

April 2017



Farm Service Agency

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NEWSLETTER



Having trouble viewing this email? [View it as a Web page.](#)

- [A Message from the Acting State Executive Director](#)
- [Producers Reminded of Highly Erodible Land Requirements, Impacts](#)
- [FSA Loan Servicing, Other Resources Available During Financial Stress](#)
- [Producers Encouraged to Report Prevented Planting, Failed Acres](#)
- [Farm Loan Information Chart](#)
- [Marketing Assistance Available Through May 31 for 2016 Corn, Soybeans, Grain Sorghum](#)
- [Producers Must Maintain Quality of Farm-Stored Loan Grain](#)
- [Call FSA to Avoid Unauthorized Disposition of Loan Grain](#)
- [Producers Can Assist with Emergency Disaster Designation Process](#)
- [Landowners Responsible for Fire Management on CRP Acres](#)
- [Fruit, Vegetable and Wild Rice Planting Rules](#)
- [Dates to Remember](#)
- [April Interest Rates](#)

Nebraska FSA Newsletter

Nebraska Farm Service Agency

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A Message from the Acting State Executive Director

There are a few things intrinsic to spring, and if you are like me, it doesn't seem like the season has turned the page from winter until they occur: the smell of fresh soil as planting begins, the sight of a mother cow licking her newborn calf, the sound of rain hitting the machine shed roof. Once I experience all of these, it seems "official" that a new season has arrived.

In our 71 county FSA offices across the state, there is no doubt that spring is here. Customer traffic is focused on land management questions,

Linda Kleinschmidt
Roy Stoltenberg

advance work on acreage certifications, and for some, unfortunately, addressing weather-related losses.

Division Chiefs:

Cathy Anderson
Doug Klein
Greg Reisdorff
Mark Wilke

To find contact information for your local office go to www.fsa.usda.gov/ne

There are some specific things farmers and landowners should keep in mind as they continue this early-season work. For example, if you are considering working up a new piece of ground, you should first contact Nebraska FSA. The 2014 Farm Bill contains special provisions related to native sod being brought into production, and such action could negatively impact your program benefits. See the article below for more background on this important issue.

If you are unfortunate enough to be hit by early season severe weather, we also need to hear from you. Nebraska FSA has emergency assistance programs in place, but we first must pull together appropriate reports to document losses. In addition, if you have coverage under the Noninsured Crop Disaster Assistance Program (NAP), and you suffer a loss, you have anywhere from three to 15 days to report that loss to us, depending on the crop and other parameters. Two articles below detail both of these programs.

That's all I've got for highlights this month. Stay safe as you gear up for planting.

-- Mike Sander

Producers Reminded of Highly Erodible Land Requirements, Impacts

Farm Service Agency (FSA) reminds producers who receive FSA, Natural Resources Conservation Service (NRCS) or Risk Management Agency (RMA) program benefits that the 2014 Farm Bill contains special provisions related to native sod being brought into production in the states of Nebraska, Iowa, Minnesota, Montana, South Dakota and North Dakota.

Producers who convert native sod to production agriculture at any time after Feb. 7, 2014, are subject to the following for the first four years of cropping:

- Reduced guarantee for crop insurance;
- Reduced premium subsidy for crop insurance;
- Reduced guarantee for the Noninsured Crop Disaster Assistance Program (NAP); and
- Increased service fees for NAP policies involving the native sod acres.

Native sod is considered land on which the plant cover is composed principally of native grasses, grass-like plants, or shrubs for grazing and browsing that has never been tilled, and the producer

cannot substantiate that the ground has ever been tilled, for the production of an annual crop on or before Feb. 7, 2014.

The limitations in guarantees, premium subsidy and service fees apply for the first four years of cropping on the native sod acres. After four years of cropping, the native sod is treated as traditional acres for crop insurance and NAP purposes. Insignificant acres of native sod may be eligible for an exemption as determined by FSA or RMA. Acres qualifying for an exemption are not subject to the limitations discussed above.

Producers who have questions on these provisions or any FSA programs should contact their local FSA office. To find a local office, visit: <http://offices.usda.gov>.

FSA Loan Servicing, Other Resources Available During Financial Stress

There are options for Farm Service Agency (FSA) loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA farm loan manager to learn about the options available to you.

Farmers and ranchers also can access assistance through other entities in Nebraska that offer services during financially challenging times. The Rural Response Hotline provides referral and support services for farmers, ranchers and rural residents and their families. The number to call is (800) 464-0258.

The Nebraska Department of Agriculture manages the Negotiations Program, which offers mediation services for agricultural borrowers, creditors and USDA program participants. Through this program, participants also can access free one-on-one education on agricultural financial and legal matters. For information, call (800) 446-4071.

Nebraska Extension has developed an initiative called “Strengthening Nebraska’s Agricultural Economy” that features a series of educational materials on the Extension CropWatch and Beef websites. The materials are designed to provide producers with ideas for reducing input costs, increasing efficiencies and improving profitability. Find the materials at CropWatch.unl.edu and Beef.unl.edu.

Producers Encouraged to Report Prevented Planting, Failed Acres

Farm Service Agency (FSA) reminds producers to report prevented planting and failed acres in order to establish or retain FSA program eligibility for some programs.

Producers should report crop acreage they intended to plant, but due to natural disaster, were prevented from planting. Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and Risk Management Agency (RMA).

Contact your local FSA office for a list of final planting dates by crop.

If a producer is unable to report the prevented planting acreage within the 15 calendar days following the final planting date, a late-filed report can be submitted. Late-filed reports will only be

accepted if FSA conducts a farm visit to assess the eligible disaster condition that prevented the crop from being planted. A measurement service fee will be charged.

Additionally, producers with failed acres should also use form CCC-576, Notice of Loss, to report failed acres.

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.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP), producers must file a Notice of Loss within 15 days of the occurrence of the disaster or when losses become apparent. Producers must timely file a Notice of Loss for failed acres on all crops including grasses.

Farm Loan Information Chart

FSA has available a Farm Loan Information Chart Fact Sheet, containing information on maximum loan amounts, loan terms and use of proceeds. 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>.

Marketing Assistance Available Through May 31 for 2016 Corn, Soybeans, Grain Sorghum

The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for corn, grain sorghum and soybeans, as well as commodities such as feed grains, other oilseeds, pulse crops, rice, peanuts, cotton, 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. The deadline to obtain a MAL for 2016 corn, grain sorghum and soybeans is May 31.

A producer who is eligible to obtain a MAL, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

To be eligible for a MAL or an LDP, producers must have a beneficial interest in the commodity, in addition to other requirements. A producer retains beneficial interest when control of and title to the commodity is maintained. For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer filed [Form CCC-633EZ \(page 1\)](#) in the FSA county office. For more information, producers should contact their local FSA county office or view the [LDP Fact Sheet](#).

Producers Must Maintain Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

Call FSA to Avoid Unauthorized Disposition of Loan Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

Producers Can Assist with Emergency Disaster Designation Process

Farmers and ranchers know all too well that natural disasters can be a common, and likely a costly, variable to their operation. The Farm Service Agency (FSA) has emergency assistance programs to provide assistance when disasters strike, and for some of those programs, a disaster designation may be the eligibility trigger. When a natural disaster occurs, there is a process for requesting a USDA Secretarial disaster designation for a county. Agricultural producers can play a vital role in this process.

If you have experienced a production loss as a result of a natural disaster, you may submit a request to your local FSA county office for your county to be evaluated for a Secretarial disaster designation. Once a request is received, the county office will collect disaster data and create a Loss Assessment Report. The County Emergency Board will review the Loss Assessment Report and determine if a recommendation is sent forward to the U.S. Secretary of Agriculture for the designation.

For more information on FSA disaster programs and disaster designations, visit www.fsa.usda.gov/disaster. To find current Nebraska disaster designations, visit www.fsa.usda.gov/ne.

Landowners Responsible for Fire Management on CRP Acres

Landowners who participate in the Conservation Reserve Program (CRP) are responsible for fire management on their CRP acreage. Fireguard technical practices should be outlined in the Conservation Plan of Operations (CPO).

Landowners must complete the necessary management activities outside of the primary nesting season. In Nebraska, the primary nesting season is May 1 through July 15 for grazing benefits and all other activities. The goal is to suppress the amount of fuel in the event of a wildfire, while still promoting the diversity of the conservation cover.

FSA encourages producers to be proactive in preventing the spread of wildfire. Fire management includes installing firebreaks, which should be included in the contract support document and installed according to NRCS firebreak standards.

Barren firebreaks will only be allowed in high risk areas, such as transportation corridors, rural communities, and adjacent farmsteads. A conservationist must certify that there will not be an erosion hazard from the barren firebreak. If erosion becomes a problem, remedial action will be taken.

Fruit, Vegetable and Wild Rice Planting Rules

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Dates to Remember

May 31, 2017 – Final marketing assistance loan availability for 2016 corn, grain sorghum, soybeans and others (visit your local county FSA office for details on other crops)

June 1, 2017 – Final date to file an AD-1026 for 2018 crop insurance eligibility

July 17, 2017 – Acreage reporting deadline for all spring-seeded crops, including Conservation Reserve Program (CRP) acreage, and all other crops for the 2017 crop year

August 1, 2017 – Enrollment period for ARC/PLC ends

August 1, 2017 – Deadline to request farm transfers or reconstitutions for 2017

April Interest Rates

Farm Operating: 2.875%

Microloan Operating: 2.875%

Farm Ownership: 4%

Farm Ownership - Joint Financing: 2.50%

Farm Ownership - Down Payment: 1.50%

Emergency - Actual Loss: 3.875%

Farm Storage Facility Loan 3 year term: 1.625%

Farm Storage Facility Loan 5 year term: 2%

Farm Storage Facility Loan 7 year term: 2.25%

Farm Storage Facility Loan 10 year term: 2.50%

Farm Storage Facility Loan 12 year term: 2.50%

Commodity Loan: 2%

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