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Nebraska FSA Newsletter

Nebraska Farm Service Agency

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Conservation Reserve Program Newsletter

Nebraska issued a special Conservation Reserve Program (CRP) newsletter in hard copy to current owners and operators in Nebraska. If you would like to review the newsletter you may click here to view it as a PDF.

Report Livestock Losses by Feb. 1, 2016

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death

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

losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2015, eligible losses must occur on or after Jan. 1, 2015, and before December 31, 2015. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- 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%. These established percentages reflect losses that are considered expected or typical under "normal" conditions. Producers who suffer livestock losses in 2015 must file both of the following:

- A notice of loss the earlier of 30 calendar days of when the loss was apparent or by February 1, 2016
- An application for payment by February 1, 2016.

Additional information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

Enrollment Period for 2016 ARCPLC Open

USDA's Farm Service Agency (FSA) announced that producers who chose coverage from the safety net programs established by the 2014 Farm Bill, known as the Agriculture Risk Coverage (ARC) or the Price Loss Coverage (PLC) programs, could begin visiting FSA county offices starting Dec. 7, 2015, to sign contracts to enroll in coverage for 2016. The enrollment period will continue until Aug. 1, 2016.

Although the choice between ARC and PLC is completed and remains in effect through 2018, producers must still enroll their farm by signing a contract each year to receive coverage.

Producers are encouraged to contact their local FSA office to schedule an appointment to enroll. If a farm is not enrolled during the 2016 enrollment period, producers on that farm will not be eligible for financial assistance from the ARC or PLC programs should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program.

USDA Encourages Producers to Consider 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 the Noninsured Crop Disaster Assistance Program (NAP). 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 perennial grass 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.

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.

The following are the different methods used when doing a farm reconstitution.

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 (MOU); the MOU must be signed and filed with FSA before either the farm is reconstituted or any subsequent transfer of ownership occurs. A deed is not considered to meet the requirements of an MOU.

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. The Default Method applies when neither the Estate nor the Designation of Landowner Method applies.

USDA Adjusts Actively Engaged Rules for Managers of Joint Operations

USDA has finalized a rule to ensure that farm safety-net payments are issued only to active managers of farms that operate as joint ventures or general partnerships, consistent with the direction and authority provide by Congress in the 2014 Farm Bill. The action, which exempts family farm operations, provides specific rules for joint operations where certain members are not providing a qualifying contribution of active personal labor to the operation, but instead only contributing active personal management.

Since 1987, the broad definition of “actively engaged” resulted in some members of general partnerships and joint ventures qualifying for a payment limitation within the operation, who were only contributing management, which may or may not be substantial to the operation. The new rule applies to operations seeking to qualify more than one “manager”, and requires measureable, documented hours and key management activities each year. Some operations of certain sizes and complexity may be allowed up to three qualifying managers under limited conditions. The changes apply to payments for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, Loan Deficiency Payments (LDP) and Marketing Loan Gains (MLG) realized via the Marketing Assistance Loan program.

As required by Congress, the new rule does not apply to operations comprised solely of family members, or change regulations related to contributions of land, capital, equipment, or labor. The changes go into effect for the 2016 crop year for most operations. Those that have already planted fall crops for 2016 have until the 2017 crop year to comply. For more details, producers are encouraged to consult their local Farm Service Agency office.

Marketing Assistance Loans (MAL)

MALs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, wool and honey. MALs provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows.

FSA is now accepting requests for 2015 MALs for all eligible commodities after harvest.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans. Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate. Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements. The maximum loan amount for both direct farm ownership and operating loans is $300,000 and a down payment is not required. 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 local FSA office for more information or to apply for a direct farm ownership or operating loan.

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 $1,399,000. 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.

USDA to Provide Agricultural Credit Training, Expand Opportunities for Farmer Veterans and Beginning Farmers

USDA announced a partnership with the Farmer Veteran Coalition (FVC) to conduct agricultural credit training sessions in the Midwest for military veterans and beginning farmers and ranchers.

States under consideration to host the workshops include Iowa, Illinois, Indiana, Michigan, Minnesota, Missouri, and Nebraska.

These workshops will provide individuals interested in farming as a career, including military veterans, with methods to improve business planning and financial skills, and improve understanding of the risk management tools that can help small farm operations.

Other partners include Niman Ranch, a community network of more than 700 independent family farmers and ranchers, and the Farm Credit Council and the Farm Credit System, which provides loans, leases and financial services to farmers, ranchers and rural businesses across the United States. The workshops will also include assistance with credit applications and introductions to local or regional food markets.

To learn more about veterans in agriculture, visit www.usda.gov/veterans. Visit www.fsa.usda.gov/farmloans or your local Farm Service Agency (FSA) office to learn more about FSA's farm loan programs. To find your local FSA office, visit http://offices.usda.gov. More information also is available from the Farmer Veteran Coalition at www.farmvetco.org.

Playa Health: Importance of Buffers

Research indicates that a buffer surrounding a playa lake, consisting typically of native grasses and forbs, prevents migration of upland topsoil and farm chemicals into lowland wetlands such as playa lakes and rainwater basins. The buffers are important to rangeland playas, but are vital when playas are situated in fields under crop production. Learn more in this short radio spot by Playa Lakes Joint Venture. Audio: http://pljv.org/radio_episodes/playa-health-the-importance-of-buffers/

****These spotlights are brought to you through USDA's partnership with the Playa Lakes Joint Venture– The mission of Playa Lakes Joint Venture (PLJV) is to conserve the playas, prairies and landscapes of the western Great Plains — including portions of Colorado, Kansas, Nebraska, New Mexico, Oklahoma and Texas. http://pljv.org/*

January FSA Interest Rates

Farm Operating: 2.625%
Microloan: 2.625%
Farm Ownership: 3.875%
Farm Ownership - Joint Financing: 2.50%
Farm Ownership - Down Payment: 1.50%
Emergency - Actual Loss: 3.625%
Farm Storage Facility Loan 7 year term: 2.00%
Farm Storage Facility Loan 10 year term: 2.25%
Farm Storage Facility Loan 12 year term: 2.375%
Commodity Loan: 1.625%

Dates to Remember

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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