on the farm. To be eligible for payment, you must have suffered at least a 10% loss of production on at least one crop of economic significance in a declared or contiguous county.

This program does have a Risk Management Purchase Requirement, which means that in order to receive benefits all crops of economic significance must have been covered by a crop insurance policy or through the Noninsured Crop Disaster Assistance Program (NAP).

Signup for 2009 SURE benefits began January 10, 2011 and continues through July 29, 2011. Producers are encouraged to contact your county office to schedule an appointment. A SURE fact sheet is available on the national FSA website at <http://www.fsa.usda.gov>.



2011 Acreage Reporting Requirements

Producers participating in FSA programs must file an accurate and timely acreage report to remain eligible for program benefits. Reports should be submitted for all cropland, non-cropland, failed, prevented planted and subsequently planted crops on your farm(s). Producers need to ensure they provide accurate information on crops, crop types, intended uses, planting dates, crop shares, and irrigation practices, as these factors determine eligibility for payments under multiple programs. Certain information, including intended use and irrigation practice, cannot be revised once it is initially reported. Prevented Planting should be reported within 15 days of the crop's final planting date. Failed Acres should be reported before disposition of the crop.

Producers are encouraged to report all 2011 crops timely to avoid costly late-filed fees. Acreage reports may be filed by the farm operator or owner, though some programs (Conservation Reserve Program (CRP), Noninsured Crop Disaster Assistance Program (NAP)) require that the report be filed by the specific producer with an interest in the crop or program acreage. The 2011 acreage reporting deadlines are listed under the "Dates to Remember" included in this newsletter.

Farm Storage Facility Loan Program Available to Build or Upgrade on Farm Commodity Storage Facilities

This low interest loan program is available to producers of eligible commodities to help build or upgrade their on-farm commodity storage and handling facilities. Some of the program details include:

- Eligible commodities such as:
 - Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
 - Corn, grain sorghum, wheat, oats or barley harvested as other-than whole grain
 - Pulse crops – lentils, small chickpeas and dry peas
 - Hay
 - Renewable biomass
 - Fruits (including nuts) and vegetables – cold storage facilities
- The maximum loan amount is 85% of the net cost of the facility, not to exceed \$500,000 per loan.
- The loan term will be for 7, 10 or 12 years depending on the loan amount.
- The interest rate will be fixed for the term of the loan. The interest rate for FSFLs approved in May 2011 will be 2.875% for a 7 year term; 3.5% for a 10 year term; and 3.75% for a 12 year term.
- A down payment of 15% is required.
- Producers are required to carry property insurance on the storage facility and also crop insurance for the term of the loan.
- Loans over \$50,000 require real estate to be taken for security.
- Eligible bushel capacity is limited to 2 years of production minus the applicant's current available storage, (except fruit and vegetable storage facilities are limited to 1 year of production minus the applicant's current available storage).
- There is a \$100 non-refundable application fee per applicant.
- Eligible facilities include conventional grain bins designed for whole grain storage; oxygen limiting structures designed for whole grain wet storage and silage; concrete bunker silos; flat storage structures designed for whole grain, hay, or biomass storage; and cold storage buildings designed for fruit and vegetable storage. Permanently affixed handling and drying equipment, safety equipment (ex. ladders), electrical equipment, concrete foundations, site preparation, materials and paid labor, are also eligible.

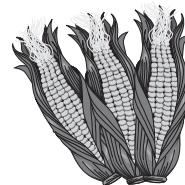
- Used equipment, portable dryers, scales, structures of temporary nature, or structures used for commercial purposes are not eligible.
- Construction of the storage facility cannot begin until after the FSFL application has been submitted to FSA and the loan has been approved.

Producers are encouraged to contact their local FSA office for additional information about the Farm Storage Facility Loan Program.

Loan Programs for Socially Disadvantaged Farmers

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improvements of farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged applicants. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities. For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.



NAP Basic Provisions Available for Producers

FSA issued Basic Provision (BP) for the NAP program and it is available to NAP producers and the public. The CCC-471 BP provides the basic information needed for the Noninsured Crop Disaster Assistance Program (NAP). Interested producers can obtain a copy at the local USDA

Service Center or they are available through the FSA website located at <http://www.fsa.usda.gov>. After accessing the website, click 'Disaster Assistance Program' located on the left under 'Browse by Subject'. On the 'Disaster Assistance Programs' Home Page, click on 'Noninsured Crop Disaster Assistance Program (NAP)' located on the right under 'Related Topics'. On the next screen click 'View CCC-471 NAP Basic Provisions' located under 'I Want To...'

Average Crop Revenue Election (ACRE) Production Certifications

Farms that are enrolled in ACRE must provide their 2010 production certification to FSA by July 15, 2011. A benchmark yield must also be established for farms that elected ACRE in 2010, or if this was the first year a certain commodity was planted since the farm elected ACRE in 2009. Establishment of the benchmark yield requires a certification of historic production for the 2005 thru 2009 crop years. Failure to certify 2010 actual production and applicable 2005-2009 benchmark production by July 15, 2011, will result in ineligibility for all 2011 ACRE payments, including the direct payment.

FSA Farm Loans Available

Direct Operating Loans and Farm Ownership Loans – Farmers and Ranchers may obtain up to \$300,000 for their operation. This includes annual operating and family living expenses, machinery, breeding livestock purchases, or refinancing most operating type debts and real estate improvements or repairs for operating loans. Producers can also obtain up to \$300,000 to purchase real estate and real estate improvements or repairs. The interest rate as of May 1, 2011 is 2.625% for Operating Loans and 5.0% for Farm Ownership. Loans for real estate can be amortized for up to 40 years and for chattels up to 7 years.

Direct Farm Ownership Down Payment Loan Program – The purpose of the program is to provide credit for beginning farmers and ranchers and socially disadvantaged farmers and ranchers to purchase real estate. The applicant must place 5% down; FSA will provide 45% of the purchase price up to a maximum of \$225,000. The balance of the purchase price will be obtained from a conventional lender or seller financing. The interest rate as of May 1, 2011 is 1.5% fixed for the term of the loan which

will be 20 years for the down payment loan program.

In order to qualify you must be a beginning farmer/rancher or a socially disadvantaged farmer/rancher. A beginning farmer/rancher must have been farming/ranching for at least 3 years and not more than 10 years. A beginning farmer/rancher cannot own real estate that exceeds 30% of the median farm size for the county. A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic, or gender prejudice because of his or her identity as a member of the group without regard to his or her individual qualities. SDA groups are women, African Americans, American Indians, Alaskan natives, Hispanics, Asian Americans and Pacific Islanders.

Guaranteed Operating Loans and Farm Ownership Loans –

Farmers and ranchers may obtain up to \$1,119,000 in Guaranteed Farm Ownership and/or Farm Operating Loans. Funds can be used to purchase or enlarge a farm, refinance debt, or for most operating uses. Under this program your local lender makes the loan and FSA provides a guarantee of up to 95% (depends on the circumstances) on the loan. This allows your local lender to continue to help you even if you are experiencing a decline in your financial condition. The interest rate is negotiated with the lender but should not exceed the interest rate charged to their average customers. You could qualify for Interest Assistance (4% rate reduction) if your cash flow and financial statements show the need. Loans for real estate can be amortized for up to 40 years and for chattel up to 7 years. Contact your local commercial lenders who participate in the guaranteed loan program. Local FSA Service Centers have lists of participating lenders.

Livestock Indemnity Program (LIP)

LIP is available to eligible livestock producers on farms that have incurred livestock death losses in excess of normal mortality because of eligible adverse weather events during the 2011 calendar year. Eligible losses, as determined by the Secretary, include losses incurred as a direct result of floods, blizzards, lightning, tornado, disease (if exacerbated by an eligible adverse weather event), wildfires, extreme heat, and extreme cold. Producers must file a Notice of Loss with their administrative county office the earlier of 30 days of the livestock loss or October 31, 2011. Producers who experience a livestock loss can call their local FSA office to complete their Notice of Loss. A LIP application filed for a 2011 calendar year loss; all

supporting documentation of the livestock inventory; required proof of livestock death loss; and producer signatures, must be filed at the producer's administrative county office no later than January 30, 2012. LIP payments will be based on 75% of the average fair market value for each specific livestock category and the individual producer's eligible losses.



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

The ELAP program will provide emergency relief to producers of livestock, honey bee and farm-raised fish due to feed loss, additional cost incurred, honey bee or farm-raised fish death losses during calendar year 2011 as a direct result of adverse weather, such as blizzards, tornadoes, floods, lightning and wildfires, as determined eligible by the Secretary for the claimed loss. To be eligible for the ELAP program, the producer must have purchased or enrolled in the following:

- for an insurable crop on the farm; a policy or plan of insurance under the Federal Crop Insurance Act by the state's sales closing date
- for a non-insurable crop on the farm; filed the required paperwork and paid the fee by the applicable deadline for the Noninsured Crop Disaster Assistance Program (NAP).

The ELAP program is intended to cover disasters that are not adequately covered by any of the other disaster programs. Producers must file a Notice of Loss the earlier of 30 days after the loss event or October 31, 2011. ELAP applications filed for a 2011 calendar year loss and all supporting documentation must be filed no later than January 30, 2012.

Marketing of Commodity Loan Quantities

Producers are reminded that before delivery of farm stored mortgaged commodities, authorization is required by

obtaining an Authorization for Delivery of Loan Collateral for Sale (CCC-681-1) from the county office that issued the loan. It is important to note that the authorization applies to the location (address) provided by the producer on the CCC-681-1 at the time of the request. Delivery of mortgaged collateral to an alternate location (address) is unauthorized disposition and subject to liquidated damages and administrative action. With the consolidation of warehouses into multiple site storage facilities, it is important to request authorization to address the possibility that delivery may be directed to an alternate site that is not located at the address on the CCC-681-1. If delivery is directed to an alternate site other than the location on the CCC-681-1, producers are strongly encouraged to contact the county office immediately in order to revise the Authorization for Delivery of Loan Collateral for Sale (CCC-681-1).



Records for Noninsured Crop Disaster Assistance Program (NAP) Purposes

In order for producers to qualify for 2010 NAP benefits, they are required to certify or provide crop production history and report current crop year production on or before the immediately subsequent crop acreage is reported. The deadline for crop acreage reporting is June 30, 2011 for small grains and July 15, 2011 for most other crops. Producers should bring in prior year production history when certifying 2011 acres.

Report Changes to FSA

It is critical that participants in FSA programs report any changes to the farming operation throughout the year. Failure to update program contracts, acreage reports and payment eligibility documents may result in a refund of 2011 program benefits disbursed, or ineligibility for future 2011 benefits. All changes should be reported, including (but not limited to) the following: Sale or purchase of

land, changes in tenancy, changes in leasing terms, changes in crop shares, new cropland broken out, land converted to non-agricultural uses or permanent easements, changes in contributions of land, capital, equipment, labor or management to the farming operation, deceased producers, settlement of an estate, establishment of an entity (such as a trust or corporation), or changes in shares of an entity. DCP and ACRE contracts must be updated as necessary to reflect any changes to producers with an interest in base acres, by no later than September 30, 2011. Failure of participants to sign revised CCC-509's will result in a loss of payments to all producers.

Properly Constituted Farms

A farm generally consists of tracts under common ownership that are operated by one individual or entity. Land constituted as an FSA "farm" will be reconstituted as necessary to meet this definition. When FSA farms are divided, DCP base acres may be divided by one of the following three methods: (1) written agreement of all landowners, or buyers and sellers, (2) according to the provisions of a will or written agreement of all heirs, or (3) defaulted to the previously established base acres by tract. Farms under separate ownership, including those with 10.0 DCP base acres or less, may be combined if the resulting farm meets the FSA "farm" definition, all owners agree in writing, and the land is under a lease agreement of at least one year. Prior to requesting a multiple ownership farm combination, producers should consider the fact that any future election to participate in ACRE (Average Crop Revenue Election) will be by "farm." The final date to request a farm reconstitution is August 1.

Remember Conservation Compliance

Producers are reminded to remain compliant with highly erodible land and wetland conservation (HELWC) provisions as spring planting and tillage activities continue. Report any new land to be broken out and request a determination of whether highly erodible lands or wetlands exist. Consult with NRCS before conducting any drainage activities. Failure to comply with HELWC requirements can result in ineligibility for multiple program benefits, and/or assessment of payment reductions. Refer to the January edition of "Nebraska Producer News", located at www.fsa.usda.gov/ne, for additional details.

Dates to Remember

May 30, 2011

Memorial Day Holiday. FSA offices closed.

May 31, 2011

Final loan availability date for feed grains and soybeans.

June 1, 2011

ACRE election deadline.

June 30, 2011

Small grains acre certification deadline.

July 4, 2011

Independence Day Holiday. FSA offices closed.

July 15, 2011

All other crop acre certification deadline including CRP acres.

2010 ACRE production report deadline.

July 29, 2011

Final sign up date for 2009 SURE.

August 1, 2011

DCP/ACRE Sign-up/Signature deadline.

Final date to request farm reconstitution.

September 5, 2011

Labor Day Holiday. FSA offices closed.

September 30, 2011

Final date to review any timely enrolled DCP/ACRE contracts.

October 10, 2011

Columbus Day Holiday. FSA offices closed.

Other

NAP crop acre certification deadline. The earlier of July 15 or 15 days before the onset of harvest or grazing of the specified crop.

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