

### U.S. DEPARTMENT OF AGRICULTURE

Nebraska FSA and NRCS State Office Newsletter - October 2022

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

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## A Message from the FSA State Executive Director

It's late October, and many of you are at or nearing the end of a challenging production season. At Farm Service Agency, our thoughts are with you as you wrap up 2022 and already start to prepare for the coming year.

There is much to think about as you begin the planning process, including consideration of financial safety net programs available through the FSA. Recently we opened the application periods for the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) commodity crop safety net programs and the Dairy Margin Coverage Program

(DMC) for coverage in 2023. Both articles can be found below for your review and consideration.

USDA also recently announced assistance for distressed FSA farm loan borrowers, funding that was authorized under Section 22006 of the Inflation Reduction Act (IRA). This first phase of assistance is designed to help those most immediately impacted by recent challenges in the market, whether that be due to impacts of the pandemic, weather disasters, or market shocks from global conflicts. You can read the announcement of this assistance at this link and visit the website for additional details. Please be patient with county FSA office staff as they work to implement this new, historic assistance, designed to help keep farmers and ranchers on the land raising the food, fiber and fuel we all need.

I encourage you to note several upcoming application deadlines highlighted in Dates to Remember below. This includes certification cost-share assistance, available for organic producers, and disaster protection coverage for 2023 for crops like alfalfa, mixed forages, grass and grapes.

In closing, I want to call your attention to upcoming educational opportunities for anyone who is grappling with the process of bringing the next generation back to the farm or just generally looking at farm/ranch transition issues. The Center for Agricultural Profitability at the University of Nebraska-Lincoln is hosting a Returning to the Farm workshop on the subject Dec. 9-10 in York. Details can be found by clicking here. The Farm & Ranch Project of Legal Aid of Nebraska is hosting two Farm Succession Workshops in December. Details can be found by clicking here.

That's all for October. Stay safe as you finish out the harvest season.

--John Berge

## FSA Reminds Producers of Fall-Seeded Acreage Reporting Requirement, Deadline

To comply with program eligibility requirements, all producers are encouraged to contact their county FSA office to file an accurate acreage certification report by the applicable deadline.

Producers who file accurate and timely acreage certification reports, including failed and prevented planted acreage, can prevent the potential loss of USDA program benefits. The acreage reporting deadline for all fall-seeded crops is **Nov. 15, 2022**. Producers also are encouraged to report fall-planted cover crops at this time.

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

For questions regarding acreage certification, please contact your county FSA office.

# Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

Agricultural producers can now change election and enroll in the <u>Agriculture Risk Coverage</u> (ARC) and <u>Price Loss Coverage</u> programs for the 2023 crop year, two key safety net programs offered by the U.S. Department of Agriculture (USDA). Signup is under way and producers have until March 15, 2023, to enroll in these two programs. Additionally, USDA's Farm Service Agency (FSA) has started issuing payments totaling more than \$255 million to producers with 2021 crops that have triggered payments through ARC or PLC.

### 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.

### **Web-Based Decision Tools**

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:

- Gardner-farmdoc Payment Calculator, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- ARC and PLC Decision Tool, 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.

### 2021 Payments and Contracts

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2021 ARC-CO, ARC-IC and PLC for covered commodities that triggered for the crop year.

For ARC-CO, producers can view the <u>2021</u> ARC-CO Benchmark Yields and Revenues online database, for payment rates applicable to their county and each covered commodity. For PLC, payments have triggered for rapeseed and peanuts.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2021 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

### By the Numbers

In 2021, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. For the 2022 crop year signed contracts surpassed 1.8 million, to be paid in the fall of 2023, if a payment triggers.

Since ARC and PLC were first authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill, these safety-net programs have paid out more than \$34.9 billion to producers of covered commodities.

### **Crop Insurance Considerations**

ARC and PLC are part of a broader safety net provided by USDA, which 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.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

### **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>.

# Dairy Producers Can Now Enroll for 2023 Dairy Margin Coverage Program

Dairy producers can now enroll for 2023 coverage through the Dairy Margin Coverage (DMC) Program, an important safety net program from the U.S. Department of Agriculture (USDA) that helps producers manage changes in milk and feed prices. Last year, USDA's Farm Service Agency (FSA) took steps to improve coverage, especially for small- and mid-sized dairies, including offering a new Supplemental DMC program and updating its feed cost formula to better address retroactive, current and future feed costs. These

changes continue to support producers through this year's signup, which begins today and ends Dec. 9, 2022.

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.

So far in 2022, DMC payments to more than 17,000 dairy operations have triggered for August for more than \$47.9 million. According to DMC margin projections, an indemnity payment is projected for September as well. At \$0.15 per hundredweight for \$9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a \$100 administrative fee. Limited resource, beginning, socially disadvantaged or a military veteran farmers or ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online dairy decision tool.

### Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided \$42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

### **DMC Payments**

Additionally, FSA will continue to calculate DMC payments 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 rather than 50%. The benefits of these feed cost adjustments were realized in the recent August 2022 margin payment as current high feed and premium hay costs were considered in payment calculations.

### **More Information**

In addition to DMC, USDA 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 livestock minus the feed costs. Both

DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local crop insurance agent for more information.

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

# FSA Offers Drought Assistance for Livestock Producers Moving Water, Feed to Grazing Animals

If you've suffered above normal expenses for hauling feed or water to livestock or hauling livestock to forage/grazing acres due to the impacts of drought, you may be eligible for financial assistance through the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish Program (ELAP).

For eligible producers in qualifying counties, ELAP provides financial assistance for:

- the transportation of water to livestock;
- the above normal cost of mileage for transporting feed to livestock,
- the above normal cost of transporting livestock to forage/grazing acres.\*

\*Hauling livestock one-way and no payment for "empty miles."

Eligible livestock include cattle, buffalo, goats and sheep, among others, that are maintained for commercial use and located in a county where the qualifying drought conditions occur. A county must have had D2 severe drought intensity on the U.S. Drought Monitor for eight consecutive weeks during the normal grazing period, or D3 or D4 drought intensity at any time during the normal grazing period. **Producers must have risk in both eligible livestock and eligible grazing land in an eligible county to qualify for ELAP assistance**.

### WATER TRANSPORTATION

For ELAP water transportation assistance, a producer must be transporting water to eligible livestock on eligible grazing land where the producer had adequate livestock watering systems or facilities in place before the drought occurred and where they do not normally require the transportation of water. Payments are for costs associated with personal labor, equipment, hired labor, equipment, and/or contracted water transportation fees. Cost of the water itself is not covered. The ELAP payment formula uses a national average price per gallon.

#### ABOVE NORMAL COSTS OF TRANSPORTING FEED

ELAP provides financial assistance to livestock producers who incur above normal expenses for transporting feed to livestock during drought. The payment formula excludes the first 25 miles and any mileage over 1,000 miles. The reimbursement rate is 60% of the costs above what would normally have been incurred during the same time period in a normal (non-drought) year.

## ABOVE NORMAL COSTS OF TRANSPORTING LIVESTOCK TO FORAGE/GRAZING ACRES

ELAP provides financial assistance to livestock producers who are hauling livestock to a new location for feed resources due to insufficient feed and/or grazing in drought-impacted areas

Producers must submit a notice of loss to your local FSA office within 30 calendar days of when the loss is apparent; producers should contact their county FSA office as soon as the loss of water resources or feed resources are known. For ELAP eligibility, documentation of expenses is critical. Producers should maintain records and receipts associated with the costs of transporting water to eligible livestock, the costs of transporting feed to eligible livestock, and the costs of transporting eligible livestock to forage/grazing acres.

ELAP also offers assistance to producers impacted by wildfire. Contact your county FSA office for more information on ELAP resources for wildfire losses.

In addition, beekeepers also can benefit from ELAP provisions and should contact their county FSA office within 15 calendar days of when a loss occurs or from when the loss is apparent.

To learn more about ELAP, find your nearest FSA office at this link.

## Thinking About Your Need for Financing in 2023? Submit Loan Requests to FSA Early

The farm loan teams in FSA offices across Nebraska are already working on operating loans for spring 2023 and ask potential borrowers to submit their requests early so they can be timely processed. The farm loan teams can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well as expenses throughout the year.

**Microloans** are a simplified loan program that will provide up to \$50,000 for both farm ownership and operating to eligible applicants. These loans, targeted for smaller and non-traditional operations, can be used for operating expenses, starting a new operation, purchasing equipment, and other needs associated with a farming operation. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

**Marketing Assistance Loans** allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

**Farm Storage Facility Loans** can be used to build permanent structures used to store eligible commodities, for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures, and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

To learn more about FSA loan programs and options for your farming or ranching operation, find your nearest FSA office <u>at this link</u>.

## Loans Available for Targeted Underserved Producers

The Farm Service Agency (FSA) has several loan programs to help you start or continue an agriculture production. Farm ownership and operating loans are available.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

To learn more about FSA loan programs and options, find your nearest FSA office <u>at this</u> link.

### **FSA October Loan Interest Rates**

### **OPERATING/OWNERSHIP**

Farm Operating: 3.875% Microloan Operating: 3.875% Farm Ownership: 4.125%

Farm Ownership - Joint Financing: 2.5% Farm Ownership - Down Payment: 1.5% Emergency - Actual Loss: 3.750%

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### **FARM STORAGE FACILITY LOAN**

3-year term: 3.625% 5-year term: 3.375% 7-year term: 3.375% 10-year term: 3.125% 12-year term: 3.375%

## Deadline to Apply for Natural Resource Conservation Funds Approaching



Farmers and ranchers interested in preventing erosion, improving soil health, conserving water and wildlife, or making other natural resource conservation improvements to their property are encouraged to apply now for funding available from the USDA Natural Resources Conservation Service (NRCS). Those interested in receiving funding should sign up before Nov. 18, 2022.

NRCS has a whole suite of conservation programs available to landowners looking to improve and protect the natural resources on their ag land. These programs provide funding on cropland and rangeland, as well as for establishing or

enhancing wildlife habitat and wetlands. NRCS staff can help landowners and operators identify the options that best suit their operation's needs.

Conservation funding is available through the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), and the Agricultural Conservation Easement Program (ACEP). The goal of these conservation programs is to provide a financial incentive to encourage landowners to install conservation practices that protect natural resources, resulting in cleaner air and water, healthy soil, and more wildlife habitat.

Funding is also available through many targeted initiatives. To find out what conservation program funding is available in your area, visit your local NRCS field office. Individuals interested in applying for these conservation programs may do so at any time, but applications need to be submitted by Nov. 18 to be considered for this year's funding.

For more information about conservation programs and other assistance available, visit www.ne.nrcs.usda.gov.

## NRCS Student Internship Applications Now Being Accepted

The U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS) has several student internship positions currently open across Nebraska. Internship positions include Engineer, Soil Conservationists, Biologist, Rangeland Management Specialist and Soil Scientist.

Applications are currently being accepted for its Pathways Internship Program now through Oct. 28th. More information, including position descriptions, can be found on the USAjobs website <a href="HERE">HERE</a>, or by searching for "Nebraska," "Natural Resources Conservation Service," and "Student Trainee" at usajobs.gov.

Pathways Interns have the opportunity to gain valuable work experience working side-byside with NRCS Nebraska employees. If Pathways Interns successfully complete the internship program, and meet job qualifications, they can be converted to a full-time position upon graduation.

For more information about NRCS, the Pathways Internship program and other career opportunities, visit <a href="www.ne.nrcs.usda.gov">www.ne.nrcs.usda.gov</a> and click on "Contact" in the top toolbar, then click on "State Office Contacts," and then scroll to Nebraska.

# Virtual Workshops Highlight Improvements to Whole-Farm Revenue Protection, Micro Farm Insurance Options

The U.S. Department of Agriculture (USDA) is offering virtual workshops on Nov. 15 and Dec. 13 for agricultural producers and stakeholders to learn about the latest updates and improvements to <a href="Whole-Farm Revenue Protection">Whole-Farm Revenue Protection</a> (WFRP) and <a href="Micro Farm">Micro Farm</a> insurance options, two of the most comprehensive risk management options available. These insurance options are especially important to specialty crop, organic, urban, and direct market producers, and this is part of the USDA's Risk Management Agency (RMA) efforts to increase participation in these options and crop insurance overall.

RMA will host these workshops for agricultural producers via Microsoft Teams events:

- Tuesday, Nov. 15 at 8 p.m. PT (<u>click to join</u>)
- Tuesday, Dec. 13 at 11 a.m. ET (<u>click to join</u>)

RSVP is not required. Attendees will have a chance to submit written questions during the event.

Learn more.

### **Dates to Remember**

**Oct. 31, 2022** – FSA deadline for applications to the Organic Certification Cost Share Program and the Organic and Transitional Education Certification Program

**Nov. 1, 2022** – Ballots mailed to eligible voters for the FSA County Committee election **Nov. 15, 2022** – FSA acreage reporting deadline for fall-seeded crops for 2023 program eligibility

**Nov. 15, 2022** – \*\*\*FSA NAP application closing deadline for coverage for alfalfa, mixed forages and grass in the 2023 production season

**Nov. 18, 2022** – NRCS application deadline for Nebraska conservation programs (EQIP, CSP, etc.)

**Nov. 21, 2022** – \*\*\*FSA NAP application closing deadline for coverage for apples, aronia berries and grapes in the 2023 production season

**Dec. 9, 2022** – FSA deadline for application to the Dairy Margin Coverage Program for 2023

<sup>\*\*\*</sup>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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