

February 2020



Farm Service Agency **Electronic News Service**

NEWSLETTER

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Illinois FSA Newsletter

Illinois Farm Service Agency

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Message from the State Director

To follow U.S. Secretary of Agriculture Sonny Perdue's proclamation declaring February 17-22, 2020 as Grain Bin Safety week, I would like to put a special emphasis on grain safety as well, and state that grain safety should be practiced every day of every week, of every month of every year! Farmers can never be too safe on and around the farm.

Flowing grain in a storage bin or gravity-flow wagon is like quicksand — it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

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

To find contact information for your local office go to 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/>

The mechanical operation of grain handling equipment also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged.

FSA wants all farmers to have a productive crop year and that begins with putting safety first. Grain bin safety awareness is needed everywhere, sometimes the dangers are unknown or have been forgotten. Grain bins can become deadly in a matter of seconds. Stay safe and out of the grain bins!

Please visit your local county FSA office to make your election and enroll in ARC/PLC programs. March 16, 2020 is the deadline to elect and enroll for 2019 crops. If you miss it, you miss it ! There will be no extension.

USDA Reminds Producers of Feb. 28 Deadline for Conservation Reserve Program General Signup

The U.S. Department of Agriculture (USDA) reminds agricultural producers interested in the Conservation Reserve Program (CRP) 2020 general signup to enroll by February 28, 2020. This signup is available to farmers and private landowners who are either enrolling for the first time or re-enrolling for another 10-to 15-year term.

Farmers and ranchers who enroll in CRP receive yearly rental payments for voluntarily establishing long-term, resource-conserving plant species, such as approved grasses or trees (known as "covers"), which can 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.

Signed into law in 1985, CRP is one of the largest private-lands conservation programs in the U.S. It was originally intended to primarily control soil erosion and potentially stabilize commodity prices by taking marginal lands out of production. The program has evolved over the years, providing many conservation and economic benefits. Marking its 35th anniversary in 2020, CRP has had many successes, including:

- Preventing more than 9 billion tons of soil from eroding, enough soil to fill 600 million dump trucks;
- Reducing nitrogen and phosphorous runoff relative to annually tilled cropland by 95 and 85 percent respectively;
- Sequestering an annual average of 49 million tons of greenhouse gases, equal to taking 9 million cars off the road;
- Creating more than 3 million acres of restored wetlands while protecting more than 175,000 stream miles with riparian forest and grass buffers, enough to go around the world 7 times; and

- Benefiting bees and other pollinators and increased populations of ducks, pheasants, turkey, bobwhite quail, prairie chickens, grasshopper sparrows and many other birds.

The CRP continuous signup is ongoing, which enables producers to enroll for [certain practices](#). FSA plans to open the Soil Health and Income Protection Program, a CRP pilot program, in early 2020, and the 2020 CRP Grasslands signup runs from March 16, 2020 to May 15, 2020.

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

Farm Service Agency Expands Payment Options

The U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) expanded its payment options to now accept debit cards and Automated Clearing House (ACH) debit. These paperless payment options enable FSA customers to pay farm loan payments, measurement service fees, farm program debt repayments and administrative service fees, as well as to purchase aerial maps.

Previously, only cash, check, money orders and wires were accepted. By using debit cards and ACH debit, transactions are securely processed from the customer's financial institution through [Pay.gov](https://pay.gov), the U.S. Treasury's online payment hub.

While traditional collection methods like cash and paper checks will continue, offering the new alternatives will improve effectiveness and convenience to customers while being more cost effective.

This marks the beginning of a multi-phased roll-out of new payment options for USDA customers. Ultimately, payment option flexibility will be extended to allow farmers and producers to use debit cards and ACH debit payments to make payments for all FSA programs, including farm storage facility loan repayments, farm loan facility fees, marketing assistance loan repayments, Dairy Margin Coverage (DMC) administrative fees and premiums and Noninsured Crop Disaster Assistance Program (NAP) fees.

To learn more, contact your [FSA county office](#), visit farmers.gov, or download the "[Make Your FSA Payments Instantly](#)" fact sheet.

Beginning Farm Loans

FSA assists beginning farmers to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
 - Will materially and substantially participate in the operation of the farm
 - Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
 - Does not own a farm in excess of 30 percent of the county's average size farm. Additional program information, loan applications, and other materials are available at your local USDA Service Center. You may also visit www.fsa.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 \$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>.

USDA Reminds Farmers of Upcoming Spring Crop and Whole-Farm Revenue Sales Closing Deadlines

USDA's Risk Management Agency (RMA) reminds farmers in Illinois, Indiana, Michigan and Ohio of the final dates to purchase or modify federal crop insurance coverage on 2020 spring-planted crops is fast approaching. Calendar and early fiscal tax filers also have time to purchase the [Whole-Farm Revenue Protection](#) (WFRP) program policy.

The date for all 2020 spring-seeded crops and for farmers who file their taxes on an early fiscal or calendar basis can purchase the WFRP by March 15.

Individual yield crop insurance policies provide protection against production losses due to natural perils. The WFRP policy provides revenue protection.

Producers are encouraged to visit their crop insurance agent soon to learn specific details for the 2020 crop year. Crop insurance is sold and delivered solely through private crop insurance agents. A list of crop insurance agents is available at all USDA Service Centers and online at the RMA [Agent Locator](#). Growers can use the RMA [Cost Estimator](#) to get a premium amount estimate of their insurance needs online.

Learn more about crop insurance and the modern farm safety net at rma.usda.gov.

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.

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

CRP contract holders are encouraged to transition their Conservation Reserve Program (CRP) acres to beginning, veteran or socially disadvantaged farmers or ranchers through the Transition Incentives Program (TIP). TIP provides annual rental payments to the landowner or operator 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 through 2023 or until the new statutory limit of \$50 million under the 2018 Farm Bill is reached.

CRP contract holders no longer need to be a retired or retiring owner or operator to transition their land. TIP participants must agree to sell, have a contract to sell, or agree to lease long term (at least five years) land enrolled in an expiring CRP contract to a beginning, veteran, or socially disadvantaged farmer or rancher who is not a family member.

Beginning, veteran or social disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning two years before the expiration date of the CRP contract. For example, if a CRP contract is scheduled to expire on Sept. 30, 2022, the land may be offered for enrollment in TIP from October 1, 2020, through September 30, 2022. The TIP application must be submitted prior to completing the lease or sale of the affected lands.

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

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

USDA Reminds Producers Who Received ‘Top-up Payments’ about Premium Payment Deadlines

The U.S. Department of Agriculture’s Risk Management Agency (RMA) is reminding producers who received a prevented planting “top-up” payment last fall that they are required to purchase Federal crop insurance for the next two crop years. The upcoming deadline (Sales Closing Dates) to purchase crop insurance policies in Illinois is March 15, 2020.

Producers who have trouble making their premium payment should contact their crop insurance agent to set up a written payment agreement to avoid being made ineligible to purchase Federal crop insurance and having to pay back the “top-up” payment.

Producers who had a payable prevented planting indemnity related to flooding, excess moisture or causes other than drought in 2019 automatically received a “top-up” payment from their Approved Insurance Providers in fall 2019. As of January 20, 2020 RMA has paid roughly \$4.29 billion in claims related to prevented planting for the 2019 crop year, and \$4 billion of those total prevented planting claims were associated with flood and excess moisture causes of loss.

The deadline to pay crop insurance premiums was January 31. To help farmers and ranchers affected by extreme weather last year, USDA deferred accrual of interest for 2019 crop year insurance premiums from September 30, 2019, to January 31, 2020. For producers who failed to meet the deadline, interest – calculated from the date of the first premium billing notice – attached on February 1.

For more information on the two-year Crop Insurance Purchasing Requirement, see RMA's [Prevented Planting Disaster Payments FAQs](#).

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.

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.

Farm Loan Graduation Reminder

FSA Direct Loans are considered a temporary source of credit that is available to producers who do not meet normal underwriting criteria for commercial banks.

FSA periodically conducts Direct Loan graduation reviews to determine a borrower's ability to graduate to commercial credit. If the borrower's financial condition has improved to a point where they can refinance their debt with commercial credit, they will be asked to obtain other financing and partially or fully pay off their FSA debt.

By the end of a producer's operating cycle, the Agency will send a letter requesting a current balance sheet, actual financial performance and a projected farm budget. The borrower has 30 days to return the required financial documents. This information will be used to evaluate the borrower's potential for refinancing to commercial credit.

If a borrower meets local underwriting criteria, FSA will send the borrower's name, loan type, balance sheet and projected cash flow to commercial lenders. The borrower will be notified when loan information is sent to local lenders.

If any lenders are interested in refinancing the borrower's loan, FSA will send the borrower a letter with a list of lenders that are interested in refinancing the loan. The borrower must contact the lenders and complete an application for commercial credit within 30 calendar days.

If a commercial lender rejects the borrower, the borrower must obtain written evidence that specifies the reasons for rejection and submit to their local FSA farm loan office.

If a borrower fails to provide the requested financial information or to graduate, FSA will notify the borrower of noncompliance, FSA's intent to accelerate the loan, and appeal rights.

USDA Encourages Producers to Consider NAP Risk Protection Coverage Before Crop Sales Deadlines

The Farm Service Agency encourages producers to examine available USDA crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the applicable crop sales deadline.

Producers are reminded that crops not covered by insurance may be eligible for NAP. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage.

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

Producers can determine if crops are eligible for federal crop insurance or NAP by visiting <https://webapp.rma.usda.gov/apps/ActuarialInformationBrowser2018/CropCriteria.aspx>.

The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

For all coverage levels, the NAP service fee is the lesser of \$325 per crop or \$825 per producer per county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

Deadlines for coverage vary by state and crop. To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to <http://offices.usda.gov>.

Federal crop insurance coverage is sold and delivered solely through private insurance agents. Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator: <http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#>. Producers can use the USDA Cost Estimator, <https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx>, to predict insurance premium costs.

Illinois EQIP Application Deadlines Set

Look to the USDA-Natural Resources Conservation Service (NRCS) for conservation assistance on agricultural and forestland. NRCS has a long history of conservation planning with agricultural producers and forestry managers.

We have the technical knowledge to develop a conservation plan for your resource concerns and NRCS has conservation programs that are available to implement that plan.

The primary financial assistance program is the Environmental Quality Incentives Program (EQIP). EQIP provides financial and technical assistance to agricultural and forestland producers. To participate, producers can apply for EQIP throughout the year; however, Illinois NRCS has established two application deadlines for **March 20, 2020** and **April 17, 2020**. Producers are encouraged to submit applications by one of the application deadlines if they are interested in the program.

With EQIP, producers can successfully address natural resource issues on their farm. Some EQIP activities include installing structures to address gully erosion, improving pastureland diversity by inter-seeding, and improving soil health by increasing organic matter with cover crops. In addition to conservation practices, EQIP funds the development of a plan, such as Comprehensive Nutrient Management Plans (CNMPs), Grazing Plans, Drainage Water Management Plans, and more.

Producers interested in EQIP should submit a signed application (NRCS-CPA-1200 form) to their local NRCS field office. Applications submitted by March 20, 2020 and April 17, 2020 will be evaluated by NRCS staff for the funding period submitted.

Applicants must meet program eligibility requirements to participate in EQIP. Local NRCS field office staff will work with applicants to assess the land and answer ranking questions. If an application is ranked high enough to be funded, the NRCS staff will work with the applicant to develop a contract.

EQIP is a voluntary conservation program available for agricultural producers and forestry producers. Through EQIP, NRCS will provide financial and technical assistance to install conservation practices. For information on EQIP, contact the local NRCS field office or visit www.nrcs.usda.gov/wps/portal/nrcs/il/programs/financial/eqip/

February Interest Rates and Important Dates to Remember



Selected Interest Rates for February 2020	
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%

Dates to Remember	
February 28	Final day to submit an offer for CRP General Signup 54
March 16	Deadline to sign-up ARC/PLC 2019 crop year
March 31	Final date to request 2019 Market Assistance Loan for Wheat
May 31	Final date to request 2019 Market Assistance Loan for Corn and Soybeans
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

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