

February 2016



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### Nebraska Farm Service Agency

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#### State Committee:

Fred Christensen  
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Linda Kleinschmit  
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#### State Executive Director:

Dan Steinkruger

### Message from Dan Steinkruger, State Executive Director (SED)

As March 1 nears, I get excited about spring because calving season starts, the wheat greens up and another growing season begins. At the Farm Service Agency (FSA), I am excited because we are current with the Farm Bill and working on 2016 programs.

If you are interested in enrolling in the Conservation Reserve Program (CRP), call your office immediately, general signup ends Friday.

If you have not enrolled in the **2016** Agriculture Risk Coverage (ARC) – Price Loss Coverage (PLC) on your farms, make an appointment with

**Division Chiefs:**

Cathy Anderson  
Doug Klein  
Greg Reisdorff  
Mike Sander  
Mark Wilke

your office today. We know you can sign up all summer but getting it done now allows you to do your farming tasks April-August. Also, please report farm ownership and operator changes to FSA.

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

If you are planning to look at our farm loan programs please schedule your appointment. It assists us to provide you better service.

I am proud of our employees in our 71 Nebraska Offices. They do their best to work with you to deliver our federal farm and loan programs.

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## USDA Sees Strong Demand for Conservation Reserve Program

### Deadline to Submit Offers for Competitive Enrollment is Feb. 26

USDA reminds farmers and ranchers that the competitive sign-up deadline for its most popular voluntary conservation program, the Conservation Reserve Program (CRP), is Feb. 26, 2016. This will be one of the most competitive general sign-up periods in history, in part due on a statutory limit on the number of acres that can be enrolled in the program. The most competitive applications will be those that combine multiple conservation benefits, such as water quality and wildlife habitat.

For the past thirty years, CRP has provided financial incentives to farmers and ranchers to remove environmentally sensitive agricultural land from production to be planted with certain grasses, shrubs and trees that improve water quality, prevent soil erosion and increase wildlife habitat. Since 1985, CRP has sequestered an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road; prevented 9 billion tons of soil from erosion, enough to fill 600 million dump trucks; and reduced nitrogen and phosphorous runoff by 95 and 85 percent, respectively. CRP also protects more than 170,000 stream miles with forests and grasses, enough to go around the world seven times. The program has allowed for the restoration of 2.7 million acres of wetland.

As of January 2016, 23.6 million acres were enrolled in CRP, with contracts for more than 1.6 million acres set to expire this fall. The statutory cap on acres that can be enrolled is 24 million acres. Submissions will be ranked according to environmental benefits in comparison to all other offers nationwide. USDA will announce accepted offers after the enrollment period ends and offers are reviewed. For an interactive tour of CRP success stories from across the U.S., visit [www.fsa.usda.gov/CRPis30](http://www.fsa.usda.gov/CRPis30), or follow on Twitter at #CRPis30.

For an interactive look at USDA's work in conservation and forestry over the course of this Administration, visit <http://medium.com/usda-results>.

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## CRP Payment Limitation

Payments and benefits received under the Conservation Reserve Program (CRP) are subject to the following:

- payment limitation by direct attribution
- foreign person rule

- average adjusted gross income (AGI) limitation

The 2014 Farm Bill continued the \$50,000 maximum CRP payment amount that can be received annually, directly or indirectly, by each person or legal entity. This payment limitation includes all annual rental payments and incentive payments (Sign-up Incentive Payments and Practice Incentive Payments). Annual rental payments are attributed (earned) in the fiscal year in which program performance occurs. Sign-up Incentive Payments (SIP) are attributed (earned) based on the fiscal year in which the contract is approved, not the fiscal year the contract is effective. Practice Incentive Payments (PIP) are attributed (earned) based on the fiscal year in which the cost-share documentation is completed and the producer or technical service provider certifies performance of practice completion to the county office.

Such limitation on payments is controlled by direct attribution.

- Program payments made directly or indirectly to a person are combined with the pro rata interest held in any legal entity that received payment, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Program payments made directly to a legal entity are attributed to those persons that have a direct and indirect interest in the legal entity, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Payment attribution to a legal entity is tracked through four levels of ownership. If any part of the ownership interest at the fourth level is owned by another legal entity, a reduction in payment will be applied to the payment entity in the amount that represents the indirect interest of the fourth level entity in the payment entity.

Essentially, all payments will be “attributed” to a person’s Social Security Number. Given the current CRP annual rental rates in many areas, it is important producers are aware of how CRP offered acreages impact their \$50,000 annual payment limitation. Producers should contact their local FSA office for additional information.

NOTE: The information in the above article only applies to contracts subject to 4-PL and 5-PL regulations. It does not apply to contacts subject to 1-PL regulations.

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## **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](http://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](http://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.

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## Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone acreage

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit <http://offices.usda.gov>.

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## Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2016 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. TAP was authorized by the Agricultural Act of 2014 as a permanent disaster

program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

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## **Emergency Assistance for Livestock, Honeybee, and Farm-Raised Fish Program (ELAP)**

The Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) provides emergency assistance to eligible livestock, honeybee, and farm-raised fish producers who have losses due to disease, adverse weather or other conditions, such as blizzards and wildfires, not covered by other agricultural disaster assistance programs.

Eligible livestock losses include grazing losses not covered under the Livestock Forage Disaster Program (LFP), loss of purchased feed and/or mechanically harvested feed due to an eligible adverse weather event.

Eligible honeybee losses include loss of purchased feed due to an eligible adverse weather event, cost of additional feed purchased above normal quantities due to an eligible adverse weather condition, colony losses in excess of normal mortality due to an eligible weather event or loss condition, including CCD, and hive losses due to eligible adverse weather.

Eligible farm-raised fish losses include death losses in excess of normal mortality and/or loss of purchased feed due to an eligible adverse weather event.

Producers who suffer eligible livestock, honeybee, or farm-raised fish losses from October 1, 2015 to September 30, 2016 must file:

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

Honeybee producers must timely file their acreage reports, also. Acreage reports must be filed in your recording County Office within 30 calendar days of when changes to the total number of colonies take place or when the colonies have been moved to a different county.

The Farm Bill caps ELAP disaster funding at \$20 million per federal fiscal year.

The following ELAP Fact Sheets (by topic) are available online:

- ELAP for Farm-Raised Fish Fact Sheet
- ELAP for Livestock Fact Sheet
- ELAP for Honeybees Fact Sheet

To view these and other FSA program fact sheets, visit the FSA fact sheet web page at [www.fsa.usda.gov/factsheets](http://www.fsa.usda.gov/factsheets).

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## Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities. The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

FSFL security requirements have been eased for loans in the amount of \$100,000 and less. The maximum FSFL loan amount is \$500,000 per loan.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport) or contact your local FSA county office.

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## Farm Loan Information Chart

A Farm Loan Information Chart Fact Sheet containing information on maximum loan amounts, loan terms, and use of proceeds is available. The fact sheet can be accessed by clicking [here](#). Additional details on available Farm Loan Programs can be obtained at local FSA offices and on FSA's website: <http://www.fsa.usda.gov>.

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## USDA Regional Climate Change Hubs

Agriculture Secretary Tom Vilsack established the first ever USDA Regional Climate Change Hubs in February 2014 at seven locations around the country to provide more information to farmers, ranchers and forest landowners on the increasing risks of fires, pests, floods, and droughts associated with a changing climate. For more information on the Northern Plains Regional Climate Hub, visit <http://climatehubs.oce.usda.gov/northernplains>. For general information on Climate Hubs, visit <http://www.climatehubs.oce.usda.gov/sites/default/files/USDA%20Regional%20Hubs%20for%20Risk%20Adaptation%20and%20Mitigation%20to%20Climate%20Change%202015.pdf>

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## February FSA Interest Rates

Farm Operating: 2.625%  
Microloan Operating: 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: 2.125%  
Farm Storage Facility Loan 12 year term: 2.250%  
Commodity Loan: 1.625%

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## Dates to Remember

**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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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).