July 2017

Farm Service Agency Electronic News Service

NEWSLETTER

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Nebraska FSA Newsletter

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State Executive Director:
Mike Sander, Acting

A Message from the Acting State Executive Director

I am writing this column with a watchful eye on the weather and rainfall predictions in the state. Any moisture, without the hail and high winds that often accompany it this time of year, is always welcome.

The U.S. Drought Monitor provides a visual depiction of where the state stands relative to moisture as of mid-July. The drought is creeping in, following a pattern from our northern neighbors. USDA Farm Service Agency (FSA) is responding, making tools like emergency grazing and haying of Conservation Reserve Program

State Committee:
Susan Frazier, Chair
Fred Christensen
Leo Hoehn
Linda Kleinschmidt
Roy Stoltenberg

Program Chiefs:
Cathy Anderson
Doug Klein
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To find contact information for your local office go to www.fsa.usda.gov/ne

(CRP) acres available. Such relief has been granted in a number of Nebraska counties. You can learn more details by reading the story below and clicking on this link.

It is important to keep in mind that landowners wishing to use the CRP emergency tools must visit their county FSA office **prior to** taking any grazing or haying action on their CRP acres.

While we are keeping an eye on the weather, Nebraska FSA has a great deal of activity going on. This is a particularly busy time of year. Several important deadlines fall on Tuesday, Aug. 1, including enrollment in the main safety net for most of our farmers and ranchers – the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs. If you haven't yet signed your annual contract for these programs, please visit your county FSA office as soon as possible.

August 1 also is the deadline to provide us with information regarding any changes to your farm ownership or operational structure. This is called a farm "reconstitution," and it is important in order to maintain appropriate program benefits. See the article below for more information.

Lastly, August 1 is the deadline to nominate yourself, or others, to your local FSA County Committee. County Committees are producer-elected and provide a voice for local farmers and ranchers regarding FSA farm program implementation. Each of our 71 FSA county offices will have at least one seat up for election this year. You can learn more about the election process here, but the best place to find out about this opportunity is at your local FSA office. Stop in today to learn more.

That's all for this month.

Until next time,

-- Mike Sander

Deadline to Enroll in Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) is Aug. 1

Farmers and ranchers have until Aug. 1 to enroll in Agriculture Risk Coverage (ARC) and/or Price Loss Coverage (PLC) programs for the 2017 crop year. These programs trigger financial protections for participating agricultural producers when market forces cause substantial drops in crop prices or revenues.

Producers have already elected ARC or PLC, but to receive program benefits they must enroll for the 2017 crop year by signing a contract before the Aug. 1 deadline. Please contact your local FSA office to schedule an appointment if you have not yet enrolled.

Covered commodities under the programs include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat.

For more program information, contact your local FSA office or visit www.fsa.usda.gov/arc-plc.

As Drought Worsens, USDA Responds with Expanded Federal Program Measures on CRP Acres

As conditions deteriorate and drought expands across much of the Northern Plains, the U.S. Department of Agriculture (USDA) is offering assistance to farmers and ranchers through numerous federal farm program provisions and continues to monitor the situation to ensure all viable program flexibilities are offered to producers. USDA's Farm Service Agency announced that Agriculture Secretary Sonny Perdue has authorized emergency haying on Conservation Reserve Program (CRP) lands beginning July 16 through Aug. 31, 2017, for counties in Montana, North Dakota, and South Dakota designated as D2 or greater on the U.S. Drought Monitor. Similar to the authorization for Emergency Grazing announced last month, this authorization includes any county with any part of its border located within 150 miles of a county eligible for emergency haying of CRP based on the U.S. Drought Monitor. A number of counties in Nebraska are included in this authorization.

Increased demand for hay has further depleted already low levels of hay stock. As of May 1, 2017, Montana and North Dakota reported the lowest hay stock since 2013 and since 2014 in South Dakota.

Landowners interested in emergency haying of CRP acres should contact their local FSA office and meet with their local Natural Resources Conservation Service (NRCS) staff to obtain a modified conservation plan to include emergency haying. Not all CRP practices qualify for emergency haying. Individual conservation plans will take into consideration wildlife needs.

Eligible CRP participants can hay their acreage for their own use or may grant another producer use of CRP land for haying purposes. There will be no CRP annual rental payment reductions assessed for acres hayed under this emergency authority.

This emergency CRP haying authorization is an added resource to an extensive portfolio of drought assistance programs and emergency provisions offered by USDA agencies and currently available to eligible producers having a qualifying drought loss or related need.

- **Emergency CRP Grazing** - In June, Secretary Perdue authorized emergency grazing of CRP acres during the primary nesting season in Montana, North Dakota and South Dakota in counties indicated as D2 or greater on the U.S. Drought Monitor. This authorization was further expanded to include any county with any part of its border located within 150 miles of a county designated as level "D2 Drought - Severe" or higher according to the U.S. Drought Monitor. Grazing is authorized through Sept. 30, 2017, unless conditions improve.
- **FSA Farm Loan Livestock Physical Control Requirement Flexibility** – USDA will authorize up to a 12 month exemption to the FSA farm loan requirement that borrowers maintain physical control of livestock during the term of the loan. This exemption will allow livestock producers the option of sending livestock to feedlots, drylots or otherwise relocate livestock to locations where feed, forage and water needs can be met.

These and a number of other disaster assistance programs are available to farmers and ranchers. For more information on disaster assistance programs visit www.fsa.usda.gov/disaster or contact your local FSA Office. To find your local FSA county office, visit http://offices.usda.gov.

Visit Your County FSA Office by Aug. 1 to Complete 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.

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program. A reconstitution is considered to be requested when all of the required signatures are on FSA-155, and other applicable documentation, such as proof of ownership, is submitted.

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

The following are the different methods used when doing a farm recon:

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;

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; or,

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.

Farm Storage Facility Loans

The FSFL program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities. The maximum FSFL loan amount is $500,000 per loan. Participants are required to provide a down payment of 15 percent, with Commodity Credit Corporation (CCC) providing a loan for the remaining 85 percent of the net cost of the eligible storage facility, or permanent drying and handling equipment. Loan terms of 3, 5, 7, 10 or 12 years are available, depending on the amount of the loan. FSFL security requirements have been eased for loans in the amount of $100,000 and less.

The FSA Farm Storage Facility Loan (FSFL) program has also undergone several recent changes to make it more accessible to farms of all types and sizes.

For example, the purchase of portable storage and handling equipment and trucks are now included as eligible items under the loan program. These items can be new or used.

The program also now includes a “microloan” option with lower down payments, designed to help producers, including new, small and mid-sized producers, grow their businesses and markets. The microloan option allows applicants seeking less than $50,000 to qualify for a reduced down payment of 5 percent. Producers can self-certify the storage needs of the eligible commodity and are not required to demonstrate storage needs based on production history. Farms and ranches of all sizes are eligible.

Both changes are expected to be of particular benefit to small farms and ranches and specialty crop producers, who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment such as conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. Producers do not need to demonstrate the lack of commercial credit availability to apply.

FSA has also significantly expanded the list of commodities that are included in the FSFL program. Eligible commodities are: aquaculture, floriculture, fruits (including nuts) and vegetables, corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas, sugar, peanuts, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass.

FSFL loans also can be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage.

All loan requests are subject to an environmental evaluation. Accepting delivery of equipment, or starting any site preparation or construction before loan approval may impede the successful completion of an environmental evaluation and may adversely affect loan eligibility.

To learn more about the FSA Farm Storage Facility Loan Program, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office.

Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is $5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA’s general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

USDA Farm Service Agency Online Hay and Grazing Acres Locator Tool

FSA's **Hay Net** website www.fsa.usda.gov/haynet is the "go to" online resource for agricultural producers to list information concerning the need for hay and grazing acres or the availability of hay and grazing acres.

If, due to extenuating circumstances, producers are in need of hay and/or grazing acres to support livestock, please use **Hay Net** to post an advertisement seeking these resources. Likewise, landowners who have hay and/or grazing acres available for livestock producers should post a Hay Net advertisement as well.

A few things to remember when using the **Hay Net** website:

- There is a one-time registration process that should be completed by all users who want to post an ad online.
- Users who just want to browse ads DO NOT NEED to have an eAuthentication user id.
- Hay and grazing acre ads will be automatically removed after a period of 13 months. Please help your fellow farmer and rancher by keeping ads current and up to date and remove ads you no longer need or want advertised on **Hay Net**.
- Please, no corporate advertisements on this site.

Hay Net is brought to you by FSA as a public service. The sole purpose of this online resource is to provide a site for the exchange of information. FSA does not endorse, guarantee, or otherwise make representations of any kind regarding any user of this site and FSA is not responsible for defining the terms of grazing agreements or lease contracts.

For more information about **Hay Net** and other FSA services and programs, please contact your local FSA office. For local FSA Service Center contact information, please visit: offices.usda.gov.

Report Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death 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 floods, blizzards, wildfires, extreme heat or extreme cold.

For 2017, eligible losses must occur on or after Jan. 1, 2017, and no later than 60 calendar days from the ending date of the applicable adverse weather event or attack. 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 90 calendar days after the end of the calendar year in which the eligible loss condition occurred:

- 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% and Non-Adult Beef Cattle (less than 400 pounds) = 3%. These established percentages reflect losses that are considered expected or typical under “normal” conditions.

Producers who suffer livestock losses in 2017 must file both a notice of loss the earlier of 30 calendar days of when the loss was apparent, and an application for payment by March 31, 2018.

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

Filing a Notice of Loss

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting 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, in the FSA County Office depending on the crop, within either 72 hours or 15 days of the occurrence of the disaster or when losses become apparent or 15 calendar days after the normal harvest date. Contact your local office for each specific crop's requirements for reporting a notice of loss.

Producers of hand-harvested and other designated 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.

Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments

Nonrecourse Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs) are available to eligible producers for the 2017 crop year for wheat, corn, grain sorghum, barley, oats, upland cotton, extra-long staple cotton, long grain rice, medium grain rice, soybeans, other oilseeds (including sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, crambe and sesame seed), dry peas, lentils, small chickpeas, large chickpeas, graded and non-graded wool, mohair, unshorn pelts, honey and peanuts.

To be eligible for a MAL or LDP, producers must comply with conservation and wetland protection requirements and submit an acreage report to account for all cropland on all farms. Additionally, they must have and retain beneficial interest in the commodity until the MAL is repaid or the Commodity Credit Corporation (CCC) takes title to the commodity while also meeting Adjusted Gross Income (AGI) limitations.

In addition to producer eligibility, the commodity must have been produced, mechanically harvested, or shorn from live animals by an eligible producer and be in storable condition. It also must be merchantable for food, feed or other uses, as determined by CCC. Nonrecourse MALs must meet specific CCC minimum grade and quality standards.

If beneficial interest in the commodity is lost, the commodity loses eligibility for a MAL or LDP and remains ineligible even if the producer later regains beneficial interest. To retain beneficial interest, the producer must have control and title to the commodity. The producer must be able to make all decisions affecting the commodity including movement, sale and the request for a MAL or LDP. The producer must not have sold or delivered the commodity or warehouse receipt to the buyer.

Producers are responsible for any loss in quantity or quality of commodities pledged as collateral for a farm-stored or warehouse stored loan. CCC will not assume any loss in quantity or quality of the loan collateral regardless of storage location.

The 2014 Farm Bill sets national loan rates. County and regional loan rates are based on each commodity's national loan rate, and they vary by county or region and are based on the average prices and production of the county or region where the commodity is stored.

For all loan-eligible commodities except extra-long staple (ELS) cotton, a producer may repay a MAL any time during the loan period at the lesser of the loan rate plus accrued interest and other charges or an alternative loan repayment rate as determined by CCC.

Producers may obtain MALs or receive LDPs on all or part of their eligible production anytime during the loan availability period. The loan availability period runs from when the commodity is normally harvested (or sheared for wool) until specified dates in the following calendar year.

The final loan/LDP availability dates for the respective commodities are:

Jan. 31 - Peanuts, Wool, Mohair and LDP only for Unshorn Pelts
March 31 - Barley, Canola, Crambe, Flaxseed, Honey, Oats, Rapeseed, Sesame seed and Wheat
May 31 - Corn, Dry peas, Grain sorghum, Lentils, Mustard seed, Long grain rice, Medium grain rice, Safflower, Small chickpeas, Large chickpeas, Cotton, Soybeans and Sunflower seed

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Be Palmer Amaranth Aware

Palmer amaranth is a fast-growing, problematic broadleaf weed native to the Southwest. Recently, this weed has been spread to other parts of the nation. It is a highly competitive weed that has developed resistance to many herbicides, making it difficult to control. It is a very prolific seed producer, producing up to 250,000 seeds from one plant.

As you spend time in your fields this summer, be on the lookout for Palmer amaranth. If you suspect Palmer amaranth is on your property, contact your local county extension agent or crop consultant for recommendations for control. You can take steps to help prevent further infestation by not entering affected areas, and always cleaning vehicles, equipment and clothing that has come in contact with the weed.

Those planting grasses and flower mixes for conservation plantings should only use local reputable sources. Obtaining a seed laboratory report before purchasing a seed mix is recommended. Reject any seed lots which have "pigweed" or "amaranth" as a weed component unless the pigweed seed has been genetically tested to not be Palmer amaranth.

Click here to learn more about Palmer amaranth and how to identify it.

July FSA Interest Rates

Farm Operating: 2.875%
Microloan Operating: 2.875%
Farm Ownership: 3.875%
Farm Ownership - Joint Financing: 2.50%
Farm Ownership - Down Payment: 1.50%
Emergency - Actual Loss: 3.75%
Farm Storage Facility Loan 3 year term: 1.5%
Farm Storage Facility Loan 5 year term: 1.750%
Farm Storage Facility Loan 7 year term: 2.000%
Farm Storage Facility Loan 10 year term: 2.250%
Farm Storage Facility Loan 12 year term: 2.250%
Commodity Loan: 2.125%

Dates to Remember

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
July 17, 2017 – **NAP acreage reporting deadline for millet and spring-seeded mixed forage, oats, peas and sorghum forage
August 1, 2017 – Enrollment period for ARC/PLC ends
August 1, 2017 – Deadline to request farm transfers or reconstitutions for 2017
August 1, 2017 - Deadline to submit nominations for County Committee election
September 1, 2017 – Enrollment period opens for 2018 coverage for Margin Protection Program for Dairy
September 1, 2017 - **NAP sales closing date for 2018 coverage for turfgrass sod
September 30, 2017 - **NAP sales closing date for 2018 coverage for rye, triticale and fall-seeded wheat

****Please note the above NAP calendar reference may not be inclusive for all NAP-covered crops; NAP participants should contact their County FSA Office to confirm important program deadlines.**

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).