

June 2019



Farm Service Agency **Electronic News Service**

NEWSLETTER

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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 SED

2019, a year that many Illinois farmers will remember forever. Illinois FSA is trying to do all we can for Illinois agriculture. As I write this, Illinois FSA County Executive Directors are holding USDA County Emergency Board meetings across the entire state. After the Illinois State FSA Office gets that information in, the State Executive Director for Illinois will hold a USDA State Emergency Board meeting. I can not predict what exactly we will have in front of us, but we all know Illinois has experienced some of the worst spring planting weather in history. After the State Emergency Board meets, we will send to Washington D.C. our findings and recommendations and then the ball is in their court.

Melanie DeSutter-Member
Kirk Liefer-Member
George Obernagel-Member
Troy Uphoff-Member

Stay tuned we will have more information at a later time.

William J. Graff
FSA State Executive Director

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

Producers are Encouraged to Report Prevented Planting

USDA Farm Service Agency (FSA) reminds producers to report prevented planting in order to establish or retain FSA program eligibility for some programs.

Producers should report crop acreage they intended to plant, but due to a natural disaster, were prevented from planting, to FSA on form *CCC-576 Notice of Loss* within 15 calendar days after (but not before) the final planting date for that crop.

Due to the extraordinary weather events Illinois has experienced in crop year 2019, Illinois FSA State Executive Director (SED), William Graff, has approved an extension to all Counties in Illinois, **for producers without insurance or NAP coverage**, to file a prevented planting claim by the final acreage reporting date of the crop.

For crop year 2019, **all producers without insurance or NAP coverage**, can file a prevented planted claim, no later than the final acreage reporting date of the crop, and be considered timely filed for FSA purposes.

Producers with crop insurance, that timely filed a prevented planted claim with their insurance company, will be considered timely filed for FSA purposes, regardless of when the CCC-576, Notice of Loss form is received. Data from Risk Management Agency (RMA) or proper evidence provided by the producer that the prevented planted claim was filed timely with the insurance company can be accepted by FSA, to prove a timely filed prevented planting claim to RMA.

Farm Service Agency County Committee Nominations Open June 14

USDA's Farm Service Agency (FSA) will begin accepting nominations for county committee members on Friday, June 14, 2019. Agricultural producers who participate or cooperate in an FSA program may be nominated for candidacy for the county committee. Individuals may nominate themselves or others as a candidate.

FSA encourages America's farmers, ranchers, and forest stewards to nominate candidates to lead, serve, and represent their community on their county committee. There is an increasing need for diverse representation including underserved producers, which includes beginning, women and minority farmers and ranchers.

Committees make important decisions about how federal farm programs are administered locally. Their input is vital on how FSA carries out disaster programs, as well as conservation, commodity and price support programs, county office employment and other agricultural issues.

Nationwide, more than 7,700 dedicated members of the agricultural community serve on FSA county committees. The committees are made up of three members and typically meet once a month. Members serve three-year terms. Producers serving on our FSA county committees play a critical role in the day-to-day operations of the agency.

Producers should visit their local FSA office today to find out how to get involved in their county's election. Check with your local USDA service center to see if your local administrative area is up for election this year. Organizations, including those representing beginning, women and minority producers, also may nominate candidates.

To be considered, a producer must sign an [FSA-669A](#) nomination form. The form and other information about FSA county committee elections are available at fsa.usda.gov/elections. All nomination forms for the 2019 election must be postmarked or received in the local FSA office by August 1, 2019.

Election ballots will be mailed to eligible voters beginning November 4, 2019. Read more to learn about [important election dates](#).

Higher Limits Now Available on USDA Farm Loans

Higher limits are now available for borrowers interested in USDA's farm loans, which help agricultural producers purchase farms or cover operating expenses. The 2018 Farm Bill increased the amount that producers can borrow through direct and guaranteed loans available through USDA's Farm Service Agency (FSA) and made changes to other loans, such as microloans and emergency loans.

Key changes include:

- The Direct Operating Loan limit increased from \$300,000 to \$400,000, and the Guaranteed Operating Loan limit increased from \$ 1.429 million to \$1.75 million. Operating loans help producers pay for normal operating expenses, including machinery and equipment, seed, livestock feed, and more.
 - The Direct Farm Ownership Loan limit increased from \$300,000 to \$600,000, and the Guaranteed Farm Ownership Loan limit increased from \$1.429 million to \$1.75 million. Farm ownership loans help producers become owner-operators of family farms as well as improve and expand current operations.
 - Producers can now receive both a \$50,000 Farm Ownership Microloan and a \$50,000 Operating Microloan. Previously, microloans were limited to a combined \$50,000. Microloans provide flexible access to credit for small, beginning, niche, and non-traditional farm operations.
 - Producers who previously received debt forgiveness as part of an approved FSA restructuring plan are now eligible to apply for emergency loans. Previously, these producers were ineligible.
 - Beginning and socially disadvantaged producers can now receive up to a 95 percent guarantee against the loss of principal and interest on a loan, up from 90 percent.
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CRP Participants Must Maintain Approved Cover on Acreages Enrolled in CRP and Farm Programs

Conservation Reserve Program (CRP) participants are responsible for ensuring adequate, approved vegetative and practice cover is maintained to control erosion throughout the life of the contract after the practice has been established. Participants must also control undesirable vegetation, weeds (including noxious weeds), insects and rodents that may pose a threat to existing cover or adversely impact other landowners in the area.

All CRP maintenance activities, such as mowing, burning, disking and spraying, must be conducted outside the primary nesting or brood rearing season for wildlife, which for Illinois is April 15 through August 1. However, spot treatment of the acreage may be allowed during the primary nesting or brood rearing season if, left untreated, the weeds, insects or undesirable species would adversely impact the approved cover. In this instance, spot treatment is limited to the affected areas in the field and requires County Committee approval prior to beginning the spot treatment. The County Committee will consult with NRCS to determine if such activities are needed to maintain the approved cover.

Annual mowing of CRP for generic weed control, or for cosmetic purposes, is prohibited at all times.

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 \$50,000 can be secured by a promissory note/security agreement and loans between \$50,000 and \$100,000 may require additional security. 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 or contact your local FSA county office. To find your local FSA county office, visit <http://offices.usda.gov>.

Adjusted Gross Income (AGI) provisions were modified by the 2014 Farm Bill, which states that a producer whose total applicable three-year average AGI exceeds \$900,000 is not eligible to receive an MLG or LDP. Producers must have a valid CCC-941 on file to earn a market gain of LDP. The AGI does not apply to MALs redeemed with commodity certificate exchange.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

Unauthorized Disposition of Marketing Assistance Loan 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.

USDA Announces New Decision Tool for New Dairy Margin Coverage Program

USDA announced the availability of a new [web-based tool](#) – developed in partnership with the University of Wisconsin – to help dairy producers evaluate various scenarios using different coverage levels through the new [Dairy Margin Coverage](#) (DMC) program.

The 2018 Farm Bill authorized DMC, a voluntary risk management program that offers financial protection to dairy producers when the difference between the all milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. It replaces the program previously known as the Margin Protection Program for Dairy. Sign up for this USDA Farm Service Agency (FSA) program opens on June 17.

The University of Wisconsin launched the decision support tool in cooperation with FSA and funded through a cooperative agreement with the USDA Office of the Chief Economist. The tool was designed to help producers determine the level of coverage under a variety of conditions that will provide them with the strongest financial safety net. It allows farmers to simplify their coverage level selection by combining operation data and other key variables to calculate coverage needs based on price projections.

The decision tool assists producers with calculating total premiums costs and administrative fees associated with participation in DMC. It also forecasts payments that will be made during the coverage year.

For more information, access the tool at fsa.usda.gov/dmc-tool. For DMC sign up, eligibility and related program information, visit fsa.usda.gov or contact your local [USDA Service Center](#).

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.

Changing Bank Accounts

FSA program payments are issued electronically into your bank account. In order to make timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for whatever reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2018 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2019. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

Transitioning Expiring CRP Land to Beginning, Veteran or Underserved Farmers and Ranchers

Retired or retiring landowners or operators are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or underserved farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the retiring farmer for up to two additional years after the CRP contract expires, provided the transition is not to a family member.

Enrollment in TIP is on a continuous basis. Beginning, veteran or underserved farmers and ranchers and retiring CRP participants may enroll in TIP beginning one year before the expiration date of the CRP contract or August 23. For example, if a CRP contract is scheduled to expire on September 30, 2019, the land may be offered for enrollment in TIP beginning June 3, 2019, through August 23, 2019. The August 23 deadline allows the Natural Resources Conservation Service (NRCS) time to complete the TIP sustainable grazing or crop production conservation plans. The TIP application must be submitted prior to completing the lease or sale of the affected lands.

New landowners or renters must return the land to production using sustainable grazing or farming methods.

For more information on TIP, visit <https://www.fsa.usda.gov/conservation>.

June Interest Rates and Important Dates

Selected Interest Rates for June 2019	
Farm Operating Loans — Direct	3.250%
Farm Ownership Loans — Direct	3.875%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.750%
Farm Storage Facility Loans (3 years)	2.250%
Farm Storage Facility Loans (5 years)	2.250%
Farm Storage Facility Loans (7 years)	2.375%
Farm Storage Facility Loans (10 years)	2.50%
Farm Storage Facility Loans (12 years)	2.50%
Commodity Loans	3.375%

Dates to Remember	
June 3	Continuous CRP Signup Begins for Limited Practices
June 5	Final Planting Day for Corn
June 17	New Dairy Margin Coverage Signup Begins
June 20	Final Planting Date for Soybeans
July 15	Final date to certify crops
continuous	2018 ARC/PLC Farm Program enrollment
continuous	Sign-up for FSA text messages from your local county office
continuous	Update Your Farm Records
Ongoing	Farm Storage Facility Loans Sign Up
Ongoing	Marketing Assistance Loans Sign Up

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).