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Nebraska FSA and NRCS State Office Newsletter - February 2023

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

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A Message from the FSA State Executive Director

It's the time of year when we all find ourselves hoping for a little more consistently warm weather pattern, but yet Mother Nature keeps reminding us she is still in charge. To all of you who have braved these past several months of caring for livestock in the extreme cold, snow and ice, hang in there. Spring is around the corner.

Speaking of livestock and weather, I want to remind producers of the <u>Livestock Indemnity</u> <u>Program (LIP)</u>. While we know our customers work hard to keep their animals safe, LIP exists to assist producers financially when losses or injuries occur, despite your efforts, due to extreme weather and other circumstances. If you find yourself in this unfortunate situation, please remember that losses must be reported to your FSA office within 30 days of when they become apparent. Please read the story below for more information.

The window is closing soon for producers to work with their FSA office on selection of and enrollment in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) commodity crop safety net programs for 2023. 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. See story below for more details.

FSA recently announced the opening of the Conservation Reserve Program (CRP) General signup period. Landowners can offer contracts for CRP beginning Monday, Feb. 27, through April 7, 2023. This voluntary conservation program is a key way for landowners to invest in the long-term well-being of their land, while working on the issue of climate change at the same time. More information can be found in the article below.

In addition to announcing the CRP signup, USDA also recently announced the availability of additional conservation program funds through FSA's sister agency, the Natural Resources Conservation Service (NRCS). This announcement infused funding into popular programs such as the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP), among others. You can learn more about this opportunity <u>at this link</u>.

In closing, I want to call attention to an FSA webinar this coming week that will help producers understand two ad-hoc disaster assistance programs that currently are open for application. The Emergency Relief Program Phase 2 (ERP 2) and the Pandemic Assistance Revenue Program (PARP) are revenue-loss-focused assistance programs that rely heavily on producer financial records as part of the application process. Read the story below for more information and <u>register HERE</u> for the webinar, set for Thursday, March 2, at noon CT.

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

--John Berge

FSA, UNL to Host Webinar on March 2 on ERP 2, PARP Assistance Programs

Applications being accepted through June 2 for revenue loss-based assistance

Nebraska USDA Farm Service Agency (FSA) is reminding producers of the availability of two programs announced by USDA earlier this year that wrap-up and fill remaining gaps in previous natural disaster and pandemic assistance. The Emergency Relief Program (ERP) Phase 2 and the 2020 Pandemic Assistance Revenue Program (PARP) are revenue-based assistance programs, and producers who are interested in applying will

need to use information from their tax documents or other personal financial records as part of the application process.

The application period is open now through June 2, 2023.

Nebraska FSA is coordinating with the University of Nebraska-Lincoln Center for Agricultural Profitability for an educational webinar on these two programs. It is scheduled for 12:00 p.m. CT on Thursday, March 2. Registration for the webinar is free and can be found at <u>cap.unl.edu/webinars</u>. FSA officials will provide an overview of the programs and the information necessary to complete applications for assistance. They also briefly will highlight other disaster assistance programs during this webinar, including those designed to address the ongoing drought.

ERP 2 and PARP are different from other FSA disaster programs as producers will need to utilize personal financial records, such as a Schedule F (Form 1040) and Profit or Loss from Farming, or other similar tax documents, as part of the application process. To be eligible for <u>ERP Phase Two</u>, producers must have suffered a decrease in allowable gross revenue in 2020 or 2021 due to necessary expenses related to losses of eligible crops from a qualifying natural disaster event. Assistance will be primarily to producers of crops that were not covered by federal crop insurance or NAP, since crops covered by federal crop insurance under ERP Phase 1. However, producers who received ERP Phase 1 payments are not prohibited from applying for ERP 2.

To be eligible for <u>PARP</u>, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a 15 percent or greater decrease in allowable gross revenue for the 2020 calendar year, as compared to either 2018 or 2019, whichever year the producer selects to use as the baseline year. PARP will help address gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses. When calculating gross revenue losses, this program will account for previous pandemic-related assistance payments made to producers, such as Coronavirus Food Assistance Program (CFAP) 1 and 2 payments and Emergency Relief Program Phase 1 payments, among others.

For more information, producers should contact their local USDA service center or reference the <u>ERP Phase Two Fact Sheet</u>, <u>PARP Fact Sheet</u> or the <u>ERP Phase Two-PARP Comparison Fact Sheet</u>. Websites for each program can be found at <u>www.fsa.usda.gov/programs-and-services/emergency-relief</u> and <u>www.farmers.gov/coronavirus/pandemic-assistance/parp</u>.

Deadline Approaching to Make ARC/PLC Commodity Crop Safety Net Decisions for 2023

Agricultural producers have until March 15, 2023, to change their elections and enroll in the <u>Agriculture Risk Coverage (ARC) and Price Loss Coverage</u> programs for the 2023 crop year. ARC and PLC are two key safety net programs offered by the U.S. Department of Agriculture (USDA).

2023 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 2023 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2023, they must sign a new contract.

If producers do not submit their election by the March 15, 2023 deadline, their election remains the same as their 2022 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the farm.

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 and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Decision Tools

Nebraska FSA partnered recently with the University of Nebraska-Lincoln Center for Agricultural Profitability on a webinar to review program options. A recording of the webinar can be viewed online at <u>fsa.usda.gov/ne</u> under the Spotlights section. In addition, in partnership with USDA, the University of Illinois and Texas A&M University offer webbased decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- <u>Gardner-farmdoc Payment Calculator</u>, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- <u>ARC and PLC Decision Tool</u>, a tool available through Texas A&M that allows producers to obtain basic information regarding the decision and factors that should be taken into consideration such as future commodity prices and historic yields to estimate payments for 2022.

More Information

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

Livestock Indemnity Program Addresses Animal Losses, Injury Due to Adverse Weather

The USDA Farm Service Agency (FSA) is reminding producers whose livestock operations have been impacted by adverse weather about the availability of the <u>Livestock</u> Indemnity Program (LIP). LIP provides financial benefits to producers who suffer livestock losses above normal mortality due to an eligible adverse weather event, which can include winter storms with certain conditions such as heavy snowfall and extremely cold temperatures.

Livestock producers who have experienced this type of livestock loss 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 first

become apparent. 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.

Adequate documentation must be provided that proves the death or injury of eligible livestock occurred as a direct result of an eligible adverse weather event 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 or injury *must file the notice of loss by 30 calendar days of when the loss is first apparent*. A separate application for payment and supporting documentation also must be filed, but producers have until March 1, 2024, to file this paperwork for losses occurring in 2023.

FSA Expands Eligibility for Noninsured Crop Disaster Assistance Program Retroactively for 2022

Farm Service Agency has updated several disaster assistance programs to give more farmers, ranchers, and tribes the opportunity to apply for and access programs that support recovery following natural disasters. This includes changes to the Noninsured Disaster Assistance Program (NAP). NAP provides financial assistance to producers of non-insurable crops when low yields, loss of inventory or prevented planting occur due to natural disasters.

Basic NAP coverage is equivalent to the catastrophic level risk protection plan of insurance coverage, which is based on the amount of loss that exceeds 50% of expected production at 55% of the average market price for the crop.

Previously, to be eligible for NAP coverage, a producer had to submit an application (Form CCC-471) for NAP coverage on or before the application closing date. For 2022, if a producer has a *Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification* (Form CCC-860) on file with FSA, it will serve as an application

for basic coverage for all eligible crops having a 2022 application closing date and all NAP-related service fees for basic coverage will be waived for these producers.

FSA will notify all eligible producers who already have the CCC-860 certification form on file of their eligibility for NAP basic coverage for 2022. To potentially receive NAP assistance, producers who suffered losses due to natural disasters in 2022 should file an acreage report as well as a notice of loss with the FSA at their local Service Center.

Producers who are interested in obtaining NAP coverage for 2023 and subsequent years should also contact their local FSA county office for information on eligibility, coverage options and applying for coverage.

Producers impacted by a natural disaster should report losses and damages and file an application with their <u>FSA county office</u>. For NAP, producers should contact their local FSA office for guidelines on submitting a notice of loss and filing an acreage certification.

USDA Announces Conservation Reserve Program General Signup to Begin Feb. 27

Agriculture Secretary Tom Vilsack announced that agricultural producers and private landowners can begin applying for the Conservation Reserve Program (CRP) General signup starting **February 27 through April 7, 2023.** CRP is a cornerstone voluntary conservation program offered by the U.S. Department of Agriculture (USDA) and a key tool in the Biden-Harris administration's effort to address climate change and help agricultural communities invest in the long-term well-being of their land and natural resources.

Producers and landowners enrolled more than 5 million acres into CRP through signups in 2022, building on the acceptance of more than 3.1 million acres in the <u>largest Grassland</u> <u>CRP signup in history</u>. There are currently 23 million acres enrolled in CRP, with 1.9 million set to expire this year. USDA's Farm Service Agency (FSA) is aiming to reach the 27-million-acre cap statutorily set for fiscal year 2023.

General CRP

General CRP helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Additionally, General CRP includes a Climate-Smart Practice Incentive to help increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

Continuous CRP

Under Continuous CRP, producers and landowners can enroll in CRP throughout the year. Offers are automatically accepted provided the producer and land meet the eligibility requirements and the enrollment levels do not exceed the statutory cap. The Climate-Smart Practice Incentive is also available in the Continuous signup.

FSA offers several additional enrollment opportunities within Continuous CRP, including the Clean Lakes Estuaries and Rivers Initiative (CLEAR30), the State Acres for Wildlife Enhancement (SAFE) Initiative, the Farmable Wetlands Program (FWP), and the Conservation Reserve Enhancement Program (CREP). Nebraska has two SAFE initiatives and one CREP: <u>Upland Wildlife Habitat SAFE</u>, <u>Migratory Birds</u>, <u>Butterflies and Pollinators SAFE</u>, and <u>Platte-Republican Resources Area CREP</u>.

Grassland CRP

FSA will announce the dates for Grassland CRP signup in the coming weeks. Grassland CRP is a working lands program, helping landowners and operators protect grassland, including rangeland and pastureland and certain other lands, while maintaining the areas as working grazing lands.

How to Sign Up

Landowners and producers interested in CRP should contact their local <u>USDA Service</u> <u>Center</u> to learn more or to apply for the program before their deadlines.

Producers with expiring CRP acres can use the Transition Incentives Program (TIP), 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.

USDA Develops Simplified Direct Loan Application to Improve Customer Service

The U.S. Department of Agriculture (USDA) has developed a simplified direct loan application to provide improved customer experience for producers applying for loans from the Farm Service Agency (FSA). The simplified direct loan application enables producers to complete a more streamlined application, reduced from 29 to 13 pages. Producers will also have the option to complete an electronic fillable form or prepare a traditional, paper application for submission to their local FSA farm loan office. The paper and electronic versions of the form will be available starting March 1, 2023.

Approximately 26,000 producers submit a direct loan application to the FSA annually, but there is a high rate of incomplete or withdrawn applications, due in part to a challenging and lengthy paper-based application process. Coupled with the Loan Assistance Tool released in October 2022, the simplified application will provide all loan applicants access to information regarding the application process and assist them with gathering the correct documents before they begin the process. This new application will help farmers and ranchers submit complete loan applications and reduce the number of incomplete, rejected, or withdrawn applications.

In October 2022, USDA launched the Loan Assistance Tool, an online step-by-step guide that provides materials to help an applicant prepare their farm loan application in one tool. Farmers can access the Loan Assistance Tool by visiting <u>farmers.gov/farm-loan-assistance-tool</u> and clicking the 'Get Started' button. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser. A version compatible with

mobile devices is expected to be available by the summer. It does not work in Internet Explorer.

The simplified direct loan application and Loan Assistance Tool are the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements that are anticipated to launch in 2023 include:

- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA took action in October 2022 to provide relief to qualifying distressed borrowers while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Soon, all direct loan borrowers will receive a letter from USDA describing the circumstances under which additional payments will be made to distressed borrowers and how they can work with their FSA local office to discuss these options. Producers can explore all available options on all FSA loan options at <u>fsa.usda.gov</u> or by contacting their <u>local USDA Service Center</u>.

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 USDA Service Center farm loan team. To locate your nearest office, visit <u>farmers.gov/service-center-locator</u>.

FSA February 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% 5-year term: 3.75% 7-year term: 3.75% 10-year term: 3.625% 12-year term: 3.75%

MARKETING ASSISTANCE

Commodity Loan: 5.750%

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 <u>farmers.gov Get Started at your USDA Service Center website</u>. 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:

• <u>Socially disadvantaged farmers/ranchers</u> - 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.

- <u>Beginning farmers/ranchers</u> 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.
- <u>Veteran farmers/ranchers</u> 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.
- Limited resource farmers/ranchers 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</u> and <u>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.

Local Working Group Meetings Planned



Local Working Groups that provide input on the priorities for many U.S. Department of Agriculture conservation programs will be holding meetings across the state over the next several weeks. A list of scheduled meetings is available on the <u>Nebraska Natural Resources Conservation</u> <u>Service (NRCS) website</u>, or by contacting <u>your local NRCS</u> <u>field office</u>.

The public is invited to attend Local Working Group meetings. There is a Local Working Group in each Natural Resources District (NRD). Working groups provide local input into how Federal dollars are spent.

NRCS Nebraska obligates funds to farmers and ranchers through conservation programs like the Environmental Quality Incentives Program (EQIP), the Conservation Reserve Program (CRP), the Conservation Stewardship Program (CSP), and the Agricultural Conservation Easement Program (ACEP). These programs help landowners and operators make natural resource improvements to their land, water, or wildlife. This funding is allocated, in part, according to priorities set by Local Working Groups.

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 wildfires. Landowners have until May 31, 2023, to apply.

Through the <u>Environmental Quality Incentives Program</u> (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 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</u> <u>office</u> in the USDA Service Center for applications and more information.

Important Dates/Deadlines to Remember

March 2, 2023 – Nebraska State Technical Committee meeting. More information on how to participate at nrcs.usda.gov/Nebraska

March 15, 2023 – FSA Agriculture Risk Coverage and Price Loss Coverage (ARC/PLC) Program deadline for elections and enrollment for 2023 production season March 15, 2023 – ***FSA application closing date for Noninsured Crop Disaster Assistance Program (NAP) coverage for 2023 production season for most annual fruits and vegetables, millet, oats, forage sorghum, dry peas, hemp

April 7, 2023 – FSA deadline to submit contract offers for 2023 Conservation Reserve Program (CRP) General signup

May 31, 2023 – NRCS deadline to apply for assistance for agricultural land impacted by

wildfire through the Environmental Quality Incentives Program

***Please note any above NAP calendar reference may not be inclusive for all NAPcovered crops; NAP participants should contact their County FSA Office to confirm important program deadlines.

