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U.S. DEPARTMENT OF AGRICULTURE

Nebraska FSA and NRCS State Office Newsletter - March 2022

Farm Service Agency | Natural Resources Conservation Service | Risk Management Agency

In This Issue:

A Message from Your USDA Nebraska Leadership

This week is National Ag Week. As leaders of three USDA agencies in Nebraska, we want to thank all of our farmer and rancher customers, as well as associated ag industry partners, for everything you do to feed, shelter and power our nation.

We are doing our best through the Nebraska Farm Service Agency, the Nebraska Natural Resources Conservation Service and the Risk Management Agency regional office in Topeka to assist you in sustaining, growing and protecting your industry, an industry that is critical to our state, nation and world. Please know we appreciate the opportunity to serve alongside you in the agriculture sector.

Happy National Ag Week to all.

--John Berge, Nebraska FSA; Rob Lawson, Nebraska NRCS; Collin Olsen, RMA Topeka Regional Office

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USDA Updates Eligibility for Spot Market Hog Pandemic Program

The U.S. Department of Agriculture (USDA) has clarified the definition of a spot market sale and hog eligibility under the Spot Market Hog Pandemic Program (SMHPP), which assists producers who sold hogs through a spot market sale from April 16, 2020, through Sept. 1, 2020. Hog producers will also now be required to submit documentation to support information provided on their SMHPP application. USDA's Farm Service Agency (FSA) will accept applications through April 29, 2022, which is an extension of the April 15, 2022, deadline previously set for the program.

USDA is offering the SMHPP in response to a reduction in packer production due to the COVID-19 pandemic, which resulted in fewer negotiated hogs being procured and subsequent lower market prices. The program is part of USDA's broader Pandemic Assistance for Producers initiative and addresses gaps in previous assistance for hog producers.

SMHPP Program Updates

When the pandemic disrupted normal marketing channels, including access to packers, producers sold their hogs through cash sales to local processors or butchers, direct sales to individuals and third-party intermediaries, including sale barns or brokers. The use of third-party intermediaries was the only available marketing alternative for many producers and are now included in SMHPP. The only direct to packer sales that are eligible for SMHPP are those through a negotiated sale. Hogs sold through a contract that includes a premium above the spot-market price or other formula such as the wholesale cut-out price remain ineligible. Hogs must be suitable and intended for slaughter to be eligible. Immature swine (pigs) are ineligible.

FSA will now require documentation to support the accuracy of information provided on the FSA-940 Spot Market Hog Pandemic Program application, including the number of hogs reported on the application that were sold through a spot market sale and how the price was determined for the sale.

SMHPP payments will be calculated by multiplying the number of head of eligible hogs, not to exceed 10,000 head, by the payment rate of $54 per head. To ensure SMHPP funding availability is disbursed equitably to all eligible producers, FSA will now issue payments after the application period ends. If calculated payments exceed the amount of available funding, payments will be factored.

Applying for Assistance

Eligible hog producers can apply for SMHPP by April 29, 2022, by completing the FSA-940, Spot Market Hog Pandemic Program application, along with required supporting documentation. Producers can visit farmers.gov/smhpp for examples of supporting documentation, information on applicant eligibility and more information on how to apply.

Applications can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. To find their local FSA office, producers should visit farmers.gov/service-locator. Hog producers can also call 877-508-8364 to speak directly with a USDA employee ready to offer assistance.

Pandemic Cover Crop Program Rules Amended to Include Cover Crops Planted After March 15

USDA's Risk Management Agency (RMA) has amended the rules for the Pandemic Cover Crop Program and created a new deadline associated with it.

Pandemic Cover Crop Program (PCCP) provides premium support to producers who insured their crop with most insurance policies and planted a qualifying cover crop during the 2022 crop year. Cover crops planted prior to March 15 must have been reported to FSA by March 15 to receive the premium benefit. Under the recent amendment, **producers who plant a 2022 cover crop after March 15 will have until May 31 to report that cover crop** to FSA to receive PCCP benefits. This program change does not allow eligibility for spring-planted cover crops for a fall cash crop, as this would be reported as a 2023 cover crop. This change applies to cover crops planted after March 15 that will provide cover for a spring-planted 2022 cash crop. Qualifying cover crops include all that are reportable to FSA, including cereals and other grasses, legumes, brassicas and other non-legume broadleaves, and mixtures of two or more cover crop species planted at the same time.

The premium support is $5 per acre, but no more than the full premium amount owed.

PCCP, offered by USDA's Risk Management Agency (RMA), helps farmers maintain their cover crop systems, despite the financial challenges posed by the pandemic and is part of USDA's Pandemic Assistance for Producers initiative, a bundle of programs to bring financial assistance to farmers, ranchers and producers who felt the impact of COVID-19 market disruptions. For more information on this program, visit farmers.gov/cover-crops or talk to your crop insurance provider.

As a reminder, cover crops are considered timely filed if certified by July 15 for FSA program purposes. The March 15, and now May 31, certification deadlines only apply to the PCCP.

FSA Encourages Producers to Complete Certification of Grazing Land Acres

Farm Service Agency (FSA) is reminding producers that annual acreage reporting is an important eligibility requirement to receive financial benefits through the Livestock Forage Disaster Program (LFP), as well as a number of other FSA-administered programs.

The next deadline for annual acreage reporting in Nebraska is July 15, 2022. This includes common spring-planted crops, such as corn, soybeans, wheat, and grain sorghum, but also includes perennial grass (pasture) and Conservation Reserve Program acres.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP-covered crops is July 15, 2022, or 15 calendar days before grazing or harvesting of the crop begins.

Even though the acreage reporting deadline is months away, FSA is encouraging producers with pasture acres and acres planted for grazing purposes to complete certification of those acres as soon as possible to assist the office with preparations for potential program implementation.

LFP provides financial assistance to livestock producers and contract growers who also are producers of grazed forage crop acres (native and improved pasture and crops planted specifically for grazing purposes) and who have suffered a loss due to a qualifying drought during the grazing season. Other points regarding LFP and acreage certification:

- Producers must have a risk in the pasture or hay crop acres in order to complete the acreage certification process.
- In addition to the acreage reporting requirement, LFP applicants who lease acres must be able to support their application with either a written lease or an Annual Lease Certification (CCC-855).
- Producers who previously have certified grazing land through a continuous certification may want to contact the county FSA office to ensure that certification remains in place and reflects 2022 producers and shares.

Producers should contact their county FSA office for guidance on the acreage certification process.

Value-Added Producer Grant Application Period Now Open

The Value-Added Producer Grant (VAPG) program administered by USDA's Rural Development helps agricultural producers enter into value-added activities related to the processing and marketing of new products. The goals of this program are to generate new products, create and expand marketing opportunities, and increase producer income.

You may receive priority if you are a beginning farmer or rancher, a socially-disadvantaged farmer or rancher, a small or medium-sized farm or ranch structured as a family farm, a farmer or rancher cooperative or are proposing a mid-tier value chain.

Grants are awarded through a national competition. Each fiscal year, applications are requested through a notice published in the Federal Register and through an announcement posted on Grants.gov. Paper Applications must be postmarked by May 2, 2022. Applications are permitted via Grants.gov and must be received by 11:59 p.m. Eastern time on April 25, 2022.

Independent producers, agricultural producer groups, farmer- or rancher-cooperatives, and majority-controlled producer-based business ventures, as defined in the program regulation, are eligible to apply for this program.

Grant and matching funds can be used for planning activities or for working capital expenses related to producing and marketing a value-added agricultural product. Examples of planning activities include conducting feasibility studies and developing business plans for processing and marketing the proposed value-added product. Examples of working capital expenses include:

- Processing costs.
- Marketing and advertising expenses.
- Some inventory and salary expenses.

Please read the Federal Register notice for the details on how to apply. Applicants should put together the required information at least a month before the application deadline. The extra time allows collection of other required materials such letters of commitment or support from other organizations, a work plan and budget, and other information. Copies of required forms are available from your nearest Rural Development Office. See the Forms & Resources tab for optional forms that may assist you in developing your application.

If you have questions, you can contact your nearest Rural Development Office. In Nebraska, please contact Rural Development's Daniel Janke at (402) 371-5350, ex. 115 or daniel.janke@usda.gov.

USDA Updates Farm Loan Programs to Increase Equity

The U.S. Department of Agriculture (USDA) is updating its farm loan programs to better support current borrowers, including historically underserved producers. These improvements are part of USDA's commitment to increase equity in all programs, including farm loans that provide important access to capital for covering operating expenses and purchasing land and equipment.

The 2018 Farm Bill authorized FSA to provide equitable relief to certain direct loan borrowers, who are non-compliant with program requirements due to good faith reliance on a material action of, advice of, or non-action from an FSA official. Previously, borrowers may have been required to immediately repay the loan or convert it to a non-program loan with higher interest rates, less favorable terms, and limited loan servicing.

To learn more about these farm loan program updates, click here to access the news release.

Reminders for FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm loan borrowers who have pledged real estate as security for their Farm Service Agency (FSA) direct or guaranteed loans are responsible for maintaining loan collateral. Borrowers must obtain prior consent or approval from FSA or the guaranteed lender for any transaction that affects real estate security. These transactions include, but are not limited to:

- Leases of any kind
- Easements of any kind
- Subordinations
- Partial releases
- Sales

Failure to meet or follow the requirements in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read Your FSA Farm Loan Compass.

Management Requirements 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.

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.

Livestock Inventory Records Important for Disaster Programs

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster and are an important part of disaster assistance program applications, including applications for the Livestock Indemnity Program (LIP) and the Emergency Assistance for Livestock, Honeybees and Farm-raised Fish Program (ELAP).

When disasters strike, the USDA Farm Service Agency (FSA) can assist producers who suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

To be eligible for livestock deaths, producers must submit evidence to support their losses. Some examples of records that could be used to help support a claim include: veterinary records, contemporaneous producer records, veterinary certification existing at the time of the event, balance sheets, brand inspection records, loan records, docking records, bank statements, shearing records, farm credit balance sheets, property tax records, ear tag records, trucking and/or livestock hauling records, sales and purchase receipts, inventory records used for tax purposes, private insurance documents, chattel inspections, and canceled check documentation.

To be eligible for livestock injuries, producers must submit one of the following documents that indicate an injured animal: sales receipt from a livestock auction, sale barn or other similar livestock sales facility; private insurance documents; or processing plant receipt. At a minimum, these records must include livestock kind, type, and weight, and the price for which the animal was sold.

For more information on documentation requirements associated with receiving disaster-related assistance, contact your local FSA office.

NRCS Report Shows a Decade of Improving Conservation Trends

A new U.S. Department of Agriculture (USDA) report shows use of no-till, crop rotations, more efficient irrigation methods and advanced technologies have climbed in recent years. The report from USDA's Natural Resources Conservation Service (NRCS) demonstrates progress made through voluntary conservation over a 10-year period.

Key findings include:

- Farmers increasingly adopted advanced technology, including enhanced-efficiency fertilizers and variable rate fertilization to improve efficiency, assist agricultural economies and benefit the environment.
- More efficient conservation tillage systems, particularly no-till, became the dominant form of tillage, improving soil health and reducing fuel use.
- Use of structural practices increased, largely in combination with conservation tillage as farmers increasingly integrated conservation treatments to gain efficiencies. Structural practices include terraces, filter and buffer strips, grassed waterways and field borders.
- Irrigation expanded in more humid areas, and as irrigators shifted to more efficient systems and improved water management strategies, per-acre water application rates decreased by 19% and withdrawals by 7 million-acre-feet.
- Nearly 70% of cultivated cropland had conservation crop rotations, and 28% had high-biomass conservation crop rotations.

Because of this increased conservation, the report estimates:

- Average annual water (sheet and rill) and wind erosion dropped by 70 million and 94 million tons, respectively, and edge-of-field sediment loss declined by 74 million tons.
- Nearly 26 million additional acres of cultivated cropland were gaining soil carbon, and carbon gains on all cultivated cropland increased by over 8.8 million tons per year.
- Nitrogen and phosphorus losses through surface runoff declined by 3% and 6%, respectively.
- Average annual fuel use dropped by 110 million gallons of diesel fuel equivalents, avoiding associated greenhouse gas emissions of nearly 1.2 million tons of carbon dioxide equivalents.

About the Report

For this report, farmer survey data was collected from 2003-2006 and again from 2013-2016. NRCS evaluates conservation practice adoption through the CEAP Cropland Assessment, using a combination of farmer surveys, land use and soils information, along with resource models. CEAP project findings are used to guide USDA conservation policy and program development, along with assisting conservationists, farmers and ranchers and other land stewards with making sound and science-based conservation decisions.

Download the full report or a four-page summary of findings.

Next Steps

The report also revealed that cropping patterns have changed over the years in response to climate, policy, trade, renewable energy and prices, presenting a nutrient management challenge. Improving the timing and application method of nutrients can allow production demands to be met while reducing the impacts of crop production on the environment. NRCS plans to continue its focus on nutrient management conservation practices and strategies with vigorous outreach efforts to farmers and further engagement with partner groups to adjust to these changing trends.

March FSA Interest Rates

OPERATING/OWNERSHIP
Farm Operating: 2.375%
Microloan Operating: 2.375%
Farm Ownership: 3%
Farm Ownership - Joint Financing: 2.5%
Farm Ownership - Down Payment: 1.5%
Emergency - Actual Loss: 3.375%

FARM STORAGE FACILITY LOAN
3-year term: 1.5%
5-year term: 1.75%
7-year term: 1.875%
10-year term: 1.875%
12-year term: 2%

MARKETING ASSISTANCE
Commodity Loan: 1.875%

Dates to Remember

March 25, 2022 – FSA deadline for applications to the Dairy Margin Coverage Program for 2022 production
April 1, 2022 – FSA deadline for first ranking period for applications to the CRP Migratory Birds, Butterflies and Pollinators State Acres for Wildlife Enhancement project; eligible in 42 Nebraska counties
April 4, 2022 – FSA opens signup period for Grassland Conservation Reserve Program (CRP) contract offers
April 13, 2022 – NRCS project deadline for RCPP Classic and AFA
April 29, 2022 - FSA deadline for applications to the Spot Market Hog Pandemic Program

(SMHPP)
May 13, 2022 – FSA deadline for contract offers for 2022 Grassland CRP signup

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

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