

April 2019



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Illinois FSA Newsletter

- [Message from the State Director](#)
- [Market Protection Program](#)
- [Opportunity to Request a Referendum: Soybean Promotion, Research, and Information Program](#)
- [Sign in/Sign up!](#)
- [FSA Offers Joint Financing Option on Direct Farm Ownership Loans](#)
- [Farm Storage Facility Loans](#)
- [Unauthorized Disposition of Grain](#)
- [Marketing Assistance Available for 2018 Crops](#)
- [Maintaining the Quality of Farm-Stored Loan Grain](#)
- [Actively Engaged Provisions for Non-Family Joint Operations or Entities](#)
- [Update Your Records](#)
- [USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged from Previous Farm Bill](#)
- [April Interest Rates and Important Dates](#)

### Illinois Farm Service Agency

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[www.fsa.usda.gov/il](http://www.fsa.usda.gov/il)

**State Executive Director:**  
William J. Graff

### Message from the State Director

Dear Illinois Producers,

It is a wet spring, winter and fall, as you wait for the ground to dry out and get ready to plant, please keep FSA in mind. If you have rented a new farm, purchased a farm, or have changed your operating structure, do not forget to get in touch with FSA to report any changes.

Please take a look at your CRP contracts and check the contract expiration dates. If you have mid management practices scheduled on your CRP, make sure they are completed.

**State Committee:**

James Reed-Chairperson  
Melanie DeSutter-Member  
Kirk Liefer-Member  
George Obernagel-Member  
Troy Uphoff-Member

To find contact information for your local office go to [www.fsa.usda.gov/il](http://www.fsa.usda.gov/il)

Don't forget to check the quality of the grain in your grain bins whether it is grain that is under loan to FSA or not.

FSA has another request to you as a producer. With a spring planting season that could be later than normal, do not forget about reporting planted acres. As soon as you are finished planting, please come into the FSA office sooner rather than later to report your planted acres. Please do not wait until the last minute. Do it early, so everyone can have the same great level of service we provide to all our program participants.

I would also like to remind producers of the **May 1, 2019**, deadline to certify their production for the Market Facilitation Program benefits.

Thank you in advance.

William Graff

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## Market Protection Program

Dairy producers who elected to participate in LGM-Dairy will be eligible to retroactively sign up for 2018 MPP-Dairy coverage. All other eligibility requirements must be met. This retroactive sign up is exclusively for dairy producers with LGM coverage who were producing and commercially marketing milk in 2018 but did not obtain full year MPP-Dairy coverage. **The sign up deadline is May 10, 2019.**

There is a limited 2018 MPP-Dairy sign up exclusively for dairy operations who were producing and commercially marketing milk in 2018 but stopped commercially marketing milk before or during the 2018 re-enrollment period. The 2018 re-enrollment period was from April 9, 2018, through June 22, 2018. The Deputy Administrator for Farm Programs (DAFP) has granted a blanket relief for affected dairy operations to make MPP-Dairy coverage elections for 2018. **The sign up deadline is May 10, 2019.**

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## Opportunity to Request a Referendum: Soybean Promotion, Research, and Information Program

The USDA Agricultural Marketing Service (AMS) announced that soybean producers may request a referendum on the Soybean Promotion and Research Order, as authorized under the Soybean Promotion, Research, and Consumer Information Act. Participation in the Request for Referendum is voluntary, and producers should only participate if they wish to request a referendum on the program.

The results of the Request for Referendum will be published in a notice in the Federal Register. If at least 10 percent of eligible producers, as determined by USDA, participate in the Request for Referendum, a referendum will be held within one year from that determination.

Interested soybean producers may request a referendum during a four-week period beginning on May 6 and ending May 31, 2019. Form LS-51-1, *Soybean Promotion and Research Order Request for Referendum*, may be [downloaded online](#), or obtained by mail, fax, or in person from Farm Service Agency (FSA) county offices during this time.

Completed forms and supporting documentation must be returned to the appropriate county FSA office by fax or in person no later than close of business May 31, 2019, or if returned by mail, must be postmarked by midnight May 31, 2019, and received in the county FSA office by close of business on June 6, 2019.

For detailed information, including eligibility, read the full [AMS announcement](#). To find your local office, visit [www.farmers.gov](http://www.farmers.gov).

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## Sign in/Sign up!

Farmers, ranchers and agricultural producers have new online options to access U.S. Department of Agriculture (USDA) programs. Through USDA's new streamlined process, producers doing business as an individual can now register, track and manage their applications for the Market Facilitation Program (MFP) on the secure and convenient [www.farmers.gov](http://www.farmers.gov). Producers doing business as an individual first need to sign up for the Level 2 eAuthentication access. Currently USDA eAuthentication does not have the mechanism to issue accounts to businesses, corporations, other entities or for anyone acting on behalf of another individual or entity.

- Step 1: Create an online account at [www.eauth.usda.gov](http://www.eauth.usda.gov)
- Step 2: Complete identity verification by either using the online self-service identity verification method or by completing the identity verification in-person at your USDA Service Center.
- Step 3: You're enrolled
- Step 4: Contact your local USDA Service Center to have your new Level 2 account linked with your USDA customer record
- Step 5: You're ready to Log in

Or go to your local USDA Service Center and our support staff will help you sign up for Level 2 Access right in the office! They will get you online so you can create an online account at <https://farmers.gov/sign-in>. You'll complete identity verification right on the spot. You're enrolled! Users with a secure Level 2 eAuthentication ID linked to their USDA customer record can apply for select USDA programs, view and print farm maps and farm records data. Enrolling is easy! Visit [farmers.gov/sign-in](http://farmers.gov/sign-in) to learn more.

To locate a service center near you or use online services not requiring eAuthentication access, visit [www.farmers.gov](http://www.farmers.gov). For technical assistance, call the eAuthentication help desk at 1-800-457-3642.

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## FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to 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.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) 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 \$300,000 and the repayment period for the loan is up to 40 years.

To be eligible, 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 FSA Loan programs, contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov). To find your local FSA office, visit <http://offices.usda.gov>.

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## Farm Storage Facility Loans

FSA's Farm Storage Facility Loan (FSFL) program provides low-interest financing to producers to build or upgrade storage facilities and to purchase portable (new or used) structures, equipment and storage and handling trucks.

The low-interest funds can be used to build or upgrade permanent facilities to store commodities. Eligible commodities include corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, fruits, nuts and vegetables for cold storage facilities, floriculture, hops, maple sap, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Qualified facilities include grain bins, hay barns and cold storage facilities for eligible commodities.

Loans up to \$100,000 can be secured by a promissory note/security agreement. Loans exceeding \$100,000 require additional security.

Producers do not need to demonstrate the lack of commercial credit availability to apply. The loans are designed to assist a diverse range of farming operations, including small and mid-sized businesses, new farmers, operations supplying local food and farmers markets, non-traditional farm products, and underserved producers.

To learn more about the FSA Farm Storage Facility Loan, visit [www.fsa.usda.gov/pricesupport](http://www.fsa.usda.gov/pricesupport) or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

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## Unauthorized Disposition of Grain

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

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## Marketing Assistance Available for 2018 Crops

The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MAL's) and Loan Deficiency Payments (LDP's).

MAL's provide financing and marketing assistance for 2018 crop feed grains, soybeans and other oilseeds, and pulse crops. MAL's provide producers interim financing after harvest to help them meet cash flow needs without having to sell their commodities when market prices are typically at harvest-time lows. **The final date to request a 2018 corn, soybean, or grain sorghum MAL is May 31, 2019.**

A producer who is eligible to obtain an MAL, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

To be eligible for an MAL or an LDP, producers must have a beneficial interest in the commodity, in addition to other requirements. A producer retains beneficial interest when control of and title to the commodity is maintained. For an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer filed [Form CCC-633EZ \(page 1\)](#) in the FSA County Office. For more information, producers should contact their local FSA county office or view the [LDP Fact Sheet](#).

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## Maintaining the Quality of Farm-Stored Loan Grain

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

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## Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be "actively engaged in farming." This means participants provide a significant

contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined “actively engaged in farming.” The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

More information on “Actively Engaged in Farming” can be found online at [https://www.fsa.usda.gov/programs-and-services/payment-eligibility/actively\\_engaged/index](https://www.fsa.usda.gov/programs-and-services/payment-eligibility/actively_engaged/index).

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## Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

If you have any updates or corrections, please call your local FSA office to update your records.

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## USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged from Previous Farm Bill

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014 as amended by the Agricultural Improvement Act of 2018.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

A fact sheet can be found online at: [https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2017/arc\\_plc\\_for\\_fav\\_and\\_wild\\_rice\\_may2017.pdf](https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2017/arc_plc_for_fav_and_wild_rice_may2017.pdf)

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## April Interest Rates and Important Dates



Selected Interest Rates for April 2019		Dates to Remember	
Farm Operating Loans — Direct	3.500%	May 1	Last day to report harvested production for MFP
Farm Ownership Loans — Direct	4.000%	May 27	Memorial Day Holiday FSA Offices Closed
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%	May 31	Final date to request 2018 crop corn, soybean and grain sorghum MAL's
Emergency Loans	3.750%		
Farm Storage Facility Loans (3 years)	2.500%	continuous	2018 ARC/PLC Farm Program enrollment
Farm Storage Facility Loans (5 years)	2.500%	continuous	Sign-up for FSA text messages from your local county office
Farm Storage Facility Loans (7 years)	2.625%	continuous	Update Your Farm Records
Farm Storage Facility Loans (10 years)	2.750%	Ongoing	Farm Storage Facility Loans Sign Up
Farm Storage Facility Loans (12 years)	2.750%	Ongoing	Marketing Assistance Loans Sign Up
Commodity Loans	3.500%		

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).