

U.S. DEPARTMENT OF AGRICULTURE

Nebraska FSA and NRCS State Office Newsletter - March 2023

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

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A Message from the FSA Acting State Executive Director

It's National Agriculture Week, a week built around National Agriculture Day, which generally is the designated for the third Tuesday in March and coincides closely with the first day of Spring. The designation is meant to call attention to and celebrate the producers who bring us the abundance of and quality food we have here in the United States. On behalf of the Nebraska FSA staff across our state, thank you to our farmer and rancher customers for what you do every day for us as consumers.

In addition to food production, you also play an important role as stewards of our natural resources. To that end, I want to call attention to the Natural Resources Conservation Service (NRCS) story below that highlights the availability of funding for climate-smart agriculture practices, with an application deadline of March 31 for two important programs, the Environmental Quality Incentives Program and the Conservation Stewardship Program. Take a look at the story, and then visit your nearest USDA Service Center for more information.

While you are at your Service Center, also please note an approaching deadline for contract offers to the FSA-administered Conservation Reserve Program (CRP). The General CRP signup is open now through April 7. There is a process to putting a contract offer together, so if you are interested in CRP, please contact your local FSA office sooner rather than later to learn more about it. In addition, information meetings are being held across the state, with some scheduled yet for next week. Click here to see the listing.

Again, Happy National Agriculture Week. Talk to you in April.

--Tim Divis

USDA Extends Deadline for Underserved Producers to Receive Additional Pandemic Assistance

The U.S. Department of Agriculture (USDA) has issued nearly \$290.5 million in top-up payments through the Coronavirus Food Assistance Program 2 (CFAP) to nearly 172,000 underserved producers. USDA's Farm Service Agency (FSA) will continue to issue payments to underserved producers who participated in CFAP 2 and are certified as underserved producers.

Producers without form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, on file can submit by **March 31, 2023,** to receive the top-up payment. This is an extension from the Feb. 10, 2023, deadline. Contact your local <u>USDA Service Center</u> for more information.

The top-up payment is part of a broader effort by the Biden-Harris administration to better reach agricultural producers and industries impacted by COVID-19 market disruptions by providing a holistic, inclusive approach to pandemic assistance.

County FSA Offices Taking Applications for Disaster, Pandemic Revenue-Loss Assistance

County FSA offices currently are taking applications for two financial assistance programs designed to address revenue losses associated with natural disasters and the pandemic. The Emergency Relief Program Phase 2 and the Pandemic Assistance Revenue Program (PARP) are open for application through June 2, 2023, but producers are asked to look into the programs now, ahead of spring activities.

Historically, FSA programs have been designed to make direct payments to producers based on a single disaster event or for a single commodity loss. For many producers, this may be the first revenue-based programs they have applied for with FSA.

Emergency Relief Program Phase 2

<u>Emergency Relief Program Phase 2</u> (ERP 2) provides financial assistance to producers who suffered a loss in revenue on eligible crops due to a qualifying natural disaster event

in calendar years 2020 and 2021. Eligible crops include both traditional insurable commodities (excluding crops intended for grazing) and specialty crops that are produced in the United States as part of a farming operation and are intended to be commercially marketed. Livestock and animal by-products are ineligible commodities for ERP 2. The loss in 2020 and 2021 allowable gross revenue will be determined by comparing it to allowable gross revenue in a benchmark year, either 2018 or 2019, as selected by the producer. ERP 2 revenue loss is based on tax years.

Pandemic Assistance Revenue Program

Pandemic Assistance Revenue Program (PARP) provides financial assistance to producers of agricultural commodities, both crops and livestock, who suffered at least a 15 percent loss in gross revenue in calendar year 2020 due to the pandemic. Payments to producers will be based upon a comparison of the producer's allowable gross revenue from 2020 to a benchmark year, either 2018 or 2019, as selected by the producer. PARP revenue loss is based on calendar years. A PARP payment may be earned only if prior pandemic assistance payments did not compensate producers for the revenue loss.

Application Resources

Resources available to assist producers with understanding and completing applications can be found at www.fsa.usda.gov/ne. This includes producer information packets, step-by-step application worksheets and a link to a recorded webinar, where Nebraska FSA program leaders explain each program and how to apply for assistance. Producers also can pick up producer information packets at their County Office.

These are producer certification programs. Producers will use personal financial information to complete applications, and this likely will include tax forms such as a Schedule F (Form 1040) and *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022.

Those interested in learning more can contact their county FSA office. To find your office, visit farmers.gov/service-center-locator.

April 6 Webinar to Cover Information on Grasslands Conservation Reserve Program

Farm Service Agency's (FSA) Grasslands Conservation Reserve Program (CRP) is a voluntary program that contracts with agricultural producers and landowners to protect grassland, including rangeland, pastureland, and certain other lands, while maintaining the areas as grazing lands. In return, landowners can receive annual rental payments and cost share assistance.

Grassland CRP will be the focus of a webinar, scheduled for 12 p.m. CT on Thursday, April 6. The webinar will be hosted by the University of Nebraska-Lincoln's Center for Agricultural Profitability and will feature Ivy Reynolds, Grassland CRP program manager with USDA FSA; Patrick Lechner, program chief of the Nebraska USDA FSA Price Support, Conservation and Environmental Programs section; and Elliott Dennis, an assistant professor in the University of Nebraska-Lincoln's Department of Agricultural Economics.

The presenters will cover how the program works and answer frequently asked questions about participation.

The webinar is available at no cost. To register, click on this link.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

USDA Microloans Help Farmers Purchase Farmland, Operating Inputs

The Farm Service Agency (FSA) Microloan Program is available to assist producers with financing for farmland and building purchases and soil and water conservation improvements, as well as for operating needs, such as for the purchase of feed, fertilizer, tools, fencing, equipment, and living expenses.

Those applying for microloans can access a maximum of \$100,000 in financing: up to \$50,000 for a farm ownership loan and up to \$50,000 for an operating loan.

FSA designed the microloan program with a simplified application process for more flexible access to credit, so the program may be a good fit for producers with small real estate or operating loan needs. This means the program may be especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

To learn more about the FSA microloan program, contact your county USDA Service Center or visit <u>fsa.usda.gov/microloans</u>.

FSA March Loan Interest Rates

OPERATING/OWNERSHIP

Operating: 4.75%

Operating – Microloan: 4.75% Farm Ownership: 4.875%

Farm Ownership - Joint Financing: 2.875% 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: 3.625%

MARKETING ASSISTANCE Commodity Loan: 5.750%

It's Tax Season! Let Farmers.gov Help

Filing taxes can be challenging, especially if you are new to USDA programs or running a farm business, or if you are trying to forecast your farm's tax bill.

To support farmers and ranchers, USDA is partnering with tax experts from across the country to connect producers to information and resources related to taxes and USDA program payments, including those from the Inflation Reduction Act for distressed borrowers. Learn more at farmers.gov/taxes.

USDA Announces Availability of Inflation Reduction Act Funding for Climate-Smart Agriculture



USDA is making funding available for agricultural producers and forest landowners nationwide to participate in voluntary conservation programs and adopt climate-smart practices. The Inflation Reduction Act (IRA) provided an additional \$19.5 billion over five years for climate smart agriculture through several of the conservation programs that USDA's Natural Resources Conservation Service (NRCS) implements. NRCS is making available \$850 million in fiscal year 2023 for its oversubscribed conservation programs: the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP) and Regional

Conservation Partnership Program (RCPP).

The IRA funding includes an additional \$8.45 billion for EQIP, \$4.95 billion for RCPP, \$3.25 billion for CSP, and \$1.4 billion for ACEP. The increased funding levels begin in fiscal year 2023 and rapidly build over four years. These additional investments are estimated to help hundreds of thousands of farmers and ranchers apply conservation to millions of acres of land. Additionally, the IRA provides \$300 million to quantify carbon sequestration and greenhouse gases (GHG) through the collection and use of field-based data to assess conservation outcomes. Information gained through this effort will be used to improve practices and technical assistance to customers. Further guidance on this important work will be provided as the implementation of this portion of the IRA continues.

These funds will provide direct climate mitigation benefits and will expand access to financial and technical assistance for producers to advance conservation on their farm, ranch, or forest land through practices like cover cropping, conservation tillage, wetland restoration, prescribed grazing, nutrient management, tree planting and more. To ensure we can quantify the benefits of these IRA investments, NRCS is working to support Department-wide work on Measurement, Monitoring, Reporting and Verification (MMRV). The IRA provided targeted funding to support this effort. In administering the Inflation Reduction Act climate investments, USDA will also support other environmental cobenefits, including – among other things – water conservation, wildlife habitat improvements, and reducing runoff.

How to Apply

NRCS accepts producer applications for its conservation programs year-round, but Nebraska producers interested in **EQIP** or **CSP** should apply by March 31, 2023, to be considered for funding in the current cycle.

Funding is provided through a competitive process and will include an opportunity to address the unmet demand from producers who have previously sought funding for climate-smart conservation activities.

NRCS plans to roll out the next **RCPP** funding opportunity in early spring, which will include IRA funds from fiscal year 2023.

Other opportunities for agreements and partnerships at the state level will be announced for fiscal year 2023 in the coming months. The IRA provides funding to support those strategic partnerships with local, regional, and national organizations. This will include outreach to underserved producers to ensure IRA climate funding is reaching those who have been previously unable to access conservation assistance.

Important Dates/Deadlines to Remember

March 31, 2023 – NRCS deadline to apply for Environmental Quality Incentives Program and Conservation Stewardship Program funds

April 7, 2023 – Deadline to offer contracts for the Conservation Reserve Program General signup

May 29, 2023 – USDA Service Centers 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 2, **2023** – FSA deadline for applications to the Emergency Relief Program Phase 2 (ERP2) and the Pandemic Assistance Revenue Program (PARP)

***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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