October 2019

United States Department of Agriculture

Farm Service Agency Electronic News Service

NEWSLETTER

GovDelivery

Illinois FSA Newsletter

Illinois Farm Service Agency

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Marketing Assistance Available for 2019 Crops

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs provide financing and marketing assistance for commodities such as wheat, feed grains, soybeans and other oilseeds, pulse crops, rice, wool and honey. MALs 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.

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

Troy Uphoff-Member

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

To be eligible for a MAL, 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.

FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2019 Farm Service Agency County Committee Elections begin on November 4, 2019, when ballots will be mailed to eligible voters. The deadline to return the ballots to local FSA offices is December 2, 2019.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs; conservation programs; incentive indemnity and disaster programs for some commodities; emergency programs and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

It is important that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and USDA.

To be eligible to vote in the elections, a person must:

Meet requirement one (see explanation below) ***or*** meet requirement two, ***and*** requirement three (see explanation below).

Requirement One: Be of legal voting age and have an interest in a farm or ranch as either: an individual who meets one or more of the following; (a) is eligible to vote in one's own right, (b) is a partner of a general partnership, (c) is a member of a joint venture **OR** an authorized representative of a legal entity, such as: (a) a corporation, estate, trust, limited partnership or other business enterprise, excluding general partnership and joint ventures or (b) a state, political subdivision of a state or any state agency (only the designated representative may cast a vote for the entity).

Requirement Two: Not of legal voting age but supervises and conducts the farming operations of an entire farm.

Requirement Three: Participates or cooperates in an FSA program that is provided by law.

For more information on eligibility to serve on FSA county committees, visit: www.fsa.usda.gov/elections.

USDA Opens 2020 Enrollment for Dairy Margin Coverage Program; Ends Dec. 13, 2019

Dairy producers can now enroll in the Dairy Margin Coverage (DMC) for calendar year 2020. USDA's Farm Service Agency (FSA) opened signup for the program that helps producers manage economic risk brought on by milk price and feed cost disparities.

The DMC program offers reasonably priced 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 deadline to enroll in DMC for 2020 is Dec. 13, 2019.

Dairy farmers earned more than $300 million dollars from the program in 2019 so far. Producers are encouraged to take advantage of this very important risk management tool for 2020.

All producers who want 2020 coverage, even those who took advantage of the 25 percent premium discount by locking in the coverage level for five years of margin protection coverage are required to visit the office during this signup period to pay the annual administrative fee.

Dairy producers should definitely consider coverage for 2020 as even the slightest drop in the margin can trigger payments.

More Information

The 2018 Farm Bill created DMC, improving on the previous safety net for dairy producers. DMC is one of many programs that FSA and other USDA agencies are implementing to support America's farmers.

For more information on enrolling in DMC and taking advantage of an online dairy decision tool that assists producers in selecting coverage for 2020, visit the DMC webpage.

For additional questions and assistance, contact your local USDA service center. To locate your local FSA office, visit farmers.gov/service-locator.

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.

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.

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.

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.

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, *Adjusted Gross Income Certification*. No program payment can be issued to an eligible producer, including landowners who share in the crop, without a valid CCC-941 on file in the county office.

Producers without a valid CCC-941 on file for the applicable crop year will not receive payments. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form.

FSA can accept the CCC-941 for 2017, 2018, and 2019. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

Direct Loans

FSA offers direct farm ownership and direct farm operating loans to producers who want to establish, maintain or strengthen their farm or ranch. FSA loan officers process, approve and service direct loans.

Direct farm operating loans can be used to purchase livestock and feed, farm equipment, fuel, farm chemicals, insurance and other costs including family living expenses. Operating loans can also be used to finance minor improvements or repairs to buildings and to refinance some farm-related debts, excluding real estate.

Direct farm ownership loans can be used to purchase farmland, enlarge an existing farm, construct and repair buildings, and to make farm improvements.

The maximum loan amount for direct farm ownership loans is $600,000 and the maximum loan amount for direct operating loans is $400,000 and a down payment is not required. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your local FSA office for more information or to apply for a direct farm ownership or operating loan.

Maintaining Good Credit History

Farm Service Agency (FSA) Farm Loan programs require that applicants have a satisfactory credit history. A credit report is requested for all FSA direct farm loan applicants. These reports are reviewed to verify outstanding debts, if bills are paid timely and to determine the impact on cash flow.

Information found on a customer's credit report is strictly confidential and is used only as an aid in conducting FSA business.

Our farm loan staff will discuss options with you if you have an unfavorable credit report and will provide a copy of your report. If you dispute the accuracy of the information on the credit report, it is up to you to contact the issuing credit report company to resolve any errors or inaccuracies.

There are multiple ways to remedy an unfavorable credit score.

- Make sure to pay bills on time. Setting up automatic payments or automated reminders can be an effective way to remember payment due dates.
- Pay down existing debt.
- Keep your credit card balances low.
- Avoid suddenly opening or closing existing credit accounts.

FSA's farm loan staff will guide you through the process, which may require you to reapply for a loan after improving or correcting your credit report.

For more information on FSA farm loan programs, visit www.fsa.usda.gov.

October Interest Rates and Important Dates

Selected Interest Rates for October 2019	
Farm Operating Loans — Direct	2.625%
Farm Ownership Loans — Direct	3.250%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.625%
Farm Storage Facility Loans (3 years)	1.500%
Farm Storage Facility Loans (5 years)	1.500%
Farm Storage Facility Loans (7 years)	1.625%
Farm Storage Facility Loans (10 years)	1.625%
Farm Storage Facility Loans (12 years)	1.750%
Commodity Loans	2.750%

Dates to Remember	
Nov. 4	COC Election begins
Dec. 2	Deadline to return COC Election ballots to FSA Offices
Dec. 6	Market Facilitation Program ends
Dec. 13	DMC Enrollment 2020 ends
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
