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Nebraska FSA Newsletter

Nebraska Farm Service Agency
7131 A Street
Lincoln, NE 68510

www.fsa.usda.gov/ne

State Committee:
Bill Armbrust
Fred Christensen
Susan Frazier
Leo Hoehn
Linda Kleinschmit,

State Executive Director:
Dan Steinkruger

Division Chiefs:
Cathy Anderson

USDA Issues Safety-Net Payments to Nebraska Farmers Facing Revenue Loss

Payments for the 2014 program year have been issued for most crops determined eligible for benefits under the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. These new programs, authorized under the 2014 Farm Bill, are designed to protect against unexpected drops in crop prices or revenues due to market downturns and/or declines in yields. The new safety-net programs provide assistance only when prices and revenues fall below normal, unlike the previous direct payments program. The county-based option of ARC (ARC-CO) protects against declines in revenue from a combination of price and yield. For example, corn producers experienced a 30 percent drop in price

Doug Klein
Greg Reisdorff
Mike Sander
Mark Wilke

Please contact your local FSA Office for questions specific to your operation or county.

below the historical benchmark price established by the ARC-CO program. In addition, in many counties, 2014 county average yields were also below expected yields, based upon that county's historical 5-year production. Farms participating in PLC earn payments when a crop's national average marketing price drops below the crop's "reference price", as established by the 2014 Farm Bill. PLC does not take into account declines in yield.

FSA began issuing payments for the 2014 crop year in late October. Most Nebraska crops did not earn PLC payments for 2014. PLC payments for minor oilseeds and sunflowers will be determined in December. Payments were earned for certain crops and counties under ARC-CO.

ARC-CO crop payment rates for 2014 varied by county because average yields, which are a factor in determining both historical and actual revenue, will differ by county. ARC-CO payment rates applicable to a farm were determined using the farm's "administrative county" - meaning the county that administers the farm's FSA records. FSA recently announced that producers on a farm will have the option to request that 2014 and 2015 ARC-CO payments are calculated taking into consideration the physical location of each tract on the farm. The deadline to request calculation of ARC-CO payments by physical location county is February 1, 2016. Additional details regarding the steps to make such a request are still forthcoming.

Payments earned under the individual option of ARC (ARC-IC) are still being determined.

Statewide, 82,185 farms participated in ARC-County and 20,438 farms participated in PLC. More details on the price and yield information used to calculate the financing assistance from the safety-net programs is available on the FSA website at www.fsa.usda.gov/arc-plc and www.fsa.usda.gov/ne.

Conservation Reserve Program (CRP) General Signup Begins December 1, 2015

The U.S. Department of Agriculture (USDA) will accept new offers to participate in CRP under a general signup to be held Dec. 1, 2015, through Feb. 26, 2016. Farmers and ranchers interested in removing sensitive land from agricultural production and planting grasses or trees to reduce soil erosion, improve water quality and restore wildlife habitat are encouraged to enroll.

For 30 years, the Conservation Reserve Program has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The voluntary Conservation Reserve Program allows USDA to contract with agricultural producers so that environmentally sensitive land is conserved. Participants establish long-term, resource-conserving plant species to control soil erosion, improve water quality and develop wildlife habitat. In return, USDA's Farm Service Agency (FSA) provides participants with rental payments and cost-share assistance. Contract duration is between 10 and 15 years.

CRP protects water quality and restores significant habitat for ducks, pheasants, turkey, quail, deer and other important wildlife which spurs economic development like hunting and fishing, outdoor recreation and tourism across rural America.

Farmers and ranchers should consider the various CRP continuous sign-up initiatives that may help target specific resource concerns. Financial assistance is offered for many practices including conservation buffers and pollinator habitat plantings, and initiatives such as the highly erodible lands, bottomland hardwood tree and longleaf pine.

Farmers and ranchers may visit their FSA county office for additional information. The 2014 Farm Bill authorized the enrollment of grasslands in CRP and information on grasslands enrollment will be available after the regulation is published later this summer.

For more information on CRP and other FSA programs, please visit www.fsa.usda.gov.

New USDA Commitments to Help Build Up Next Generation of Farmers and Ranchers

A commitment by the U.S. Department of Agriculture (USDA) to prioritize $5.6 billion over the next two years within USDA programs and services that serve new and beginning farmers and ranchers. Deputy Secretary Harden announced a new, tailored web tool designed to connect burgeoning farm entrepreneurs with programs and resources available to help them get started.

The new web tool is available at www.usda.gov/newfarmers. The site was designed based on feedback from new and beginning farmers and ranchers around the country, who cited unfamiliarity with programs and resources as a challenge to starting and expanding their operations. The site features advice and guidance on everything a new farm business owner needs to know, from writing a business plan, to obtaining a loan to grow their business, to filing taxes as a new small business owner. By answering a series of questions about their operation, farmers can use the site's Discovery Tool to build a personalized set of recommendations of USDA programs and services that may meet their needs.

Using the new web tool and other outreach activities, and operating within its existing resources, USDA has set a new goal of increasing beginning farmer and rancher participation by an additional 6.6 percent across key USDA programs, which were established or strengthened by the 2014 Farm Bill, for a total investment value of approximately $5.6 billion. Programs were targeted for expanded outreach and commitment based on their impact on expanding opportunity for new and beginning farmers and ranchers, including starting or expanding an operation, developing new markets, supporting more effective farming and conservation practices, and having access to relevant training and education opportunities. USDA will provide quarterly updates on its progress towards meeting its goal. A full explanation of the investment targets, benchmarks and outcomes is available at: BFR-Commitment-Factsheet.

As the average age of the American farmer now exceeds 58 years, and data shows that almost 10 percent of farmland in the continental United States will change hands in the next five years, we have no time to lose in getting more new farmers and ranchers established. Equally important is encouraging young people to pursue careers in industries that support American agriculture. According to an employment outlook report released by USDA's National Institute of Food and Agriculture (NIFA) and Purdue University, one of the best fields for new college graduates is agriculture. Nearly 60,000 high-skilled agriculture job openings are expected annually in the United States for the next five years, yet only 35,000 graduates with a bachelor's degree or higher in agriculture related fields are expected to be available to fill them. The report also shows that women make up more than half of the food, agriculture, renewable natural resources, and environment higher education graduates in the United States. USDA recently released a series of fact sheets showcasing the impact of women in agriculture nationwide.

This announcement builds on USDA's ongoing work to engage its resources to inspire a strong next generation of farmers and ranchers by improving access to land and capital; building market opportunities; extending conservation opportunities; offering appropriate risk management tools; and increasing outreach and technical support. To learn more about USDA's efforts, visit the Beginning Farmers and Ranchers Results Page.

USDA Encourages Producers to Consider Risk Protection Coverage before Fall Crop Sales Deadlines

Farm Service Agency encourages producers to examine the available U.S. Department of Agriculture (USDA) crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the sales deadline for fall crops.

Deadlines are quickly approaching to purchase coverage for fall-seeded crops. Producers are reminded that crops not covered by insurance may be eligible for the Noninsured Crop Disaster Assistance Program. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

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 forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers 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.

Filing a Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting to FSA and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses. For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), you must file a CCC-576, Notice of Loss, at the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

For NAP, producers of hand-harvested crops must notify FSA of damage or loss through the administrative County Office within 72 hours of the date of damage or loss first becomes apparent. This notification can be provided by filing a CCC-576, email, fax or phone. Producers who notify the County Office by any method other than by filing the CCC-576 are still required to file a CCC-576, Notice of Loss, within the required 15 calendar days.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

Conservation Compliance Critical To Eligibility for Benefits

Producers are reminded that compliance with Highly Erodible Lands (HEL) and Wetland Conservation (WC) provisions is necessary to maintain eligibility for eligibility for federal farm programs and crop insurance subsidies. Conservation compliance refers to the USDA requirement that highly erodible lands be farmed in a manner that maintains a certain level of surface residue and minimizes soil erosion. This may include taking steps such as incorporating minimal or no-till operations, or planting cover crops. Conservation compliance also prohibits the conversion of a wetland, or planting of an agricultural commodity on a converted wetland. Converting a wetland may include removal of trees, installing new drainage, or modifying existing drainage to an area.

Producers should file Form AD-1026 with FSA prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria. Once the AD-1026 is filed, the Natural Resources Conservation Service (NRCS) will need to review the project area to ensure the proposed work will not risk your eligibility for benefits. It's important to ensure this review is completed prior to initiating the work.

Producers are also encouraged to review and understand existing highly erodible land (HEL) and wetland (W) determinations on FSA maps and visit with NRCS regarding what steps are required on HEL to ensure that an approved conservation system is being actively applied. Additionally, producers can request NRCS to develop a conservation plan to outline the use of crop rotations, tillage methods, cover crops, and other conservation practices to ensure compliance with HEL provisions. When weather events or some other circumstance occurs that is not addressed in the conservation plan, producers can talk with NRCS staff first to ensure any proposed changes in tillage or cropping will not result in a compliance issue.

Loans for Targeted Underserved Producers

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 to purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants. A targeted underserved 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, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Microloan (ML) Program

The Farm Service Agency (FSA) developed the ML program to better serve the unique financial operating needs of beginning, niche and the smallest of family farm operations. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA). Eligible applicants can apply for a maximum amount of $50,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. For more information contact your local FSA Office or view the Microloan Program Fact Sheet on the FSA website.

Producers are Reminded to Complete NASS Crop Surveys

The National Agricultural Statistics Service (NASS) Field Offices will contact growers in December to complete row crop yield surveys. If you are one of the producers contacted to complete a 2015 yield survey, we encourage your participation and cooperation as many USDA agencies including the Farm Service Agency (FSA) and Risk Management Agency (RMA) use the NASS yield data for their programs.

FSA uses NASS county yield data for farm credit, conservation, disaster programs, loan and commodity programs. Under the 2014 Farm Bill, FSA uses the NASS county yield data to calculate Agriculture Risk Coverage – County (ARC-CO) benchmark revenues and current year county revenues. For example, the 2014 NASS county yield, along with the crop's marketing year average price (MYA), are used to determine the county's current year revenue to determine if the county will trigger an ARC-CO payment. An ARC-CO payment is triggered for a county when the current year revenue falls below the guaranteed revenue for the crop and crop year. In cases where NASS county yield data is not available, the FSA State Committee must determine a county yield using RMA yield data or the best available yield data, including assigning a county yield using neighboring county yields from NASS or RMA.

Any information that producers provide to NASS is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. All reports will be available at www.nass.usda.gov.

Farmers to Receive Documentation of USDA Services

Farm Service Agency (FSA) reminds agricultural producers that FSA provides a receipt to customers who request or receive assistance or information on FSA programs.

As part of FSA's mission to provide enhanced customer service, producers who visit FSA will receive documentation of services requested and provided. From December through June, FSA issued more than 327,000 electronic receipts.

The 2014 Farm Bill requires a receipt to be issued for any agricultural program assistance requested from FSA, the National Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity.

In some cases, a form or document – such as a completed and signed program enrollment form – serve as the customer receipt instead of a printed or electronic receipt. A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

To learn more about FSA, visit www.fsa.usda.gov or to find your local USDA office, visit http://offices.usda.gov.

November FSA Interest Rates

Farm Operating: 2.5%
Microloan: 2.5%
Farm Ownership: 3.875%
Farm Ownership - Joint Financing: 2.50%
Farm Ownership - Down Payment: 1.50%
Emergency - Actual Loss: 3.5%
Farm Storage Facility Loan 7 year term: 1.750%
Farm Storage Facility Loan 10 year term: 2.125%
Farm Storage Facility Loan 12 year term: 2.250%
Commodity Loan: 1.250%

Dates to Remember

November 20, 2015 – CRP Grassland first ranking signup cutoff; Deadline to register and elect buy-up coverage for 2016 MPP-Dairy Program
December 1, 2015 - 2016 sales closing date for honey, apples, cherries, plums, strawberries, asparagus, and grapes (NAP)
December 1, 2015 - CRP General signup begins
December 7, 2015 - Deadline for ballots postmarked or returned to County Office for COC elections
January 4, 2016 - NAP deadline for 2016 honey
January 4, 2016 - 2016 initial reports for honeybee colonies and locations
February 1, 2016 - Deadline to submit 2015 LIP application for payment and supporting documentation
February 1, 2016 - Deadline to request 2015 MAL or LDP for mohair, unshorn pelts (LDP Only), and wool
February 26, 2016 - Deadline for CRP General signup
March 15, 2016 - 2016 sales closing date for alfalfa, mixed forage, spring-seeded annual crops, grass, and sorghum forage (NAP)
March 31, 2016 - Deadline to request 2015 MAL or LDP for barley, canola, crambe, flaxseed, honey, oats, rapeseed, wheat, and sesame seed
May 31, 2016 - Deadline to request 2015 MAL or LDP for corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans, sunflower seed

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