

March 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

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## Illinois FSA Newsletter

### Illinois Farm Service Agency

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### FSA Offers Joint Financing Option on Direct Farm Ownership Loans

The USDA Farm Service Agency's (FSA) [Direct Farm Ownership loans](#) are a resource to help farmers and ranchers become owner-operators of family farms, improve and expand current operations, increase agricultural productivity, and assist with land tenure to save farmland for future generations.

Depending on the applicant's needs, there are three types of Direct Farm Ownership Loans: regular, down payment and joint financing. FSA also offers a [Direct Farm Ownership Microloan](#) option for smaller financial needs up to \$50,000.

Joint financing allows FSA to provide more farmers and ranchers with access to capital. FSA lends up to 50 percent of the total amount financed. A commercial lender, a State program or the seller of the property being purchased, provides the balance of loan funds, with or without an FSA guarantee. The maximum loan amount for a Joint Financing loan is \$600,000 and the repayment period for the loan is up to 40 years.

### **Division Chiefs**

Vicki Donaldson  
John Gehrke  
Natalie Prince  
Randy Tillman

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/>

To be eligible, the operation must be an eligible farm enterprise. Farm Ownership loan funds cannot be used to finance nonfarm enterprises and all applicants must be able to meet general eligibility requirements. Loan applicants are also required to have participated in the business operations of a farm or ranch for at least three years out of the 10 years prior to the date the application is submitted. The applicant must show documentation that their participation in the business operation of the farm or ranch was not solely as a laborer.

For more information about FSA Loan programs, contact your local FSA office or visit [www.fsa.usda.gov](http://www.fsa.usda.gov). To find your local FSA office, visit <http://offices.usda.gov>.

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## **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 2018, 2019, and 2020. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

More information on AGI can be found at <https://www.fsa.usda.gov/programs-and-services/payment-eligibility/index>.

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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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## USDA to Open Signup March 16 for Conservation Reserve Program Grasslands

Farmers and ranchers may apply to enroll grasslands in the Conservation Reserve Program (CRP) Grasslands signup beginning March 16. The signup runs through May 15.

Through this CRP Grasslands signup, farmers and ranchers can protect grasslands, rangelands and pastures, while maintaining the land as working grazing lands. The program emphasizes support for grazing operations and plant and animal biodiversity, while protecting land under the greatest threat of conversion or development.

Through CRP Grasslands, participants retain the right to conduct common grazing practices, such as haying, mowing or harvesting seed from the enrolled land. Timing of some activities may be restricted by the primary nesting season of birds.

Participants will receive an annual rental payment and may receive up to 50 percent cost-share for establishing approved conservation practices. The duration of the CRP contract is either 10 or 15 years. FSA will rank applications using a number of factors including existence of expiring CRP land, threat of conversion or development, existing grasslands, and predominance of native species cover, and cost.

The 2018 Farm Bill set aside 2 million acres of CRP Grassland enrollment. CRP is one of the largest conservation programs at USDA. CRP marks its 35-year anniversary in 2020 with 22 million acres currently enrolled.

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

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## Reminder to FSA Direct and Guaranteed Borrowers with Real Estate Security

Farm Service Agency would like to remind farm loan borrowers who have pledged real estate as security for their loans, of key items for maintaining loan collateral.

It is required that borrowers must obtain prior consent, or approval, by either FSA, for direct loans, or by a guaranteed lender, for any transaction affecting real estate security. Examples of these transactions include, but are not limited to:

- Leases of any kind;
- Easements of any kind;
- Subordinations;
- Partial releases, and
- Sales

Failure to meet or follow the requirements set forth in the loan agreement, promissory note, and other security instruments could lead to nonmonetary default which could jeopardize your current and future loans.

It is critical that borrowers keep an open line of communication with their FSA loan staff or guaranteed lender when it comes to changes in their operation. For more information on borrower responsibilities, read [Your FSA Farm Loan Compass](#).

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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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## 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/](http://www.nrcs.usda.gov/wps/portal/nrcs/il/programs/financial/eqip/)

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## NRCS - Get Signed up for Wetland Reserve Easements

NRCS announced the application period for the 2020 **Agricultural Conservation Easement Program (ACEP-WRE)**. USDA's Natural Resources Conservation Service (NRCS) helps provide long-term protection of Illinois' farmland, wetlands and grasslands through ACEP. The first application cut-off date has been established. Right now we are accepting applications for **Wetland Reserve Easements (WRE)**. Applications that meet program eligibility and ranking criteria and are received by **April 13<sup>th</sup>** will be considered for the 2020 program.

For ACEP-WRE in FY20, Illinois was allocated \$5.4 million. NRCS may establish a second application funding cutoff opportunity later this year if all funds are not used in the first application cutoff. NRCS reminds farmers and landowners they can apply for ACEP—and all conservation programs—at any time, as sign-up is continual and applications can be submitted any time.

NRCS offers two types of easements through ACEP: Agricultural Land Easements (ALE) and Wetland Reserve Easements (WRE). NRCS will establish an application cutoff for ALE at a later date. NRCS is still finalizing ranking criteria for fiscal year 2020. The Geographic Area Rate Caps (GARCs) have been established and are available on the NRCS website. GARCs establish the rate per acre that NRCS pays to landowners for the ACEP-WRE easement.

The purpose of the **Wetland Reserve Easements (WRE)** is to help landowners enhance and protect habitat for wetland wildlife on their lands, reduce impacts from flooding, recharge groundwater, provide outdoor recreation, and increase habitat for migratory waterfowl.

NRCS provides technical and financial assistance directly to private landowners to restore, protect and enhance wetlands through the purchase of these easements, and eligible landowners can choose to enroll in a permanent or 30-year easement. To apply for a wetlands easement through ACEP - WRE, visit NRCS at your [local USDA Service Center](#).

Find more information about ACEP and other NRCS conservation programs in Illinois online at [www.il.nrcs.usda.gov/programs](http://www.il.nrcs.usda.gov/programs).

## March Interest Rates and Important Dates

Selected Interest Rates for March 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)	1.375%
Farm Storage Facility Loans (5 years)	1.375%
Farm Storage Facility Loans (7 years)	1.500%
Farm Storage Facility Loans (10 years)	1.625%
Farm Storage Facility Loans (12 years)	1.625%
Commodity Loans	2.500%

Dates to Remember	
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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