

Nebraska FSA and NRCS State Office Newsletter - April 2023

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

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A Message from the FSA Acting State Executive Director

While normally I wouldn't want to open my column on a down note, I can't ignore the fact that discussion of drought is a main topic of conversation across the state. We are not positioned well for the production season in most locations. Nebraska FSA issued a news release last week that provides an overview of the FSA drought resources that already are available in many counties due to conditions outlined on the U.S. Drought Monitor. View that news release here. If you are struggling with the impact of drought, contact your county FSA office to learn more about the available resources. Nebraska FSA also will be providing information about these programs as part of a webinar on Thursday, May 4. The link to register for this webinar can be found at this link.

Unfortunately over the past couple of weeks, the drought conditions combined with windy conditions at various locations across the state to spark a number of wildfires. If you had

the misfortune of being impacted by a wildfire, please reach out to your local FSA office to determine whether FSA programs will fit the recovery needs of your farming or ranching operation.

Early last week USDA announced the 2023 signup period for the Grassland Conservation Reserve Program (CRP). Producers and landowners have until Friday, May 26, 2023, to put a contract offer in with their local FSA office. Please remember that Grassland CRP is a working lands program, meaning grazing and haying practices are still allowed on enrolled acres under a conservation plan. To learn more, visit your county FSA office. We also recorded a webinar with more information on the program.

For much of the state, producers are in the fields planting. Please remember that FSA offices will be requesting your assistance with spring acreage certification. Acreage certification is a requirement to maintain your eligibility for safety net and some disaster programs. The deadline is not until July 15, but many offices start the process now by providing you with maps to help you track the details needed to complete the certification paperwork. Please work with your county FSA office to timely complete this process.

That's all for this month. Take care as you go about your spring chores.

--Tim Divis

Grassland CRP Now Open for Signup

Agricultural producers and private landowners can apply for the Grassland Conservation Reserve Program (CRP) now **through May 26, 2023**, at Farm Service Agency offices across the state. Among CRP enrollment opportunities, Grassland CRP is unique as a *working lands program*, allowing producers and landowners to continue grazing and haying practices while protecting grasslands and promoting plant and animal biodiversity and conservation.

Protecting grasslands with CRP not only benefits participants with annual rental payments and cost share assistance; it also contributes positively to the economy of many regions, builds biodiversity, and provides important carbon sequestration benefits to deliver lasting climate outcomes.

More than 2.4 million acres were enrolled nationwide through the 2022 Grassland CRP Signup. That signup – the highest ever for the program– reflects the continued success and value of investments in voluntary, producer-led, working lands conservation programs. The current total participation in Grassland CRP is 6.3 million acres, which is part of the 23 million acres enrolled in CRP opportunities overall. In Nebraska, there are 1,229,891 acres enrolled in Grassland CRP.

Since 2021, the USDA's Farm Service Agency (FSA), which administers all CRP programs, has made several improvements to Grassland CRP to broaden the program's reach, including:

 Creating two <u>National Priority Zones</u> to put focus on environmentally sensitive land such as that prone to wind erosion.

- Enhanced offers with 10 additional ranking points to producers and landowners who are historically underserved, including beginning farmers and military veterans.
- Leverage the <u>Conservation Reserve Enhancement Program</u> (CREP) to engage historically underserved communities Tribal Nations in the Great Plains

Landowners and producers interested in Grassland CRP, or any other CRP enrollment option, should contact their local <u>USDA Service Center</u> to learn more or to apply for the program. A recorded webinar reviewing the program can be <u>found at this link</u>.

Producers with expiring CRP acres can use the <u>Transition Incentives Program (TIP)</u>, which incentivizes producers who sell or enter a long-term lease with a beginning, veteran, or socially disadvantaged farmer or rancher who plans to sustainably farm or ranch the land.

FSA Loan Servicing, Other Organization Resources Available During Financial Stress

There are options for Farm Service Agency 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 or visit the website at https://farmhotline.com.

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 (402) 471-4876 or visit the website at https://negotiations.nebraska.gov/.

April FSA Loan Interest Rates

OPERATING/OWNERSHIP

Operating: 4.75%

Operating – Microloan: 4.75% Farm Ownership: 4.75%

Farm Ownership - Joint Financing: 2.75% Farm Ownership - Down Payment: 1.5% Emergency - Actual Loss: 3.750%

FARM STORAGE FACILITY LOAN

3-year term: 4.375% 5-year term: 4% 7-year term: 4%

10-year term: 3.875% 12-year term: 3.875%

Applying for FSA Youth Loans

The Farm Service Agency (FSA) 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.

For help preparing the application forms, contact your county USDA Service Center. For more information visit <u>fsa.usda.gov</u>.

Myth-Busting FSA's New Revenue-Based Disaster, Pandemic Assistance Programs

A Message from FSA Administrator Zach Ducheneaux

In January, we announced two new programs designed to assist producers who experienced revenue losses from 2020 and 2021 natural disasters or the COVID-19 pandemic. These programs are revenue-based and feel a little different from our regular programs, but the goal is to better support farmers.

Both the <u>Emergency Relief Program (ERP)</u> Phase Two and the <u>Pandemic Assistance</u> <u>Revenue Program (PARP)</u> offer a holistic approach to disaster assistance and provide economic support for producers who bear the financial brunt of circumstances beyond their control.

With the rollout of any new program, there is a learning curve for producers and employees alike. ERP Phase Two and PARP are no exception. To encourage producer participation in these valuable programs, I'm going to do my best to debunk some myths and misconceptions surrounding ERP Phase Two and PARP.

With a June 2, 2023, deadline to apply for both programs, it's important that we clear up confusion about how to apply, what documents are required for participation, insurance requirements and related misinformation making its way across the countryside.

Now, let's do some myth-busting.

Myth #1 – You need to submit a completed tax return to FSA to apply for ERP Phase Two or PARP.

While these programs are based on revenue losses, you do not need a tax return, completed or otherwise, to apply for assistance. In fact, we have an <u>ERP Phase 2 tool</u> and PARP tool that walk you through the process step by step.

We understand that you may have questions for your certified public accountant or tax preparer, who was likely been hard to reach prior to the April 18 Internal Revenue Service tax deadline but we encourage you to download the program decision tools and get started. You'll probably discover that you already have on hand much of the information you need.

The following supporting materials will help you:

- Schedule F (Form 1040); and
- Profit or Loss from Farming or similar tax documents for tax years 2018, 2019, 2020, 2021, and 2022 for ERP and for calendar years 2018, 2019, and 2020 for PARP.

The only reason you *might* have to provide your tax returns to FSA is in the event of a spot check or a request from the FSA County Committee.

Producers can <u>register for a free webinar</u> hosted by USDA and members of the National Farm Income Tax Extension Committee on Monday, May 1 at 2 p.m. eastern for a discussion on completing the ERP Phase Two application form.

Myth #2 – You cannot receive an ERP Phase Two payment if you received a payment under Phase One.

It's possible that you can still receive ERP Phase Two benefits if you received an ERP Phase One payment. There is also a possibility that your Phase Two payment may be offset.

Myth #3 – ERP Phase Two was intended to be an additional payment to those who received payment under Phase One.

ERP Phase Two was never designed or intended to be an additional payment. Instead, it was intended to assist those producers who did not receive relief in Phase One.

Click here to read the full blog and view a producer testimonial on the application process.

Five Facts About the U.S. Drought Monitor

This is likely no surprise to you, but drought persists across the U.S. and is intensifying in some areas. No geographic area is immune to the potential of drought at any given time. The <u>U.S. Drought Monitor</u> provides a weekly drought assessment, and it plays an important role in USDA programs that help farmers and ranchers recover from drought.

Fact #1 - Numerous agencies use the Drought Monitor to inform drought-related decisions.

The map identifies areas of drought and labels them by intensity on a weekly basis. It categorizes the entire country as being in one of six levels of drought. The first two, None and Abnormally Dry (D0), are not considered to be drought. The next four describe increasing levels of drought: Moderate (D1), Severe (D2), Extreme (D3) and Exceptional (D4).

While many entities consult the Drought Monitor for drought information, drought declarations are made by federal, <u>state</u> and local agencies that may or may not use the Drought Monitor to inform their decisions. Some of the ways USDA uses it to determine a producer's eligibility for certain <u>drought assistance programs</u>, like the <u>Livestock Forage Disaster Program</u> and <u>Emergency Haying or Grazing on Conservation Reserve Program acres</u> and to "fast-track" <u>Secretarial drought disaster designations</u>.

Fact #2 - U.S. Drought Monitor is made with more than precipitation data.

When you think about drought, you probably think about water, or the lack of it. Precipitation plays a major role in the creation of the Drought Monitor, but the map's author considers <u>numerous indicators</u>, including <u>drought impacts</u> and local insight from over 450 expert observers around the country. Authors use several dozen indicators to assess drought, including precipitation, streamflow, reservoir levels, temperature and evaporative demand, soil moisture and vegetation health. Because the drought monitor

depicts both short and long-term drought conditions, the authors must look at data for multiple timeframes. The final map produced each week represents a summary of the story being told by all the pieces of data. To help tell that story, authors don't just look at data. They converse over the course of the map-making week with experts across the country and draw information about drought impacts from media reports and private citizens.

Fact #3 - A real person, using real data, updates the map.

Each week's map author, not a computer, processes and analyzes data to update the drought monitor. The <u>map authors</u> are trained climatologists or meteorologists from the National Drought Mitigation Center at the University of Nebraska-Lincoln (the academic partner and website host of the Drought Monitor), the National Oceanic and Atmospheric Administration and USDA. The author's job is to do what a computer can't – use their expertise to reconcile the sometimes-conflicting stories told by each stream of data into a single assessment.

Fact #4 - The Drought Monitor provides a current snapshot, not a forecast.

The Drought Monitor is a "snapshot" of conditions observed during the most recent week and builds off the previous week's map. The map is released on Thursdays and depicts conditions based on data for the week that ended the preceding Tuesday. Rain that falls on the Wednesday just before the USDM's release won't be reflected until the next map is published. This provides a consistent, week-to-week product and gives the author a window to assess the data and come up with a final map.

Fact #5 – Your input can be part of the drought-monitoring process.

State climatologists and other trained observers in the drought monitoring network relay on-the-ground information from numerous sources to the US Drought monitor author each week. That can include information that you contribute.

The Drought Monitor serves as a trigger for multiple forms of federal disaster relief for agricultural producers, and sometimes producers contact the author to suggest that drought conditions in their area are worse than what the latest drought monitor shows. When the author gets a call like that, it prompts them to look closely at all available data for that area, to see whether measurements of precipitation, temperature, soil moisture and other indicators corroborate producer-submitted reports. This is the process that authors follow whether they receive one report or one hundred reports, although reports from more points may help state officials and others know where to look for impacts.

There are multiple ways to contribute your observations:

- 1. **Talk to your state climatologist** Find the current list at the <u>American Association of State Climatologists</u> website.
- 2. **Email** Emails sent to droughtmonitor@unl.edu inform the USDM authors.
- Become a CoCoRaHS observer Submit drought reports along with daily precipitation observations to the <u>Community Collaborative Rain</u>, <u>Hail & Snow Network</u>.
- 4. Submit Condition Monitoring Observer Reports (CMOR) go.unl.edu/CMOR.

For more information, read our <u>Ask the Expert blog with a NDMC climatologist</u> or visit farmers.gov/protection-recovery.

Program Participants Must Maintain Acres Enrolled in ARC/PLC, CRP; Includes Control of Noxious Weeds

Producers enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC or PLC, the County Committee may elect to terminate the contract for the program year.

Conservation Reserve Program (CRP) participants are responsible for ensuring adequate, approved vegetative and practice cover is maintained to control erosion throughout the life of the contract after the practice has been established. Participants also must control undesirable vegetation, weeds (including noxious weeds), insects and rodents that may pose a threat to existing cover or adversely impact other landowners in the area.

All CRP maintenance activities, such as mowing, burning, disking and spraying, must be conducted outside the primary nesting or brood rearing season for wildlife, which for Nebraska is May 1 through July 15. Annual mowing of CRP for generic weed control, or for cosmetic purposes, is prohibited at all times.

For reference, the Nebraska Department of Agriculture has designated 12 weeds in the state as noxious: Canada thistle, leafy spurge, musk thistle, plumeless thistle, purple loosestrife, spotted and diffuse knapweeds, saltcedar, phragmites, sericea lespedeza, Japanese knotweed, Bohemian knotweed and giant knotweed. Producers can learn more about these weeds, and how to control them, by clicking on the pictures <u>found at this lnk</u>. In addition, producers are encouraged to discuss control options with their local county weed control superintendent, who can be found by typing <u>www.neweed.org</u> into a web browser and clicking on "Control Authorities" or contact representatives within their county Extension office.

County FSA offices will complete field visits and spot-checks of ARC/PLC and CRP acreage and will consult with county weed authorities as necessary. This effort usually begins the later part of May and continues through the summer months.

Conservation Reserve Program Provisions for Both Emergency and Non-Emergency Haying, Grazing

Haying and grazing of Conservation Reserve Program (CRP) acres is authorized under certain conditions to improve the quality and performance of the CRP cover or to provide emergency relief to livestock producers due to certain natural disasters. There are two types of CRP haying and grazing authorization: non-emergency and emergency.

Emergency haying and grazing of CRP acres may be authorized within a county to provide relief to livestock producers in areas affected by a severe drought or similar natural disaster. Emergency haying and grazing status is reviewed and authorized each Thursday using the U.S. Drought Monitor. Counties are approved for emergency haying and grazing due to drought conditions on a county by county basis, when a county is designated as level "D2 Drought - Severe" according to the U.S. Drought Monitor.

In general, non-emergency having and grazing may be initiated with a request to the County FSA office by the owner or producer on the CRP contract.

CRP participants requesting emergency or non-emergency haying and grazing must file a request with their county FSA office indicating the acres to be hayed or grazed before the activity begins.

There are program restrictions for both emergency and non-emergency haying and grazing. This can include the frequency of harvesting, the amount of acres that can be harvested, and which practices are eligible to be hayed or grazed; these restrictions may differ depending on when the CRP contract for the acres being discussed was initiated.

Before CRP acres are declared eligible for haying or grazing, a modified conservation plan developed by Natural Resources Conservation Service (NRCS) staff or a technical service provider must be obtained. The modified conservation plan must be site specific, include the authorized duration and reflect local wildlife needs and concerns. The primary purpose must be to maintain vegetative cover, minimize soil erosion and protect water quality and wildlife habitat quality. These plans must ensure no long-term damage to the conservation cover is caused.

For non-emergency haying, the activity may begin no sooner than March 1. For emergency haying, the activity may begin once approval is granted. For both non-emergency and emergency haying, it must be concluded no later than **August 31**. All hay bales must be completely removed from the CRP contract acreage as soon as the baling is complete.

For non-emergency grazing, the activity may begin no sooner than March 1, may not exceed 120 calendar days, and must be completed by the date indicated in the conservation plan or no later than November 1. Emergency grazing is allowed for up to 90 consecutive days after approval.

There are some restrictions on haying and grazing during the primary nesting season, and if a county triggers for the Livestock Forage Program (LFP) that also influences these restrictions. County offices can review these restrictions with CRP contract holders.

Non-emergency having and grazing is subject to a 25% reduction in annual rental payments. This reduction is waived for emergency having and grazing.

For more information on CRP emergency and non-emergency haying and grazing, contact your FSA county office. To locate your FSA office, visit farmers.gov/service-locator.

Assistance Available for Nebraska Farmers and Ranchers Impacted by Wildfire



The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) has funding available to assist agricultural producers whose land was impacted by recent wildfires. Landowners have until May 31, 2023, to apply. Through the Environmental Quality Incentives Program (EQIP) funding is available to help producers plan and implement conservation practices on farms and ranches impacted by natural disasters.

EQIP funding is available to assist in this wildfire recovery effort by planting cover crops on impacted cropland and to defer grazing on rangeland. The application signup for this

wildfire assistance is happening now and will run through **May 31, 2023**. Applications will be assessed, and even though some lands may be eligible for assistance, it is not guaranteed that all acres will receive financial assistance due to limited funding.

Interested landowners and operators should contact their <u>local NRCS office</u> in the USDA Service Center for applications and more information.

Dates to Remember

May 26, 2023 – FSA deadline for contract offers for Grassland Conservation Reserve Program Signup 205

May 29, 2023 – USDA Service Center closed for federal holiday

May 31, 2023 – NRCS deadline to apply for assistance for agricultural land impacted by wildfire through the Environmental Quality Incentives Program

June 1, 2023 – 2022 Marketing Assistance Loan availability deadline for corn, dry peas, grain sorghum, lentils, mustard seed, safflower seed, chickpeas, soybeans, sunflower seed

June 2, 2023 – FSA deadline for applications to the Emergency Relief Program Phase 2 (ERP2) and the Pandemic Assistance Revenue Program (PARP)

June 19, 2023 – USDA Service Center closed for federal holiday

July 17, 2023 – Deadline to report all spring-seeded crops, perennial forage and Conservation Reserve Program (CRP) acres

***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.



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