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NEWSLETTER

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Nebraska FSA State Office Newsletter

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A Message from the State Executive Director

As we approach the end of February, I want to acknowledge the extreme cold our farmers and ranchers have faced recently and the potential toll it has taken on your operations. We know how hard our customers work to protect their animals, and like you, we are ready for, and hoping for, warmer days ahead.

An article below discusses the Livestock Indemnity Program (LIP). If you had losses related to the recent extreme weather, please review the article and contact your county FSA office soon regarding this program. As noted, there is a 30-day reporting window, as well as requirements related to documentation. We

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Program Chiefs:
Cathy Anderson, *Production/Compliance*
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Mark Wilke, *Farm Loans*

Patty Wilke, *Administrative Officer*
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To find more information about FSA programming or contact information for your local office, go to www.fsa.usda.gov/ne.

want to help you understand those program parameters so you can successfully apply.

I may sound like a broken record, but this is my last chance to remind you about the upcoming deadline for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program election and enrollment. As the main commodity crop safety net, ARC can provide income support on historical base acres when crop revenues decline below a guaranteed level and PLC does the same when the effective price for a covered commodity falls below its reference price. **The deadline for election (the selection of ARC or PLC) and enrollment (the signing of a new contract for 2021) is March 15**. If you have not already completed this process with your county FSA office, now is the time to act. Please contact the office immediately to begin the process. For informational resources on this selection process, **please click here**. There also are resources on the FSA website.

USDA recently announced the temporary suspension of past-due debt collections and foreclosures for FSA borrowers under stress due to the ongoing global pandemic. You can learn more details about this policy adjustment in the article below. These types of situations often aren't easy to talk about. However, if this applies to you, please contact your local FSA farm loan official sooner rather than later to discuss all the options available to you. Farmers and ranchers also can find referral and support services through other entities by calling the Nebraska Rural Response hotline at (800) 464-0258.

In closing, I want to call attention to a new service being provided by the University of Nebraska Extension. Nebraska Land Link is a new resource designed to connect those seeking land for farming and ranching purposes with retiring landowners who are looking to transition their land to the next generation. Access to land is often the largest challenge for new producers, and this service aims to assist with that issue. Check it out at farm.unl.edu/landlink.

That's all for February. Hang in there. Warmer days are surely ahead.

--Tim Divis

Livestock Indemnity Program: Producers with Losses Reminded to Contact FSA

The Livestock Indemnity Program (LIP) provides financial benefits to producers who suffer livestock losses above normal mortality due to adverse weather, which can include extreme cold.

Livestock producers who have experienced weather-related livestock losses are reminded that reporting and documenting those losses is an important part of the LIP application process. Producers must report losses within 30 days of when those livestock losses become apparent. A phone call to the county FSA office can serve as official notice of loss.

Adequate documentation must be provided that proves the death or injury of eligible livestock occurred as a direct result of an eligible loss condition in the calendar year for which benefits are being requested. Documentation also must provide sufficient data that identifies the quantity and the livestock kind/type and weight range. Documents providing acceptable evidence may include, but are not limited to, any or a combination of the following:

- contemporaneous producer records existing at the time of event - pictures with a date
- rendering truck receipts or certificates
- veterinary records
- records assembled for tax purposes
- private insurance documents
- bank or other loan documents
- brand inspection records

Livestock owners or contract growers who suffered livestock losses will file a notice of loss and an application for payment at the USDA Service Center responsible for the physical location county where the livestock deaths or injuries occurred. While livestock owners and contract growers ***must file the notice of loss by 30 calendar days of when the loss is first apparent to the participant*****,** producers have until March 1, 2022, to file the application for payment and provide the supporting documentation.

Deadline is March 5 to Apply for Quality Loss Adjustment Program; Informational Video Available

The Quality Loss Adjustment (QLA) Program provides assistance to producers who suffered eligible crop quality losses due to natural disasters occurring in 2018 and 2019. The deadline to apply for QLA is Friday, March 5, 2021. In Nebraska this program may be most applicable to producers who suffered crop quality losses in 2019 due to excessive moisture and flooding.

Nebraska FSA recently conducted an informational webinar on this program, **which can be accessed by clicking here**.

Eligible Crops

Eligible crops include those for which federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) coverage is available, except for grazed crops and value loss crops, such as honey, maple sap, aquaculture, floriculture, mushrooms, ginseng root, ornamental nursery, Christmas trees, and turfgrass sod.

Additionally, crops that were sold or fed to livestock or that are in storage may be eligible; however, crops that were destroyed before harvest are not eligible. Crop quality losses occurring after harvest, due to deterioration in storage, or that could have been mitigated, are also not eligible.

Assistance is based on a producer’s harvested affected production of an eligible crop, which must have had at least a 5% quality loss reflected through a quality discount; or for forage crops, a nutrient loss, such as total digestible nutrients.

Qualifying Disaster Events

Losses must have been a result of a qualifying disaster event (hurricane, excessive moisture, flood, qualifying drought, tornado, typhoon, volcanic activity, snowstorm, or wildfire) or related condition that occurred in calendar years 2018 and/or 2019.

Assistance is available for eligible producers in counties that received a qualifying Presidential Emergency Disaster Declaration or Secretarial Disaster Designation because of one or more of the qualifying disaster events or related conditions.

Lists of counties with Presidential Emergency Disaster Declarations and Secretarial Disaster Designations for all qualifying disaster events for 2018 and 2019 are available here. For drought, producers are eligible for QLA if the loss occurred in an area within a county rated by the U.S. Drought Monitor as having a D3 (extreme drought) or higher intensity level during 2018 or 2019.

Producers in counties that did not receive a qualifying declaration or designation may still apply but must also provide supporting documentation to establish that the crop was directly affected by a qualifying disaster event.

To determine QLA eligibility and payments, FSA considers the total quality loss caused by all qualifying natural disasters in cases where a crop was impacted by multiple events.

Applying for QLA

When applying, producers are asked to provide verifiable documentation to support claims of quality loss or nutrient loss in the case of forage crops. For crops that have been sold, grading must have been completed within 30 days of harvest, and for forage crops, a laboratory analysis must have been completed within 30 days of harvest.

Some acceptable forms of documentation include sales receipts from buyers, settlement sheets, truck or warehouse scale tickets, written sales contracts, similar records that represent actual and specific quality loss information, and forage tests for nutritional values.

Payments Calculations and Limitations

QLA payments are based on formulas for the type of crop (forage or non-forage) and loss documentation submitted. Based on this documentation FSA is calculating payments based on the producer’s own individual loss or based on the county average loss. More information on payments can be found on farmers.gov/quality-loss.

FSA will issue payments once the application period ends. If the total amount of calculated QLA payments exceeds available program funding, payments will be prorated.

For each crop year, 2018, 2019 and 2020, the maximum amount that a person or legal entity may receive, directly or indirectly, is $125,000. Payments made to a joint operation (including a general partnership or joint venture) will not exceed $125,000, multiplied by the number of persons and legal entities that comprise the ownership of the joint operation. A person or legal entity is ineligible for QLA payment if the person’s or legal entity’s average Adjusted Gross Income exceeds $900,000, unless at least 75% is derived from farming, ranching or forestry-related activities.

Future Insurance Coverage Requirements

All producers receiving QLA Program payments are required to purchase crop insurance or NAP coverage for the next two available crop years at the 60% coverage level or higher. Wildlife and Hurricane Indemnity Program Plus (WHIP+) participants who already met the WHIP+ requirement to purchase crop insurance or NAP coverage are considered to have thereby met the requirement to purchase crop insurance or NAP coverage for QLA. If eligible, QLA participants may meet the insurance purchase requirement by purchasing Whole-Farm Revenue Protection coverage offered through USDA's Risk Management Agency.

More Information

For more information, visit farmers.gov/quality-loss, or contact your local USDA Service Center. Producers can also obtain one-on-one support with applications by calling 877-508-8364.

Management Requirement on CRP Acres: Landowners Encouraged to Plan Ahead to Maintain Contract Compliance

All Conservation Reserve Program (CRP) participants with contracts from 2004 and beyond must complete at least one management activity during the life of the contract.

Management activities must be completed before the end of year six for 10-year contracts or before the end of year nine for contracts with a 15-year contract length. An approved Conservation Plan of Operation will provide information on when the CRP management activity is scheduled during the life of the CRP contract.

In 2021 landowners who are due to conduct a management practice should carefully consider all options and plan ahead. Current dry conditions could prevent the use of prescribed burning, depending on local conditions and directives from fire officials. Landowners considering a prescribed burn as a management practice are required to secure a "burn packet," consisting of a burn plan and burn permit, from their local FSA office ahead of time. The FSA staff also will provide instructions for grass seeding for the areas being inter-seeded.

Management activities create plant diversity for wildlife as well as enhance permanent cover. In addition to prescribed burn and inter-seeding, landowners can choose from the following other appropriate management practices:

- Tillage and inter-seeding;
- Spraying with inter-seeding;
- Haying with inter-seeding; or
- Prescribed grazing with inter-seeding.

Inter-seeding is optional if the existing CRP cover meets plant diversity requirements. If using the broadcast seeding method, the seeding rate should be doubled.

Management activities must be completed outside the primary nesting season. For Nebraska the primary nesting season is May 1 through July 15.

Based on the choice of practice, your local FSA office will furnish the necessary forms to report completion, cost associated with the activity and request for cost-share assistance. CRP participants must complete and sign the FSA-848B and provide necessary paperwork such as bills and seed receipts to receive cost-share assistance for the management activity. Please note for any

CRP contract effective October 2018 or later, cost-share for management activities is not authorized.

Please contact your county FSA office to discuss management practices.

Conservation Compliance Critical to Eligibility for Benefits

Agricultural producers and landowners are reminded compliance with Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions is required to maintain eligibility for federal farm program and crop insurance premium benefits. HEL and WC provisions apply across a producer's entire farming operation and a violation of such provisions on one farm can result in a producer's loss of eligibility for applicable benefits on all farms in their operation.

Conservation compliance refers to the U.S. Department of Agriculture requirement that production of agriculture commodities on highly erodible lands maintains compliance with an approved conservation plan or system. This means highly erodible land must be farmed in a manner that maintains a certain level of surface residue and minimizes soil erosion. A conservation plan or system may include taking steps such as incorporating minimal or no-till operations or planting cover crops. To maintain compliance with wetland conservation provisions, producers must agree they will not plant an agricultural commodity on a converted wetland. Specifically, persons are ineligible for certain farm program benefits if they plant an agricultural commodity on wetlands that were converted after Dec. 23, 1985, or if they convert a wetland after Nov. 28, 1990. Some examples of the conversion of a wetland are draining, dredging, tiling, leveling or removing woody vegetation. Program regulations indicate that even accidental planting of a small portion of a converted wetland must be treated as a wetland violation, and therefore would make the producer ineligible for USDA benefits on all farms for which they receive benefits.

Producers should contact their local USDA Service Center to file Farm Service Agency (FSA) Form AD-1026 prior to breaking new ground and 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 identify highly erodible lands and wetlands based on the project and can provide further planning assistance, such as a conservation plan, to producers if requested.

For more information on conservation compliance provisions, contact the county FSA office. To find the nearest office, visit farmers.gov and scroll to the Service Center locator tool.

Be on the Lookout: New Form Required for Some NRCS Customers

If you are a producer or landowner who participates in USDA's Natural Resources Conservation Service conservation programs, the Farm Service Agency may be reaching out by mail with information about a form you'll need to fill out.

Starting this year, all producers and landowners participating or applying to participate in certain NRCS conservation programs must complete form CCC-902, Farm Operating Plan.

Historically, to participate in these programs, legal entities could file either the CCC-901, Member Information or the CCC-902, while individuals were not specifically required to file the CCC-902 with

FSA. Now, to ensure FSA and NRCS are properly determining payment eligibility and maximum payment limitations, all customers must have a CCC-902 on file to establish eligibility.

These changes will not affect participants who already have a Form CCC-902 with a “determined” status recorded with FSA.

Customers who do not have a CCC-902 on file with FSA will be sent a letter in the mail in the coming weeks with detailed information on what is needed and how to file the form. The letter requests that the form be completed within 30 days of receipt of the letter.

For added convenience, USDA is offering options for remote or in-person submission of the CCC-902.

Fiscal year 2021 is considered a transition year to ensure all NRCS program participants can meet this updated filing requirement. Beginning in FY 2022, if form CCC-902 is not on file your payments may be impacted.

NRCS and FSA staff are available at USDA Service Centers nationwide to provide information and assistance to walk you through meeting this filing requirement.

For more information, see the NRCS National Bulletin 300-21-7 or FSA Notice PL-293.

Unauthorized Disposition of Grain Under FSA Loan Results in Financial Penalties

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 your name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

USDA Temporarily Suspends Debt Collections, Foreclosures and Other Activities on Farm Loans Due to Coronavirus

Due to the national public health emergency caused by coronavirus disease 2019 (COVID-19), the U.S. Department of Agriculture has announced the temporary suspension of past-due debt collections and foreclosures for distressed borrowers under the Farm Storage Facility Loan and the Direct Farm Loan programs administered by the Farm Service Agency (FSA).

USDA will temporarily suspend non-judicial foreclosures, debt offsets or wage garnishments, and referring foreclosures to the Department of Justice. USDA will work with the U.S. Attorney’s Office to stop judicial foreclosures and evictions on accounts that were previously referred to the Department of Justice. Additionally, USDA has extended deadlines for producers to respond to loan servicing actions, including loan deferral consideration for financially distressed and delinquent borrowers. In addition, for the Guaranteed Loan program, flexibilities have been made available to lenders to assist in servicing their customers.

According to USDA data, more than 12,000 borrowers—approximately 10% of all borrowers—are eligible for this relief. Overall, FSA lends to more than 129,000 farmers, ranchers and producers.

The temporary suspension is in place until further notice and is expected to continue while the national COVID-19 disaster declaration is in place.

USDA's Farm Service Agency provides several different loans for producers, which fall under two main categories:

- Guaranteed loans are made and serviced by commercial lenders, such as banks, the Farm Credit System, credit unions and other non-traditional lenders. FSA guarantees the lender's loan against loss, up to 95%.
- Direct loans are made and serviced by FSA using funds from the federal government.

The most common loan types are Farm Ownership, Farm Operating and Farm Storage Facility Loans, with Microloans for each:

- Farm Ownership: Helps producers purchase or enlarge a farm or ranch, construct a new or improve an existing farm or ranch building, pay closing costs and pay for soil and water conservation and protection.
- Farm Operating: Helps producers purchase livestock and equipment and pay for minor real estate repairs and annual operating expenses.
- Farm Storage Facility Loans are made directly to producers for the construction of cold or dry storage and includes handling equipment and mobile storage such as refrigerated trucks.
- Microloans: Direct Farm Ownership, Operating Loans and Farm Storage Facility Loans have a shortened application process and reduced paperwork designed to meet the needs of smaller, non-traditional and niche-type operations.

Contact FSA

FSA encourages producers to contact their county office to discuss these programs and temporary changes to farm loan deadlines and the loan servicing options available. For Service Center contact information, visit farmers.gov/coronavirus. For servicing information, access farmers.gov.

Farmers.gov Feature Helps Producers Find Farm Loans to Fit Their Operation

Farmers and ranchers can use the *Farm Loan Discovery Tool* on farmers.gov to find information on USDA farm loans that may best fit their operations.

USDA's Farm Service Agency (FSA) offers a variety of loan options to help farmers finance their operations. From buying land to financing the purchase of equipment, FSA loans can help.

How the Tool Works

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will receive information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the *Farm Loan Discovery Tool* by visiting farmers.gov/fund and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

FSA Interest Rates and Dates to Remember

February FSA Interest Rates

OPERATING/OWNERSHIP
Farm Operating: 1.375%
Microloan Operating: 1.375%
Farm Ownership: 2.625%
Farm Ownership - Joint Financing: 2.5%
Farm Ownership - Down Payment: 1.5%
Emergency - Actual Loss: 2.375%

FARM STORAGE
Farm Storage Facility Loan 3 year term: 0.250%
Farm Storage Facility Loan 5 year term: 0.375%
Farm Storage Facility Loan 7 year term: 0.750%
Farm Storage Facility Loan 10 year term: 1%
Farm Storage Facility Loan 12 year term: 1.125%

MARKETING ASSISTANCE
Commodity Loan: 1.125%

FSA Dates to Remember

February 26, 2021 – Deadline to apply for Coronavirus Food Assistance Program (CFAP) Additional Assistance
March 5, 2021 – Deadline to submit an application for the Quality Loss Adjustment (QLA) Program
March 15, 2021 – Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) election and enrollment application deadline for 2021 crop season
March 15, 2021 – Noninsured Crop Disaster Assistance Program (NAP) application closing date for 2021 coverage on barley, beans, cantaloupe, corn, cucumbers, eggplant, hemp, herbs, hops, millet, oats, peas, peppers, potatoes, pumpkins, sorghum, sorghum-dual purpose, sorghum forage, squash, sunflowers, tomatoes and watermelon.

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

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).