

January 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Illinois FSA Newsletter

### Illinois Farm Service Agency

3500 Wabash Ave.  
Springfield, IL 62711

Phone: 217-241-6600 ext. 2  
Fax: 855-800-1760

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

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

**State Committee:**  
James Reed - Chairperson  
Melanie DeSutter-Member  
Kirk Liefer - Member  
George Obernagel III-Member  
Troy Uphoff-Member

### Message from the State Executive Director

As you think about visiting your local FSA Office to make your elections and enroll in ARC/PLC, please first make sure you have updated anything that may have changed from last year.

This would include any changes in farm acreage, land ownership, and bank accounts. Also any additions or removals of persons or entities in the farming operation along with their contact information need to be reported as well.

FSA is cleaning up producer record databases. 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.

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

#### **Check out**

<https://www.farmers.gov/> for information about ALL the programs available through your local USDA Service Center FSA and NRCS offices, including county office locations, agriculture statistics, loan interest rates and much more!

Learn about Risk Management Agency's crop insurance programs at <https://cropinsurance101.org/>

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

To avoid long lines at the FSA counters, please consider making your elections and enrolling in ARC/PLC now rather than later.

No need to wait until closer to the March 15, 2020 ARC/PLC enrollment deadline, enroll today and make changes if needed to your ARC/PLC elections, anytime after you enroll, until March 15, 2020.

## **USDA Announces Signup for Conservation Reserve Program**

USDA opened signup for the Conservation Reserve Program (CRP) on December 9, 2019. The deadline for agricultural producers to sign up for general CRP is February 28, 2020, while signup for continuous CRP is ongoing.

Farmers and ranchers who enroll in CRP receive a yearly rental payment for voluntarily establishing long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers") to control soil erosion, improve water quality and develop wildlife habitat on marginally productive agricultural lands.

CRP has 22 million acres enrolled, but the 2018 Farm Bill lifted the cap to 27 million acres. This means farmers and ranchers have a chance to enroll in CRP for the first time or continue their participation for another term. By enrolling in CRP, producers are improving water quality, reducing soil erosion, and restoring habitat for wildlife. This in turn spurs hunting, fishing, recreation, tourism, and other economic development across rural America.

### **CRP Enrollment Options**

#### *General Signup*

CRP general signup will be held annually. The competitive general signup will now include increased opportunities for enrollment of wildlife habitat through the State Acres For Wildlife Enhancement (SAFE) initiative.

#### *Continuous Signup*

While some practices under SAFE will remain available through continuous signup, CRP continuous signup will focus primarily on water quality with the Clean Lakes, Estuaries, and Rivers (CLEAR) Initiative. The 2018 Farm Bill prioritizes water quality practices such as contour grass strips, filter strips, riparian buffers, wetlands and a new prairie strip.

#### *Grasslands Signups*

CRP Grasslands signup helps landowners and operators protect grassland, including rangeland, and pastureland and certain other lands while maintaining the areas as grazing lands. A separate CRP Grasslands signup will be offered each year following general signup.

## *Pilot Programs*

Later in 2020, (FSA will roll out pilot programs within CRP: CLEAR 30, which allows contracts expiring with CLEAR practices to be reenrolled in 30-year contracts and in the Soil Health and Income Protection Program (SHIPP) in the prairie pothole region. More information on these programs will be announced in the new year.

## *Land Transition*

The CRP Transition Incentives Program (TIP) is an option for producers interested in transitioning land to a beginning farmer or rancher or a member of a socially disadvantaged group to return land to production for sustainable grazing or crop production. CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants may have a lease less than five years with an option to purchase, and they have two years before the end of the CRP contract to make conservation and land improvements.

## **Previously Expired Land**

Land enrolled in CRP under a 15-year contract that expired in September 2017, 2018 or 2019, may be eligible for enrollment if there was no opportunity for re-enrollment and the practice under the expired contract has been maintained.

## **CRP Rates and Payments**

FSA recently posted updated soil rental rates for CRP. County average rates are posted on the [CRP Statistics webpage](#). Soil rental rates are statutorily prorated at 90 percent for continuous signup and 85 percent for general signup. The rental rates will be assessed annually. Under continuous signup, producers also receive incentives, including a signup incentive payment and a practice incentive payment.

To enroll in CRP, contact your local FSA county office or visit [fsa.usda.gov/crp](https://fsa.usda.gov/crp). To locate your local FSA office, visit [farmers.gov/service-locator](https://farmers.gov/service-locator).

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## **Submit Loan Requests for Financing Early**

The Farm Loan team is already working on operating loans for spring 2020 so it is important that potential borrowers submit their requests early so they can be timely processed. The farm loan team can help determine which loan programs are best for applicants.

FSA offers a wide range of low-interest loans that can meet the financial needs of any farm operation for just about any purpose. The traditional **farm operating and farm ownership loans** can help large and small farm operations take advantage of early purchasing discounts for spring inputs as well expenses throughout the year.

**Microloans** are a simplified loan program that will provide up to \$50,000 for both Farm Ownership and Operating Microloans to eligible applicants. These loans, targeted for smaller operations and non-traditional operations, can be used for operating expenses, starting a new agricultural enterprise, purchasing equipment, and other needs associated with a farming operation. The staff at the your local County FSA office can provide more details on farm operating and microloans and provide loan applications. Loans to beginning farmers and members of underserved groups are a priority.

Other types of loans available include:

**Marketing Assistance Loans** allow producers to use eligible commodities as loan collateral and obtain a 9-month loan while the crop is in storage. These loans provide cash flow to the producer and allow them to market the crop when prices may be more advantageous.

**Farm Storage Facility Loans** can be used to build permanent structures used to store eligible commodities, or for storage and handling trucks, or portable or permanent handling equipment. A variety of structures are eligible under this loan, including bunker silos, grain bins, hay storage structures and refrigerated structures for vegetables and fruit. A producer may borrow up to \$500,000 per loan.

Please call your local County office if you have questions about any of the loans available through FSA.

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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 \$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](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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## 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](http://www.fsa.usda.gov).

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## Marketing Assistance Loans Available for 2019 Crops

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs).

MALs provide financing and marketing assistance for 2019 crop wheat, feed grains, soybeans and other oilseeds, pulse crops, 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.

To be eligible for an 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. For more information, producers should contact their local FSA county office.

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## Maintaining the Quality of Loaned 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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## 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 and a violation of the terms and conditions of the Note and Security Agreement. 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. If you have questions concerning the movement of grain under loan, please contact your local county FSA office.

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## USDA Swine Study for Small and Large Enterprises

Starting in June 2020, the U.S. Department of Agriculture's (USDA) National Animal Health Monitoring System (NAHMS), in collaboration with the USDA's National Agricultural Statistics Service (NASS), will conduct national studies of U.S. small and large enterprise swine operations.

Illinois producers are included in these studies, which take an in-depth look at small (fewer than 1,000 pigs) and large (1,000 or more pigs) U.S. swine operations and provide information regarding health and management practices to the U.S. swine industry. Information collected will be used to inform disease management and preparedness strategies to safeguard the swine industry.

### **Large Enterprise Study (1,000 or more pigs)**

Representatives from NASS will visit participating operations from July through August 2020 to complete a questionnaire. If you choose to continue in the study, USDA or state veterinary health

professionals will visit you from September 2020 through January 2021 to complete a second questionnaire and discuss free biologic testing (oral fluids and feces).

Approximately 2,700 operations will be selected from 13 of the Nation's top swine-producing states representing about 90 percent of the U.S. swine operations with 1,000 or more pigs.

#### **Small Enterprise Study (Fewer than 1,000 pigs)**

In June 2020, selected producers will be mailed a letter describing the study and be provided with a questionnaire to complete and return. Producers who don't respond to the questionnaire will be called by a NASS representative to arrange a convenient time to complete the questionnaire via a telephone interview.

Approximately 5,000 swine operations from 38 states will be asked to participate in the study. These states account for about 95 percent of U.S. swine operations with fewer than 1,000 pigs.

Participation in any NAHMS study is voluntary. The privacy of every questionnaire participant is protected. Data will only be presented in an aggregate or summary manner.

For more information, please contact Charles Haley at 970-494-7216 or [charles.a.haley@aphis.usda.gov](mailto:charles.a.haley@aphis.usda.gov).

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## **January Interest Rates and Important Dates**

<b>Selected Interest Rates for January 2020</b>	
Farm Operating Loans — Direct	2.625%
Farm Ownership-Direct	3.250%
Farm Ownership Loans — Direct, Joint Financing	2.500%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	3.625%
Farm Storage Facility Loans (3 years)	1.625%
Farm Storage Facility Loans (5 years)	1.625%
Farm Storage Facility Loans (7 years)	1.750%
Farm Storage Facility Loans (10 years)	1.875%
Farm Storage Facility Loans (12 years)	1.875%
Commodity Loans	2.500%

<b>Dates to Remember</b>	
January 20	Martin Luther King Jr.'s Birthday – Federal Holiday – FSA Offices Closed
January 30	Deadline to file application for ELAP losses from Oct. 1, 2018 to Dec. 31, 2019
February 28	Deadline to sign-up for General CRP
March 15	Deadline to sign-up ARC/PLC 2019 crop year
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
Ongoing	Sign-up for Continuous CRP

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).