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Farm Service Agency **Electronic News Service**

NEWSLETTER

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Illinois Farm Service Agency

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State Executive Director:
William J. Graff

State Committee:
James Reed-Chairperson
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Message from the State Director

Dear Illinois Producers:

The employees of USDA Illinois FSA have been incredible during the months of June and July. Late planting, prevent planting, failed acres, replant, subsequent acres, they have had it all. My heart also goes out to all producers that had this happen to your farming operations. But, back to the employees.

Illinois FSA does not have the staff it once did; however, it still helped farmers report their acres in the worst of conditions. We will measure many years to come against 2019. Not only farming in Illinois, but in Illinois FSA. Illinois FSA employees can be very proud to say, "I survived 2019 acreage reporting." While all this was going on your local CED's convened their local USDA County

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

To find contact information for your local office go to

www.fsa.usda.gov/il

Emergency Board and sent a tremendous amount of documentation into the Illinois FSA State Office for the USDA State Emergency Board, which I chair. All this information is compiled by the USDA Illinois State FSA office. I will get into what that all means in the August newsletter.

In addition to the "normal" day to day activities, the local FSA office had the Dairy Margin Coverage program to administer, a Continuous CRP signup going on, and Washington D.C. requests for accounting matters to be handled.

Illinois FSA employees are the most dedicated government employees you will ever find. We have a tremendous amount of work still ahead of us, but we will prevail. Just be patient with us.

I also know 2019 is not going to be kind to many farming operations finances. If you need FSA loan assistance, please come in earlier rather than later.

Thank you for allowing us to serve you.

William J. Graff
State Executive Director

USDA Extends Deadline to Report Spring-Seeded Crops for Illinois

Producers in States Impacted by Floods and Heavy Moisture Must Report by July 22

USDA is extending the deadline to report acres for agricultural producers in states impacted by flooding and heavy moisture. This new July 22 deadline applies to producers in Arkansas, Illinois, Indiana, Iowa, Kentucky, Michigan, Minnesota, Missouri, North Dakota, Ohio, Tennessee and Wisconsin for reporting spring-seeded crops to USDA's Farm Service Agency (FSA) county offices and crop insurance agents.

Filing a timely crop acreage report is important to maintaining eligibility for USDA conservation, disaster assistance, safety net, crop insurance, and farm loan programs. A crop acreage report documents all crops and their intended uses and is an important part of record-keeping for your farm or ranch.

Producers filing reports with FSA county offices are encouraged to set up an appointment before visiting the office. Producers who set up appointments before the July 22 deadline are considered timely filed, even if the appointment occurs after the deadline.

Producers not in these select states must file spring-seeded crops by the original July 15 deadline.

Other USDA Efforts to Help Producers

USDA has taken additional steps to help impacted producers, including:

- Updating the haying and grazing date for producers who have planted cover crops on prevented plant acres;
- Offering special sign-ups through the Environmental Quality Incentives Program for assistance to plant cover crops; and
- Extending the deadline to report prevented plant acres in certain places.

For more information, visit our [Prevented or Delayed Planting webpage](#).

More Information

To learn more, contact your [FSA county office](#) or visit fsa.usda.gov or farmers.gov/prevented-planting.

Questions? Please contact your local [FSA Office](#).

Guaranteed Loan Program

Illinois producers are facing tight cash flow margins. Access to credit becomes more difficult during these times. FSA guaranteed loans provide another tool for Illinois farmers and ranchers. Illinois FSA currently has 2600 guaranteed loan customers with 190 local lending institutions and a guaranteed loan portfolio that has reached \$900 million.

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan.

Loans can be used for both farm ownership and operating purposes. Farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt. Term notes can be used to purchase livestock, farm equipment, or refinance debt. Lines of credit are available to finance crop and livestock operating expenses.

The Illinois guaranteed loan program has an outstanding track record and represents a partnership between USDA, local commercial agriculture banks, and Farm Credit institutions. Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

Eligibility for Nominations for the 2019 County Committee Elections

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) county committees are a critical component of the day-to-day operations of FSA and allow grassroots input and local administration of federal farm programs.

Committees are comprised of locally elected agricultural producers responsible for the fair and equitable administration of FSA farm programs in their counties. Committee members are accountable to the Secretary of Agriculture. If elected, members become part of a local decision making and farm program delivery process.

A county committee is composed of three elected members from local administrative areas (LAA). Each member serves a three-year term. To be eligible for nomination and hold office as a committee member or alternate, a person must fulfill each of the following requirements: (1) be a producer with an interest in farming or ranching operations, (2) participate or cooperate in any FSA program provided for by law, (3) be a U.S. citizen, (4) be of legal voting age, (5) meet the basic eligibility requirements, and (6) reside in the county or multi-county jurisdiction in which they will be serving.

All nomination forms for the 2019 election must be postmarked or received in the local USDA service center by Aug. 1, 2019. For more information on FSA county committee elections and appointments, refer to the FSA fact sheet: *Eligibility to Vote and Hold Office as a COC Member* available online at: fsa.usda.gov/elections.

Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Be 10 years to 20 years of age
- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor.
- The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

USDA Offers Producers Options to Re-enroll or Extend Expiring CRP Contracts

Farmers and ranchers with expiring [Conservation Reserve Program](#) (CRP) contracts may now re-enroll in certain CRP continuous signup practices or, if eligible, select a one-year contract extension. USDA's Farm Service Agency (FSA) is also accepting offers from landowners who want

to enroll for the first time in one of the country's largest conservation programs. FSA's 52nd signup for CRP runs from June 3 to August 23.

This year's CRP continuous signup includes practices such as grass waterways, filter strips, riparian buffers, wetland restoration and others. [View a full list of practices approved for this signup](#). Continuous signup contracts last for 10 to 15 years. Soil rental rates are set at 90 percent of 2018 rates. Incentive payments are not offered for these practices.

Producers interested in applying for CRP continuous practices, or who want to extend their contract, should contact their USDA service center before August 23.

To locate your local FSA office, visit www.farmers.gov. More information on CRP can be found at www.fsa.usda.gov/crp.

New Dairy Margin Coverage Signup Began June 17

Signup began June 17, 2019 for the new [Dairy Margin Coverage](#) (DMC) program, the cornerstone program of the dairy safety net that helps dairy producers manage the volatility of milk and feed prices, operated by the U.S. Department of Agriculture's Farm Service Agency (FSA). Producers may enroll through September 20, 2019.

The 2018 Farm Bill allowed USDA to construct the new DMC, which replaces the Margin Protection Program for Dairy (MPP-Dairy). This new program offers 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.

The program provides coverage retroactive to January 1, 2019, with applicable payments following soon after enrollment. At the time of signup, dairy producers can choose between the \$4.00 to \$9.50 coverage levels. [Learn more about coverage levels and premiums](#).

The Farm Bill also allows producers who participated in MPP-Dairy from 2014-2017 [to receive a repayment or credit for part of the premiums paid into the program](#). FSA has been providing premium reimbursements to producers since last month and those that elect the 75 percent credit option will now have that credit applied toward 2019 DMC premiums.

The Department has built in a 50 percent blend of premium and supreme alfalfa hay prices with the alfalfa hay price used under the prior dairy program to provide a total feed cost that more closely aligns with hay rations used by many producers. At a milk margin minus feed cost of \$9.50 or less, payments are possible. With the 50 percent hay blend, FSA's revised April 2019 income over feed cost margin is \$8.82 per hundredweight (cwt). The revised margins for January, February and March are, respectively, \$7.71, \$7.91 and \$8.66 – triggering DMC payments for each month.

DMC payments will be reduced by 6.2 percent in 2019 because of a sequester order required by Congress and issued in accordance with the Balanced Budget and Emergency Deficit Control Act of 1985.

DMC offers catastrophic coverage at no cost to the producer, other than an annual \$100 administrative fee. Producers can opt for greater coverage levels for a premium in addition to the administrative fee. Operations owned by limited resource, beginning, socially disadvantaged or veteran farmers and ranchers may be eligible for a waiver on administrative fees. Producers have

the choice to lock in coverage levels until 2023 and receive a 25-percent discount on their DMC premiums.

To assist producers in making coverage elections, USDA partnered with the University of Wisconsin to develop a [DMC decision support tool](#), which can be used to evaluate various scenarios using different coverage levels through DMC.

All dairy operations in the United States are eligible for the DMC program. An operation can be run either by a single producer or multiple producers who commercially produce and market cows' milk.

Eligible dairy operations must have a production history determined by FSA. For most operations, production history is based on the highest milk production in 2011, 2012 and 2013. Newer dairy operations have other options for determining production history. Producers may contact their local FSA office to get their verified production history.

Dairy producers also are reminded that 2018 Farm Bill provisions allow for dairy operations to participate in both FSA's DMC program and the Risk Management Agency's [Livestock Gross Margin \(LGM-Dairy\)](#) program. There are also no restrictions from participating in DMC in conjunction with any other RMA insurance products.

For more information, visit [farmers.gov DMC webpage](#) or contact your local USDA service center. To locate your local FSA office, visit [farmers.gov/service-locator](#).

Livestock Losses

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock deaths in excess of normal mortality caused by adverse weather, disease and attacks by animals reintroduced into the wild by the federal government or protected by federal law.

LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For disease losses, FSA county committees can accept veterinarian certifications that livestock deaths were directly related to adverse weather and unpreventable through good animal husbandry and management.

For 2019 livestock losses, eligible livestock owners must file a notice within 30 calendar days of when the loss is first apparent.

Participants must provide the following supporting documentation to their local FSA office no later than 60 calendar days after the end of the calendar year in which the eligible loss condition occurred.

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

USDA has established normal mortality rates for each type and weight range of eligible livestock, i.e. Adult Beef Cow = 1.5% and Non-Adult Beef Cattle (less than 400 pounds) = 5%. These

established percentages reflect losses that are considered expected or typical under “normal” conditions.

In addition to filing a notice of loss, producers must also submit an application for payment by March 1, 2020. Additional Information about LIP is available at your local FSA office or online at: www.fsa.usda.gov.

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 FSA office.

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 Aug. 23. For example, if a CRP contract is scheduled to expire on Sept. 30, 2019, the land may be offered for enrollment in TIP beginning June 3, 2019, through Aug. 23, 2019. The Aug. 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>.

USDA Accepting Applications to Help Cover Producers' Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for federal funds to assist with the cost of receiving and maintaining organic certification through the [Organic Certification Cost Share Program \(OCCSP\)](#). Applications for fiscal 2019 funding are due Oct. 31, 2019.

OCCSP received continued support through the 2018 Farm Bill. It provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

Certified producers and handlers are eligible to receive reimbursement for up to 75 percent of certification costs each year, up to a maximum of \$750 per certification scope, including crops, livestock, wild crops, handling and state organic program fees.

More Information

To learn more about organic certification cost share, please visit the [OCCSP webpage](#), view the [notice of funds availability on the Federal Register](#), or contact your [FSA county office](#). To learn more about USDA support for organic agriculture, visit usda.gov/organic

July Interest Rates and Important Dates to Remember

Selected Interest Rates for July 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)	1.875%
Farm Storage Facility Loans (5 years)	1.875%
Farm Storage Facility Loans (7 years)	2.00%
Farm Storage Facility Loans (10 years)	2.125%
Farm Storage Facility Loans (12 years)	2.250%
Commodity Loans	3.125%

Dates to Remember	
June 3 thru August 23, 2019	CRP Signup 52
June 17 thru September 20, 2019	New Dairy Margin Coverage Signup
July 4, 2019	FSA Offices Closed
July 22, 2019	Final date to certify crops
August 1, 2019	COC nomination forms for the 2019 Election must be received in FSA Offices
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

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