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Farm Service Agency **Electronic News Service**

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Illinois FSA Newsletter

Illinois Farm Service Agency

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State Executive Director:
William J. Graff

State Committee:
James Reed-Chairperson

Message from the State Director

One of the questions I frequently get asked is "how am I ever going to get enough money together to purchase my first farm?"

There are many answers to this question, but I hope that the young farmers do not overlook the FSA Beginning Farmer Loans. One hurdle for a beginning farmer to qualify for a loan is to have a minimum of 3 years of experience as an operator of a farm. One way, if you are of legal age, is to be listed along with your parent or parents or another family member as an additional operator on a FSA farm number.

Melanie DeSutter-Member
Troy Uphoff-Member

Executive Officer:
Rick Graden

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To find contact information for
your local office go to
www.fsa.usda.gov/il

Experience with FFA, 4-H, other agricultural youth programs like Illinois Beef Association junior program, or a breed association junior program, FSA youth loans, and college agricultural classes and degrees are an added plus to show experience.

If you want to start farming, the main thing I will tell you is the place to go ask questions is your local FSA office and your local FSA Farm Loan staff.

William Graff
State Executive Director

USDA Enrollment Period for Safety Net Coverage in 2018

Farmers and ranchers with base acres in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) safety net program may enroll for the 2018 crop year. The enrollment period will end on Aug. 1, 2018.

Since shares and ownership of a farm can change year-to-year, producers must enroll by signing a contract each program year.

The producers on a farm that are not enrolled for the 2018 enrollment period will not be eligible for financial assistance from the ARC or PLC programs for the 2018 crop should crop prices or farm revenues fall below the historical price or revenue benchmarks established by the program. Producers who made their elections in previous years must still enroll during the 2018 enrollment period.

The ARC and PLC programs were authorized by the 2014 Farm Bill and offer a safety net to agricultural producers when there is a substantial drop in prices or revenues for covered commodities. 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 (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more details regarding these programs, go to www.fsa.usda.gov/arc-plc.

For more information, producers are encouraged to visit their local FSA office. To find a local FSA office, visit <http://offices.usda.gov>.

2016, 2017 and 2018 Average Adjusted Gross Income (AGI) Compliance Reviews

The AGI verification and compliance reviews for 2016, 2017 and 2018 are conducted on producers who the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the average AGI limitation of \$900,000, receivables will be established for payments earned directly or indirectly by the producer subject to the \$900,000 limitation. The State FSA Office continues to notify producers selected for review. If you have any questions about the review process or determinations, please contact the Illinois State FSA Office at 217-241-6600. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Payment eligibility adverse determinations become administratively final 30 days from the date of the payment eligibility adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

More information AGI can be found online at <https://www.fsa.usda.gov/programs-and-services/payment-eligibility/adjusted-gross-income/index>

2018 Signup for CRP

For this year's signup, limited priority practices are available for continuous enrollment. They include grassed waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices.](#)

FSA will use updated soil rental rates to make annual rental payments, reflecting current values. It will not offer incentive payments as part of the new signup.

USDA will not open a general signup this year, however, a one-year extension will be offered to existing CRP participants with expiring CRP contracts of 14 years or less. Producers eligible for an extension will receive a letter with more information.

Livestock Inventory Records

Producers are reminded to keep updated livestock inventory records. These records are necessary in the event of a natural disaster.

When disasters strike, the USDA Farm Service Agency (FSA) can assist producers who suffered excessive livestock death losses and grazing or feed losses due to eligible natural disasters.

To participate in livestock disaster assistance programs, producers will be required to provide verifiable documentation of death losses resulting from an eligible adverse weather event and must submit a notice of loss to their local FSA office within 30 calendar days of when the loss of livestock is apparent. For grazing or feed losses, producers must submit a notice of loss to their local FSA office within 30 calendar days of when the loss is apparent and should maintain documentation and receipts.

Producers should record all pertinent information regarding livestock inventory records including:

- Documentation of the number, kind, type, and weight range of livestock
- Beginning inventory supported by birth recordings or purchase receipts;

For more information on documentation requirements, contact your local county FSA office.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be a success. A part of ensuring this success is providing guidance and counsel from the loan application process through the borrower's graduation to commercial lending institutions. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation;
- Any significant changes to family income or expenses;
- The development of problem situations;
- Any losses or proposed significant changes in security In addition, if a farm loan borrower cannot make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options. For more information on FSA farm loan programs, visit www.fsa.usda.gov or contact the Farm Loan staff at your local county FSA Office.

Emergency Disaster Declarations and Designations

Farmers and ranchers know all too well that natural disasters can be a common, and likely a costly, variable to their operation. The Farm Service Agency (FSA) has emergency assistance programs to provide assistance when disasters strike, and for some of those programs, a disaster designation may be the eligibility trigger.

FSA administers four types of disaster designations:

USDA Secretarial Disaster Designation

- The designation process can be initiated by individual farmers, local government officials, State governors, State agriculture commissions, tribal councils or the FSA State Executive Director
- This designation is triggered by a 30-percent or greater production loss to at least one crop because of a natural disaster, or at least 1 producer who sustained individual losses because of a natural disaster and is unable to obtain commercial financing to cover those losses

In 2012, USDA developed a fast-track process for disaster declarations for severe drought.

This provides for a nearly automatic designation when, during the growing season, any portion of a county meets the D2 (Severe Drought) drought intensity value for eight consecutive weeks or a higher drought intensity value for any length of time as reported by the U.S. Drought Monitor (<http://droughtmonitor.unl.edu>) **Administrator's Physical Loss Notification**

- This designation is initiated by the FSA State Executive Director.
- The designation is triggered by physical damage and losses because of a natural disaster, including but not limited to dead livestock, collapsed buildings, and destroyed farm structures. **Presidential Designation**
- A Presidential major disaster designation and emergency declaration is initiated by the Governor of the impacted state through the Federal Emergency Management Agency (FEMA).
- This designation is triggered by damage and losses caused by a disaster of such severity and magnitude that effective response is beyond the capability of the State and local governments. **Quarantine Designation**
- This designation is requested of the Secretary of Agriculture by the FSA State Executive Director
- A quarantine designation is triggered by damage and losses caused by the effects of a plant or animal quarantine approved by the Secretary under the Plant Protection Act or animal quarantine laws. All four types of designations immediately trigger the availability of low-interest Emergency loans to eligible producers in all primary and contiguous counties.

FSA borrowers in these counties who are unable to make their scheduled payments on any debt may be authorized to have certain set asides. Additional disaster assistance requiring a designation may also be provided by new programs in the future. For more information on FSA disaster programs and disaster designations, visit www.fsa.usda.gov/disaster.

ARC/PLC Acreage Maintenance

Program participants convicted under federal or state law of any planting, cultivating, growing, producing, harvesting or storing a controlled substance are ineligible for program payments and benefits. If convicted of one of these offenses, the program participant shall be ineligible during that crop year and the four succeeding crop years for price support loans, loan deficiency payments, market loan gains, storage payments, farm facility loans, Non-insured Crop Disaster Assistance Program payments or disaster payments.

Program participants convicted of any federal or state offense consisting of the distribution (trafficking) of a controlled substance, at the discretion of the court, may be determined ineligible for any or all program payments and benefits:

- for up to 5 years after the first conviction
- for up to 10 years after the second conviction
- permanently for a third or subsequent conviction

Program participants convicted of federal or state offense for the possession of a controlled substance shall be ineligible, at the discretion of the court, for any or all program benefits, as follows:

- up to 1 year upon the first conviction
- up to 5 years after a second or subsequent conviction

More information can be found online at https://www.fsa.usda.gov/programs-and-services/payment-eligibility/controlled_substance/index

Beginning Farmer Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's average size farm

Additional program information, loan applications, and other materials are available at your local your local county FSA office. You may also visit www.fsa.usda.gov.

FSA Releases Signup Information for Tree Assistance Program

USDA's Farm Service Agency recently released signup information for the [Tree Assistance Program](#), a nationwide program that provides orchardists and nursery tree growers with cost share assistance to replant eligible trees, bushes, and vines following a natural disaster.

The Bipartisan Budget Act of 2018 prescribed several changes to the program, including the removal of the \$125,000 per person and legal entity payment limitation. The [notice](#) outlined when producers should file applications for any recent losses, given the changes to the program.

Eligible producers should file for TAP assistance by the later of these two dates:

- 90 days of the disaster or when damages from the disaster are noticed; or
- 60 days after the regulation is published on the Federal Register later this summer.

The following producers can file applications:

- Producers who did not previously apply for TAP for 2017 or 2018 losses; and
- Producers who had applied and received an adverse determination that their 2017 or 2018 TAP application was filed late.

Additionally, producers with 2017 losses can also file an application or revise an original application because of the changes made through the Act.

For more information on TAP, producers should contact their local county FSA office.

Payments to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to becoming deceased, the following is the order of precedence of the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

In order for FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325, to claim the payment for themselves or an estate. The county office will verify and determine that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline for such form, by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the participant who is deceased, FSA will determine whether the person submitting the form has the legal authority to submit the form to compel FSA to pay the deceased participant.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

More information can be found online at https://www.fsa.usda.gov/programs-and-services/payment-eligibility/deceased_person/index

USDA Resumes Continuous Conservation Reserve Program Enrollment

One-Year Extension Available to Holders of Many Expiring Contracts through Continuous Signup

As part of a 33-year effort to protect sensitive lands and improve water quality and wildlife habitat on private lands, the U.S. Department of Agriculture (USDA) will resume accepting applications for the voluntary [Conservation Reserve Program](#) (CRP).

Eligible farmers, ranchers, and private landowners can sign up at their local [Farm Service Agency \(FSA\)](#) office between June 4 and Aug. 17, 2018.

FSA stopped accepting applications last fall for the CRP continuous signup (excluding applications for the Conservation Reserve Enhancement Program (CREP) and CRP grasslands). This pause allowed USDA to review available acres and avoid exceeding the 24 million-acre CRP cap set by the 2014 Farm Bill. New limited practice availability and short sign up period helps ensure that landowners with the most sensitive acreage will enroll in the program and avoid unintended competition with new and beginning farmers seeking leases. CRP enrollment currently is about 22.7 million acres.

CRP Grasslands

Additionally, FSA established new [ranking criteria](#) for [CRP Grasslands](#). To guarantee all CRP grasslands offers are treated equally, applicants who previously applied will be asked to reapply using the new ranking criteria. Producers with pending applications will receive a letter providing the options.

Producers wanting to apply for the CRP continuous signup or CRP grasslands should contact their USDA service center. To locate your local FSA office, visit <https://www.farmers.gov>. More information on CRP can be found at www.fsa.usda.gov/crp.

June Interest Rates and Important Dates to Remember

Selected Interest Rates for June 2018		Dates to Remember	
Farm Operating Loans — Direct	3.625%	April 15- August 1	Primary Nesting Period for enrolled CRP acres
Farm Ownership Loans — Direct	4.000%	July 4	Federal Holiday – FSA Offices closed
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%	July 16	Last day to report planted acres
Emergency Loans	3.750%	continuous	2018 ARC/PLC Farm Program enrollment
Farm Storage Facility Loans (3 years)	2.625%	Continuous	Sign-up for FSA text messages from your local county office
Farm Storage Facility Loans (5 years)	2.875%		
Farm Storage Facility Loans (7 years)	3.000%	continuous	Update Your Farm Records
Farm Storage Facility Loans (10 years)	3.000%	Continuous	Farm Storage Facility Loan applications
Farm Storage Facility Loans (12 years)	3.000%		
Commodity Loans	3.250%		

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., SW, Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).