

U.S. DEPARTMENT OF AGRICULTURE

Nebraska FSA and NRCS State Office Newsletter - February 2024

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

In This Issue:

- A Message from the FSA Acting State Executive Director
- Dates to Remember
- Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs for the 2024 Crop Year
- <u>USDA Reminds Producers of Livestock Indemnity Program to Assist</u> with Weather-Related Losses
- <u>USDA Offers Targeted Program Benefits for Certain Underserved Individuals</u>
- FSA Offers Joint Financing Option on Direct Farm Ownership Loans
- FSA Loan Interest Rates
- Progression Lending from FSA
- Dairy Producers Can Now Enroll for 2024 Dairy Margin Coverage
- Producers Reminded of Impacts Associated with Bringing Native Sod into Production
- <u>USDA Rural Development Accepting Applications for Energy Efficiency,</u> <u>Renewable Energy Projects</u>
- Every Successful Farm Starts with a Plan

A Message from the FSA Acting State Executive Director

With the warm weather we've been experiencing, it's hard to believe it isn't quite yet Spring. I know folks are starting to think about planting, while others are fully engulfed in calving and/or lambing season. Here are a couple of things to keep in mind, from an FSA standpoint, as we roll into the month of March and outdoor activities start to pick up speed.

The window is closing soon for producers to work with their FSA office on selection of and enrollment in the <u>Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC)</u> commodity crop safety net programs for 2024. If you haven't contacted your local office yet about this, please do so as soon as possible. The deadline for ARC/PLC election and enrollment is March 15.

FSA recently announced the signup period for the <u>Dairy Margin Coverage Program</u> begins Feb. 28 and runs through April 29, 2024. If you are a dairy producer, please be sure to contact your county FSA office about this important safety net program, which provides price support to help offset milk and feed price differences.

I want to call attention to a <u>recent FSA announcement</u> that opens up the opportunity for most farm loan borrowers to make their direct loan payments online. The Pay My Loan feature on farmers.gov will allow producers to make their payments through a secure access portal, providing an option rather than having to call, mail or visit a Service Center to pay their loan installment. To learn more about this new option, visit <u>farmers.gov</u> or contact your county FSA office.

In closing I'd like to highlight a partner event that may be meaningful to your farm or ranch operation. The Center for Agricultural Profitability through the University of Nebraska-Lincoln is hosting a Returning to the Farm workshop on March 8-9 in Kearney, Nebraska. It is designed for farm and ranch families who are looking to transition a family member into the operation. For more information, and to register, visit the website here.

That's all for this month. Talk to you in March.

--Tim Divis

Dates to Remember

Feb. 29, 2024 – FSA deadline for applications for Livestock Indemnity Program (LIP) benefits for 2023 losses

March 15, 2024 – FSA deadline for Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC) program election and enrollment for 2024 production season

March 15, 2024 – ***FSA application closing date for Noninsured Crop Disaster

Assistance Program (NAP) coverage for 2024 production season for most annual fruits and vegetables, millet, oats, forage sorghum, dry peas, hemp

***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.

Agricultural Producers Have Until March 15 to Enroll in USDA's Key Commodity Safety Net Programs for the 2024 Crop Year

Agricultural producers who have not yet enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs for the 2024 crop year have until March 15, 2024, to revise elections and sign contracts. Both safety net programs, delivered by USDA's Farm Service Agency (FSA), provide vital income support to farmers who experience substantial declines in crop prices or revenues for the 2024 crop year.

2024 Elections and Enrollment

Producers can elect coverage and enroll in ARC-County (ARC-CO) or PLC, which provide crop-by-crop protection, or ARC-Individual (ARC-IC), which protects the entire farm. **Although election changes for 2024 are optional, producers must enroll through a signed contract each year.** Also, if a producer has a multi-year contract on the farm it will continue for 2024 unless an election change is made.

If producers do not submit their election revision by the March 15, 2024, deadline, their election remains the same as their 2023 election for commodities on the farm. Farm owners cannot enroll in either program unless they have a share interest in the cropland.

Covered commodities 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, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Crop Insurance Considerations

ARC and PLC are part of a broader USDA safety net that also includes crop insurance and marketing assistance loans. Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

More Information

Producers interested in learning more about ARC/PLC are encouraged to visit www.fsa.usda.gov/ne and click on the link to an informational webinar, which was conducted recently by the Nebraska Farm Service Agency and the University of Nebraska-Lincoln Center for Agricultural Profitability. Additional information on ARC and PLC can be found at the <a href="https://www.arc.user.gov/ne.go

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

Deadline to Apply for Assistance for 2023 Losses is Feb. 29, 2024

The Livestock Indemnity Program (LIP) provides financial benefits to producers who suffer livestock losses above normal mortality due to adverse weather. 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 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

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. **Producers have until Feb. 29, 2024**, to file a notice of loss and an application for payment and provide the supporting documentation for 2023 losses.

USDA Offers Targeted Program Benefits for Certain Underserved Individuals

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted program benefits to assist underserved producers. Targeted program benefits are available to those who meet the qualifications for classification as an underserved producer, including socially disadvantaged, beginning farmer or rancher, limited resource farmer or rancher or a veteran farmer or rancher. Agricultural producers who fit one of these classifications may be eligible for certain program benefits and should ask their county FSA office about completing form CCC-860. If this is your first time to conduct business with FSA, we strongly encourage you to visit farmers.gov Get Started at your USDA Service Center website. Resources available on this site will help you prepare for your first visit to our office.

For the purpose of completing form CCC-860, underserved producers generally fall within these definitions:

Socially disadvantaged farmers/ranchers - USDA defines these producers as a
group whose members have been subject to racial, ethnic, or gender prejudice
because of their identity as members of the group without regard to their individual
qualities. Groups include American Indians or Alaska Natives, Asians or Asian
Americans, Blacks or African Americans, Native Hawaiians or other Pacific

Islanders, Hispanics and women — if selecting a group that includes gender. Only selecting women does not make applicants socially disadvantaged for conservation programs. Socially disadvantaged individuals must hold at least 50 percent interest for an entity to be considered in this category.

- **Beginning farmers/ranchers** USDA defines producers in this group as those who have not operated a farm or ranch for more than 10 years and who have substantial participation in their operation. For an entity to meet this definition, at least 50 percent of the interest must be beginning farmers or ranchers.
- Veteran farmers/ranchers USDA defines producers in this group as those who
 have served in the Armed Forces who have not operated a farm or ranch for more
 than 10 years or who obtained status as a veteran during the most recent 10-year
 period. For an entity to be considered under this definition, at least 50 percent of
 the interest must be held by veteran farmers or ranchers.
- <u>Limited resource farmers/ranchers</u> USDA defines producers in this group by looking at direct or indirect gross farm sales in comparison to a predetermined level and timeframe and looking at total household income in comparison to the national poverty level. For entities to be considered limited resource, all members must be a limited resource farmer or rancher. This definition does not apply to Farm Loan Programs. Limited resource status can be determined by using the Limited Resource Farmer and Rancher Online Self-Determination Tool at https://lrftool.sc.egov.usda.gov.

For detailed definitions and qualifications, see <u>page three of form CCC-860</u>. Once an underserved producer has a CCC-860 form on file with FSA, the form remains on file and resubmission is not required. However, **limited resource producers** must annually resubmit their CCC-860 form to ensure eligibility. After 10 years, the form CCC-860 is no longer applicable to and expires for beginning and veteran producers. Benefits for underserved producers may vary by program. To help navigate all USDA program options, a <u>new multi-agency guide for USDA assistance for underserved farmers and ranchers</u> is now available. If you are a farmer or rancher and are a minority, woman, veteran, beginning, or limited resource producer, you can use this booklet to learn about assistance and targeted USDA program opportunities available to you. This guide not only includes programs offered through the Farm Service Agency but also those available through the Natural Resources Conservation Service and Risk Management Agency. The guide is also available in Spanish, Hmong, Korean, Vietnamese, Thai and Chinese on farmers.gov/translations.

To learn more about FSA program benefits available to the above-listed targeted groups, visit your county FSA office. To find your county office, go to farmers.gov and scroll to the Office Locator feature.

FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) <u>Direct Farm Ownership loans</u> can help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

There are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a <u>Direct Farm Ownership Microloan</u> option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a joint financing loan is \$600,000, and the repayment period for the loan is up to 40 years.

The operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about farm loans, contact your county Farm Service Agency office. To find your nearest office, visit <u>farmers.gov</u>.

FSA Loan Interest Rates

OPERATING/OWNERSHIP (March rates)

Farm Operating: 4.875% Farm Ownership: 5.25%

Farm Ownership – Limited Resource: 5% Farm Ownership - Joint Financing: 3.25% Farm Ownership - Down Payment: 1.5%

Emergency - Actual Loss: 3.75%

FARM STORAGE FACILITY LOAN (February rates as March not yet published)

3-year term: 4.125% 5-year term: 3.875% 7-year term: 4% 10-year term: 4% 12-year term: 4%

MARKETING ASSISTANCE (February rate as March not yet published)

Commodity Loan: 5.750%

Progression Lending from FSA

Farm Service Agency (FSA) farm loans are considered progression lending. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Our goal is to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. FSA staff will advise borrowers on developing strategies and a plan to meet your goals and graduate to commercial credit. FSA borrowers are responsible for the success of their

farming operation, but FSA staff will help in an advisory role, providing the tools necessary to help you achieve your operational goals and manage your finances.

For more information on FSA farm loan programs, contact your county USDA Service Center. To find your nearest Service Center visit farmers.gov.

Dairy Producers Can Now Enroll for 2024 Dairy Margin Coverage

Dairy producers can now enroll for 2024 Dairy Margin Coverage (DMC), an important safety net program offered through the U.S. Department of Agriculture (USDA) that provides producers with price support to help offset milk and feed price differences. This year's DMC signup began Feb. 28, 2024, and ends April 29, 2024. For those who sign up for 2024 DMC coverage, payments may begin as soon as March 4, 2024, for any payments that triggered in January 2024.

USDA's Farm Service Agency (FSA) has revised the regulations for DMC to allow eligible dairy operations to make a one-time adjustment to established production history. This adjustment will be accomplished by combining previously established supplemental production history with DMC production history for those dairy operations that participated in Supplemental Dairy Margin Coverage during a prior coverage year. DMC has also been authorized through calendar year 2024. Congress passed a 2018 Farm Bill extension requiring these regulatory changes to the program.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. In 2023, Dairy Margin Coverage payments triggered in 11 months including two months, June and July, where the margin fell below the catastrophic level of \$4.00 per hundredweight, a first for Dairy Margin Coverage or its predecessor Margin Protection Program.

2024 DMC Coverage and Premium Fees

FSA has revised DMC regulations to extend coverage for calendar year 2024, which is retroactive to Jan. 1, 2024, and to provide an adjustment to the production history for dairy operations with less than 5 million pounds of production. In previous years, smaller dairy operations could establish a supplemental production history and receive Supplemental Dairy Margin Coverage. For 2024, dairy producers can establish one adjusted base production history through DMC for each participating dairy operation to better reflect the operation's current production.

For 2024 DMC enrollment, dairy operations that established supplemental production history through Supplemental Dairy Margin Coverage for coverage years 2021 through 2023, will combine the supplemental production history with established production history for one adjusted base production history.

For dairy operations enrolled in 2023 DMC under a multi-year lock-in contract, lock-in eligibility will be extended until Dec. 31, 2024. In addition, dairy operations enrolled in multi-year lock-in contracts are eligible for the discounted DMC premium rate during the 2024 coverage year. To confirm 2024 DMC lock-in coverage or opt out in favor of an

annual contract for 2024, dairy operations having lock-in contracts must enroll during the 2024 DMC enrollment period.

DMC offers different levels of coverage, even an option that is free to producers, minus a \$100 administrative fee. The administrative fee is waived for dairy producers who are considered limited resource, beginning, socially disadvantaged or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

DMC Payments

DMC payments are calculated using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay.

More Information

USDA also offers other risk management tools for dairy producers, including the <u>Dairy Revenue Protection (DRP)</u> plan that protects against a decline in milk revenue (yield and price) and the <u>Livestock Gross Margin (LGM)</u> plan, which provides protection against the loss of the market value of milk minus the feed costs. Both DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local <u>crop insurance agent</u> for more information.

For more information on DMC, visit the <u>DMC webpage</u> or contact your local <u>USDA Service</u> Center.

Producers Reminded of Impacts Associated with Bringing Native Sod into Production

Farm Service Agency (FSA) reminds producers who receive FSA, Natural Resources Conservation Service (NRCS) or Risk Management Agency (RMA) program benefits that the 2018 Farm Bill contains special provisions related to native sod being brought into production in the states of Nebraska, Iowa, Minnesota, Montana, South Dakota and North Dakota.

Native sod acres brought into production agriculture at any time after December 20, 2018, are subject to the following:

- Reduced guarantee for crop insurance;
- Reduced premium subsidy for crop insurance;
- Reduced guarantee for the Noninsured Crop Disaster Assistance Program (NAP);
 and
- Increased service fees for NAP policies involving the native sod acres.

Native sod is considered land on which the plant cover is composed principally of native grasses, grass-like plants, or shrubs for grazing and browsing that has never been tilled,

and the producer cannot substantiate that the ground has ever been tilled, for the production of an annual crop on or before December 20, 2018.

For crop insurance, the reductions in guarantee and premium subsidy apply for the first four years which the acres are insured up to 10 crop years after initial tillage. For NAP, reductions in guarantees and increased service fees apply for the first four years in which the acres are covered under a NAP policy up to 10 crop years after initial tillage. The native sod acres are treated as traditional acres for crop insurance once the acreage has been insured for four years, and it's treated as traditional acreage for NAP once the acreage has been covered under a NAP policy for four years.

In addition, the 2014 Farm Bill placed similar restrictions on native sod acres that are brought into production between February 7, 2014, and December 20, 2018. Under the 2014 Farm Bill, impacts for crop insurance and NAP are applicable for the first four years of cropping regardless of whether the acreage is insured or covered under a NAP policy.

Producers who have questions on these provisions or any FSA programs should contact their county Farm Service Agency office.

USDA Rural Development Accepting Applications for Energy Efficiency, Renewable Energy Projects

Agricultural producers and rural small business owners may now apply for loan guarantees or grant funding to support energy efficiency improvements. Applications for the Rural Energy for America Program (REAP) are now available through USDA Rural Development. The application period is year-round, with quarterly deadlines. The next deadline is March 31, 2024. Through the Rural Energy for America Program (REAP), agricultural producers and rural small businesses are eligible for loan guarantees and grants to develop renewable energy systems or to make energy efficiency improvements. Examples of projects that received funding support in the past include:

- Irrigation pump conversion from diesel fuel to electric irrigation motors;
- Solar arrays;
- · Replacement of grain dryers to more efficient grain dryers;
- LED lighting, HVAC systems replacement, and insulation to increase R-value;
- Coolers or freezers for grocery stores.

Grants can be made for up to 50% of total eligible project costs, up to a maximum of \$500,000 for energy efficiency projects and up to a maximum of \$1 million for renewable energy systems. Loan guarantees for FY24 projects are for up to 75% of total eligible project costs.

Agricultural producers or rural small business owners interested in learning more about this program should contact Nebraska USDA Rural Development. Call Christopher Faber at (402) 437-5748 or Spencer Rien at (308) 632-2195 Ext. 133.

Every Successful Farm Starts with a Plan



The Natural Resources Conservation Service (NRCS) works to help farmers, ranchers and forest landowners invest in their operations and local communities to keep working lands working, boost rural economies, increase the competitiveness of American agriculture and improve the quality of our air, water, soil and wildlife habitat.

Simply put – NRCS helps America's farmers, ranchers and forestland owners make conservation work for them.

Our Conservation Technical Assistance (CTA) program enables every acre of voluntary conservation applied

through every program NRCS administers. It is the foundation of our financial and technical assistance delivery system.

Every farm and acre is unique and requires tailored management; and every decision maker has different management concerns and needs. Our technical assistance is one-on-one, personalized advice and support to help producers make the best decisions for their lands – and is offered free of charge.

This personalized assistance provides producers with the science-based data and tools to make informed decisions about where to target efforts to get the greatest return on their investment and ensure the long-term sustainability of American agriculture.

A comprehensive conservation plan is the first step to managing all the natural resources on a farm. NRCS walks the farm with the producer and develops options to address that producer's needs. Our toolbox includes aerial photos, soil surveys, engineering solutions and individual science-based analysis customized for the producer's property. The plan we develop with the producer combines existing production methods with recommended conservation practices to best manage that farm's unique natural resources, while allowing the producer to grow sustainably and productively. Supported by our expert analysis and recommendations, the producer chooses which option best meets their needs. These decisions become the producer's conservation plan, a step-by-step guide to reach their objectives.

This planning process also makes it easier to identify how and when the farmer, rancher or forest landowner could qualify for Farm Bill financial assistance to help them install conservation systems or receive incentives for trying new ones. We have the expertise to see our customers through this process. Because identifying when, where and how to implement practices is not plug and play.

The final plan provides a roadmap for the producer to meet their natural resource conservation goals. It includes helpful information on each of the producer's practices, such as how they benefit the farm, how to maintain them, and how they help the soil, water and wildlife.

By developing a conservation plan and adding conservation to the land, farmers, ranchers and forest landowners can protect the land's ability to provide for their family and future generations.

With offices in communities nationwide, NRCS staff provide the information, tools and delivery systems necessary for producers – in every state and territory – to conserve, maintain and improve their natural resources.

Contact your local <u>USDA service center</u> to find out more.



Nebraska FSA and NRCS State Office Information

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