U.S. DEPARTMENT OF AGRICULTURE

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

Nebraska FSA and NRCS State Office Electronic Newsletter - Aug. 29, 2024

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A Message from the Acting State Executive Director

It has been a challenging past few days across the state with heat and high humidity firmly in place. For those producers with livestock, we know you work hard to ensure the best care for animals during these extreme conditions. However, if despite your efforts you had livestock deaths due to the extreme conditions, please remember to contact your county FSA office for information on the Livestock Indemnity Program (LIP). LIP provides producers with financial benefits for livestock losses above normal mortality if those losses are due to a qualifying extreme weather event.

Documentation of losses is critical to receiving LIP benefits, and your FSA office personnel will be able to talk you through what is needed for appropriate documentation. If you are unfamiliar with your local FSA office, you can find contact information here. You also can read the article below for more information on LIP.

You may have heard recently about changes that FSA is implementing within its farm loan programs. The "Enhancing Program Access and Delivery for Farm Loans Rule" puts into place some policy changes designed to provide increased flexibility in lending for existing and potential borrowers. The story below calls attention to the highlights of the rule. It goes into effect September 25, and our FSA farm loan staff across the state are currently receiving training on these changes. Please be patient with staff as they work to understand these rule changes and how to help their customers and potential customers benefit from them.

USDA recently announced the results of the 2024 Grassland Conservation Reserve Program (Grassland CRP) signup. Nebraska led the nation with 237,853 acres accepted into the program. Our FSA staff and partners at the Natural Resources Conservation Service (NRCS) will be busy following up with those whose acres were accepted into the program to finalize any necessary paperwork, including development of conservation plans that must accompany Grassland CRP contracts. If this impacts you, please pay attention to any follow-up information you receive from your local office.

That's all for August. Looking forward to cooler weather ahead.

--Tim Divis

USDA Reminds Producers of Livestock Indemnity Program to Assist with Weather-Related Losses

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 heat. Producers also can receive some compensation for livestock that have been injured as a direct result of an eligible adverse weather event and were sold at a reduced price due to that injury within 30 calendar days of the end date of the weather event.

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.

Livestock producers who have experienced weather-related livestock losses or injury are reminded that reporting and documenting those losses is an important part of the LIP application process. A phone call to the county FSA office can serve as official notice of loss. Producers are encouraged to report losses as soon as possible.

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

For more details on LIP, producers are encouraged to contact their county FSA office. To find your nearest FSA county office, use the office locator tool.

USDA Updates Farm Loan Programs to Increase Financial Freedom, Resilience and Profitability for Agricultural Producers

The U.S. Department of Agriculture (USDA) recently announced changes to the Farm Service Agency's (FSA) Farm Loan Programs, effective Sept. 25, 2024 — changes that are intended to increase opportunities for farmers and ranchers to be financially viable. These improvements, part of the *Enhancing Program Access and Delivery for*

Farm Loans rule, demonstrate USDA's commitment to improving farm profitability through farm loans designed to provide important financing options used by producers to cover operating expenses and purchase land and equipment.

Farm loan policy changes outlined in the *Enhancing Program Access and Delivery for Farm Loans* rule, are designed to better assist borrowers to make strategic investments in the enhancement or expansion of their agricultural operations.

The three most notable policy changes include:

- Establishing a new low-interest installment set-aside program for financially distressed borrowers. Eligible financially distressed borrowers can defer up to one annual loan installment per qualified loan at a reduced interest rate, providing a simpler and expedited option to resolve financial distress in addition to FSA's existing loan servicing programs.
- Providing all eligible loan applicants access to flexible repayment terms that can increase profitability and help build working capital reserves and savings. By creating upfront positive cash flow, borrowers can find opportunities in their farm operating plan budgets to include a reasonable margin for increased working capital reserves and savings, including for retirement and education.
- Reducing additional loan security requirements to enable borrowers to leverage equity. This reduces the amount of additional security required for direct farm loans, including reducing the frequency borrowers must use their personal residence as additional collateral for a farm loan.

Read the full news story at this link.

Communication Is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation

- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

USDA Offers Options for Signing and Sharing Documents Online

Farmers and ranchers working with USDA's Farm Service Agency or Natural Resources Conservation Service can sign and share documents online in just a few clicks. By using Box or OneSpan, producers can digitally complete business transactions without leaving their homes or agricultural operations. Both services are free, secure, and available for multiple FSA and NRCS programs.

Box is a secure, cloud-based site where FSA or NRCS documents can be managed and shared. Producers who choose to use Box can create a username and password to access their secure Box account, where documents can be downloaded, printed, manually signed, scanned, uploaded, and shared digitally with Service Center staff. This service is available to any FSA or NRCS customer with access to a mobile device or computer with printer connectivity.

OneSpan is a secure eSignature solution for FSA and NRCS customers. Like Box, no software downloads or eAuthentication is required for OneSpan. Instead, producers interested in eSignature through OneSpan can confirm their identity through two-factor authentication using a verification code sent to their mobile device or a personalized question and answer. Once identity is confirmed, documents can be reviewed and e-signed through OneSpan via the producer's personal email address. Signed documents immediately become available to the appropriate Service Center staff.

Box and OneSpan are both optional services for customers interested in improved efficiency in signing and sharing documents with USDA, and they do not replace existing systems using eAuthentication for digital signature. Instead, these tools provide additional digital options for producers to use when conducting business with FSA or NRCS.

USDA Service Center staff are available to help producers get started with Box and OneSpan through a few simple steps. Please visit farmers.gov/service-locator to find your local office and let Service Center staff know you're interested in signing and sharing documents through these new features. In most cases, one quick phone call will be all that is needed to initiate the process.

Visit farmers.gov/mydocs to learn more about Box and OneSpan, steps for getting started, and additional resources for conducting business with USDA online.

Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency (FSA) programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member's contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member's claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined "actively engaged in farming." The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, *Management Activity Record*. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

FSA Dates to Remember

Sept. 2, 2024 – USDA Service Centers closed for federal holiday
Sept. 30, 2024 – Noninsured Crop Disaster Assistance Program (NAP) application closing deadline for coverage for rye, triticale, wheat in the 2025 production season
Sept. 30, 2024 - Deadline to submit 2024 ARC/PLC contract revisions
Oct. 14, 2024 – USDA Service Center closed for federal holiday
Oct. 31, 2024 – Deadline to submit applications for the Organic Certification Cost Share Program

****Please note any 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.*

FSA Interest Rates

OPERATING/OWNERSHIP (September rates)
Farm Operating: 5.25%
Farm Operating – Limited Resource: 5%
Farm Ownership: 5.5%
Farm Ownership – Limited Resource: 5%
Farm Ownership - Joint Financing: 3.5%
Farm Ownership - Down Payment: 1.5%
Emergency - Actual Loss: 3.75%

FARM STORAGE FACILITY LOAN (August rates as September rates pending)
3-year term: 4.375%
5-year term: 4.250%
7-year term: 4.250%
10-year term: 4.250%
12-year term: 4.375%

MARKETING ASSISTANCE (August rate as September rate pending)
Commodity Loan: 6%

USDA Forms New Partnerships to Support Organic Transition, Conservation Assistance

The U.S. Department of Agriculture (USDA) is partnering with Oregon Tilth and Organic Farming Research Foundation (OFRF) to strengthen organic expertise for conservation programs and expand relationships among producers wanting to transition to organic. USDA's Natural Resources Conservation Service (NRCS) is investing $5 million in these five-year partnerships, which are part of USDA's Organic Transition Initiative (OTI), a Department-wide effort to support agricultural producers interested in transitioning to organic. Additionally, NRCS encourages organic and transitioning producers to apply for assistance through its conservation programs that currently have boosted funding from the OTI as well as the Inflation Reduction Act.

These OTI partnerships were part of a broader organic announcement made by Agriculture Secretary Tom Vilsack on May 15, 2024, which also included the Organic Market Development Grant program and Organic Certification Cost Share Program.

The OTI partnerships include seven new staff positions. An OFRF organic research specialist will disseminate the latest in organic research and national training to NRCS staff and Oregon Tilth will establish six organic specialists across the country who will develop regional networks, provide hands-on organic training for producers, and support NRCS staff who assist farmers transitioning to organic. The organic specialist positions will be filled by staff from Oregon Tilth working with organic partners including Marbleseed, California Certified Organic Farmers Foundation, and Organic Agronomy Training Service.

Conservation Assistance

As part of OTI, NRCS introduced a new organic management standard in 2023 to allow producers flexibility to get assistance and education, such as attending workshops or requesting help from experts or mentors. The management standard supports conservation practices required for organic certification and may provide foregone income reimbursement for dips in production during the transition period.

In 2023, NRCS allocated $12 million in 22 states, signing 112 contracts with transitioning producers.

In addition to the new standard, NRCS provides technical and financial assistance to help with conservation plans supporting organic transition and organic management, cover cropping and crop rotation, field borders and hedgerows, high tunnels, irrigation practices, nutrient management, mulching and pest management. Many of these practices are NRCS' Climate-Smart Agriculture and Forestry Activities and eligible for Inflation Reduction Act funding.

Higher payment rates and other options are available for underserved producers including socially disadvantaged, beginning, veteran, and limited resource farmers and ranchers.

Producers beginning or in the process of transitioning to organic certification are encouraged to apply at their local USDA Service Center. If a state deadline is missed, applications will be considered for the next fiscal year.

Nebraska Department of Agriculture Tax Credit Program a Tool for Beginning Farmers, Ranchers

The Nebraska Department of Agriculture administers a program designed to assist beginning farmers and ranchers with accessing land and other assets necessary to get a start in the business. The program, called NextGen, utilizes income tax credits, available through the Nebraska Beginning Farmer Tax Credit Act, as an incentive for agriculture asset owners to lease to beginning producers.

Through NextGen, agricultural asset owners who will lease assets to an eligible beginning producer for a minimum of three years can receive a refundable income tax credit. The tax credit can be equal to 10% of the cash rent charged to the beginner, or 15% of the value of the share crop rent charged to the beginner, each year for three years. Some examples of assets that have been leased to beginners through this program include crop land, grazing land, cattle and machinery. The beginning producer benefits from the program by receiving a three-year lease on the asset. In addition, beginners can apply to receive a personal property tax exemption for their farm equipment and machinery, and a tax credit reimbursement for the cost of a financial management course.

The beginning producer must be a Nebraska resident, have farmed/ranched for less than 10 of the past 15 years, have a net worth of less than $750,000, and will provide the majority of the daily physical labor and management of the farm/ranch, among other qualifications. Asset owners must have an interest in an agricultural asset located within Nebraska and must be willing to enter into a minimum of a three-year lease.

Applications are accepted throughout the year and must be received by November 1 of the year the tax credit is sought.

More information on NextGen is available through the state of Nebraska Department of Agriculture at www.nextgen.nebraska.gov or by calling 402-471-4876.

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Visit the Nebraska FSA website at www.fsa.usda.gov/ne.
Visit the Nebraska NRCS website at www.nrcs.usda.gov/ne.