

August 2020



Farm Service Agency **Electronic News Service**

# NEWSLETTER

**GovDelivery**

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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)

### Additional Commodities Eligible for Coronavirus Food Assistance Program

U.S. Secretary of Agriculture Sonny Perdue announced an initial list of additional commodities that have been added to the Coronavirus Food Assistance Program (CFAP), and that the U.S. Department of Agriculture (USDA) made other adjustments to the program based on comments received from agricultural producers and organizations and review of market data. Producers will be able to submit applications that include these commodities on Monday, July 13, 2020. USDA's Farm Service Agency (FSA) is accepting through Aug. 28, 2020, applications for CFAP, which helps offset price declines and additional marketing costs because of the coronavirus

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

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

**Administrative Officer:**  
Dan Puccetti

**Division Chiefs:**  
Vicki Donaldson  
John Gehrke  
Randy Tillman

**Acting Division Chief:**  
Ray Gvillo

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/>

pandemic. USDA expects additional eligible commodities to be announced in the coming weeks.

USDA collected comments and supporting data for consideration of additional commodities through June 22, 2020

**Changes to CFAP include:**

- Adding the following commodities: alfalfa sprouts, anise, arugula, basil, bean sprouts, beets, blackberries, Brussels sprouts, celeriac (celery root), chives, cilantro, coconuts, collard greens, dandelion greens, greens (others not listed separately), guava, kale greens, lettuce – including Boston, green leaf, Lolla Rossa, oak leaf green, oak leaf red and red leaf – marjoram, mint, mustard, okra, oregano, parsnips, passion fruit, peas (green), pineapple, pistachios, radicchio, rosemary, sage, savory, sorrel, fresh sugarcane, Swiss chard, thyme and turnip top greens.
- Expanding for seven currently eligible commodities – apples, blueberries, garlic, potatoes, raspberries, tangerines and taro – CARES Act funding for sales losses because USDA found these commodities had a 5 percent or greater price decline between mid-January and mid-April as a result of the COVID-19 pandemic. Originally, these commodities were only eligible for marketing adjustments.
- Determining that peaches and rhubarb no longer qualify for payment under the CARES Act sales loss category.
- Correcting payment rates for apples, artichokes, asparagus, blueberries, cantaloupes, cucumbers, garlic, kiwifruit, mushrooms, papaya, peaches, potatoes, raspberries, rhubarb, tangerines and taro.

Additional details can be found in the Federal Register in the [Notice of Funding Availability \(NOFA\)](#) and [Final Rule Correction](#) and at [www.farmers.gov/cfap](http://www.farmers.gov/cfap).

Producers have several options for applying to the CFAP program:

1. Using an online portal, accessible at [farmers.gov/cfap](http://farmers.gov/cfap), allows producers with secure USDA login credentials—known as eAuthentication—to certify eligible commodities online, digitally sign applications and submit directly to the local USDA Service Center. New commodities will be available in the system on July 13, 2020.
2. Completing the application form using our CFAP Application Generator and Payment Calculator found at [farmers.gov/cfap](http://farmers.gov/cfap). This Excel workbook allows customers

to input information specific to their operation to determine estimated payments and populate the application form, which can be printed, then signed and submitted to their local USDA Service Center. An updated version with the new commodities will be available on the website on July 13, 2020.

3. Downloading the AD-3114 application form from [farmers.gov/cfap](https://farmers.gov/cfap) and manually completing the form to submit to the local USDA Service Center by mail, electronically or by hand delivery to an office drop box. In some limited cases, the office may be open for in-person business by appointment. Visit [farmers.gov/coronavirus/service-center-status](https://farmers.gov/coronavirus/service-center-status) to check the status of your local office.

USDA Service Centers can also work with producers to complete and securely transmit digitally signed applications through two commercially available tools: Box and OneSpan. Producers who are interested in digitally signing their applications should notify their local service centers when calling to discuss the CFAP application process. You can learn more about these solutions at [farmers.gov/mydocs](https://farmers.gov/mydocs).

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## USDA Offers Targeted Farm Loan Funding for Underserved Groups and Beginning Farmers

The USDA Farm Service Agency (FSA) reminds producers that FSA offers targeted farm ownership and farm operating loans to assist underserved applicants and beginning farmers and ranchers.

USDA defines underserved applicants as a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of the group without regard to their individual qualities. For farm loan program purposes, targeted underserved groups are women, African Americans, American Indians and Alaskan Natives, Hispanics and Asians and Pacific Islanders.

Underserved or beginning farmers and ranchers who cannot obtain commercial credit from a bank can apply for either FSA direct loans or guaranteed loans. Direct loans are made to applicants by FSA. Guaranteed loans are made by lending institutions who arrange for FSA to guarantee the loan. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. The FSA guarantee allows lenders to make agricultural credit available to producers who do not meet the lender's normal underwriting criteria.

The direct and guaranteed loan program provides for two types of loans: farm ownership loans and farm operating loans. In addition to customary farm operating and ownership loans, FSA offers Microloans through the direct loan program. Microloans focus on the financing needs of small, beginning farmer, niche, and non-traditional farm operations. Microloans are available for both ownership and operating finance needs. To learn more about microloans, visit [fsa.usda.gov/microloans](https://fsa.usda.gov/microloans).

To qualify as a beginning producer, the individual or entity must meet the eligibility requirements outlined for direct or guaranteed loans. Individuals and all entity members must have operated a farm for less than 10 years. Applicants must materially or substantially participate in the operation.

For more information on FSA's farm loan programs and targeted underserved and beginning farmer guidelines, contact your local County USDA Service Center or visit [fsa.usda.gov/farmloans](https://fsa.usda.gov/farmloans).

## One-Time PLC Yield Updates – Deadline September 30

Farm owners have a one-time opportunity to update PLC yields of covered commodities on the farm, regardless of Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program election. The deadline to request a PLC yield update is September 30, 2020.

The updated yield will be equal to 90 percent of the average yield per planted acre in crop years 2013-2017 (excluding any year where the applicable covered commodity was not planted), subject to the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for the covered commodity. If the reported yield in any year is less than 75 percent of the 2013-2017 average county yield, then the yield will be substituted with 75 percent of the county average yield.

The chart below provides the ratio obtained by dividing the 2008-2012 average national yield by the 2013-2017 average national yield for each covered commodity.

### Covered Commodity National Yield Factor

Barley	0.9437
Canola	0.9643
Chickpeas, Large	1.0000
Chickpeas, Small	0.9760
Corn	0.9000
Crambe	1.0000
Flaxseed	1.0000
Grain Sorghum	0.9077
Lentils	1.0000
Mustard Seed	0.9460
Oats	0.9524
Peanuts	0.9273
Peas, Dry	0.9988

Rapeseed	1.0000
Rice, Long	0.9330
Rice, Medium	0.9887
Rice, Temp Japonica	0.9591
Safflower	1.0000
Seed Cotton	0.9000
Sesame Seed	0.9673
Soybeans	0.9000
Sunflower Seed	0.9396
Wheat	0.9545

It is the owner's choice whether to update or keep existing PLC yields. If a yield update is not made, then no action is required to maintain the existing PLC yield. An existing or updated PLC yield will be maintained and effective for crop years 2020 through 2023 (life of the 2018 Farm Bill).

PLC yields may be updated on a covered commodity-by-covered commodity basis using FSA form [CCC-867](#).

For more information, reference resources and decision tools, visit [farmers.gov/arc-plc](#). Contact your local Farm Service Agency Office for assistance – [farmers.gov/service-center-locator](#).

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## FSA Reminds Producers of Ongoing Disaster Assistance Program Signup

USDA has started making payments through the Wildfire and Hurricane Indemnity Program – Plus (WHIP+) to agricultural producers who suffered eligible losses because of drought or excess moisture in 2018 and 2019. Signup for these causes of loss opened March 23, and producers who suffered losses from drought (in counties designated D3 or above), excess moisture, hurricanes, floods, tornadoes, typhoons, volcanic activity, snowstorms or wildfires can still apply for assistance through WHIP+.

To be eligible for WHIP+, producers must have suffered losses of certain crops, trees, bushes or vines in counties with a Presidential Emergency Disaster Declaration or a Secretarial Disaster Designation (primary counties only) for qualifying natural disaster events that occurred in calendar years 2018 or 2019. Also, losses located in a county not designated by the Secretary as a primary county may be eligible if a producer provides documentation showing that the loss was due to a qualifying natural disaster event.

For losses due to drought, a producer is eligible if any area of the county in which the loss occurred was rated D3, or extreme drought, or higher on the U.S. Drought Monitor during calendar years 2018 or 2019. Producers who suffered losses should contact their FSA county office.

In addition to the recently added eligible losses of drought and excess moisture, FSA will implement a WHIP+ provision for crop quality loss that resulted in price deductions or penalties when marketing crops were damaged by eligible disaster events. To ensure an effective program for all impacted farmers, the Agency is currently gathering information on the extent of quality loss from producers and stakeholder organizations.

USDA Service Centers, including FSA county offices, are open for business by phone only, and field work will continue with appropriate social distancing. While program delivery staff will continue to come into the office, they will be working with producers by phone and using online tools whenever possible. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency are required to call their Service Center to schedule a phone appointment. More information on Service Centers can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus), and more information on WHIP+ can be found at [farmers.gov/whip-plus](https://farmers.gov/whip-plus).

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## Actively Engaged Provisions for Non-Family Joint Operations or Entities

Many Farm Service Agency programs require all program participants, either individuals or legal entities, to be “actively engaged in farming.” This means participants provide a significant contribution to the farming operation, whether it is capital, land, equipment, active personal labor and/or management. For entities, each partner, stockholder or member with an ownership interest, must contribute active personal labor and/or management to the operation on a regular basis that is identifiable and documentable as well as separate and distinct from contributions of any other member. Members of joint operations must have a share of the profits or losses from the farming operation commensurate with the member’s contributions to the operation and must make contributions to the farming operation that are at risk for a loss, with the level of risk being commensurate with the member’s claimed share on the farming operation.

Joint operations comprised of non-family members or partners, stockholders or persons with an ownership in the farming operation must meet additional payment eligibility provisions. Joint operations comprised of family members are exempt from these additional requirements. For 2016 and subsequent crop years, non-family joint operations can have one member that may use a significant contribution of active personal management exclusively to meet the requirements to be determined “actively engaged in farming.” The person or member will be defined as the farm manager for the purposes of administering these management provisions.

Non-family joint operations may request to add up to two additional managers for their farming operation based on the size and/or complexity of the operation. If additional farm managers are requested and approved, all members who contribute management are required to complete form CCC-902MR, Management Activity Record. The farm manager should use the form to record management activities including capital, labor and agronomics, which includes crop selection, planting decisions, acquisition of inputs, crop management and marketing decisions. One form should be used for each month and the farm manager should enter the number of hours of time spent for each activity under the date of the month the actions were completed. The farm manager must also document if each management activity was completed on the farm or remotely.

The records and supporting business documentation must be maintained and timely made available for review by the appropriate FSA reviewing authority, if requested.

If the farm manager fails to meet these requirements, their contribution of active personal management to the farming operation for payment eligibility purposes will be disregarded and their payment eligibility status will be re-determined for the applicable program year.

In some instances, additional persons or members of a non-family member joint operation who meet the definition of farm manager may also be allowed to use such a contribution of active personal management to meet the eligibility requirements. However, under no circumstances may the number of farm managers in a non-family joint operation exceed a total of three in any given crop and program year.

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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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## Report Noninsured Crop Disaster Assistance Program (NAP) Losses

NAP provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

To receive payment, you had to purchase NAP coverage for 2020 crops and file a notice of loss the earlier of 15 days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date.

For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local County USDA Service Center at or visit

[fsa.usda.gov/nap](https://fsa.usda.gov/nap).

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## USDA Extends Deadlines, Defers Interest Accrual Due to COVID-19

The U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) announced it will authorize Approved Insurance Providers (AIPs) to extend deadlines for premium and administrative fee payments, defer the resulting interest accrual and allow other flexibilities to help farmers, ranchers, and insurance providers due to the COVID-19 pandemic.

USDA recognizes farmers and ranchers have been severely affected by the COVID-19 Pandemic this year and to help ease the burden on these folks, we are continuing to extend flexibility for producers. The flexibilities announced support health and safety while also ensuring the Federal crop insurance program continues to serve as a vital risk management tool.

### **Background:**

Specifically, USDA is authorizing AIPs to provide policyholders additional time to pay premium and administrative fees and to waive accrual of interest to the earlier of 60 days after their scheduled payment due date or the termination date on policies with premium billing dates between August 1, 2020, and September 30, 2020. In addition, USDA is authorizing AIPs to provide up to an additional 60 days for policyholders to make payment and waive additional interest for Written Payment Agreements due between August 1, 2020, and September 30, 2020.

RMA is authorizing additional flexibilities due to coronavirus while continuing to support producers, working through AIPs to deliver services, including processing policies, claims and agreements. RMA staff are working with AIPs and other customers by phone, mail and electronically to continue supporting crop insurance coverage for producers. Farmers with crop insurance questions or needs should continue to contact their insurance agents about conducting business remotely (by telephone or email). More information can be found at [farmers.gov/coronavirus](https://farmers.gov/coronavirus).

Crop insurance is sold and delivered solely through private insurance agents. A list of insurance agents is available online using the RMA [Agent Locator](#). Learn more about crop insurance and the modern farm safety net at [rma.usda.gov](https://rma.usda.gov).

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## USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

### *Options Help More Beginning, Small and Urban Producers Gain Access to Credit*

Producers can apply for a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers EZ Guarantee Loans use a simplified application process to help beginning, small, underserved, and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

A new category of lenders will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit

unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

For more information about the available types of FSA farm loans, contact your local County USDA Service Center or visit [fsa.usda.gov/farmloans](https://fsa.usda.gov/farmloans).

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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](https://www.fsa.usda.gov/pricesupport) or contact your local FSA county office. To find your local FSA county office, visit [http://offices.usda.gov](https://offices.usda.gov)

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## ARC/PLC Acreage Maintenance

Producers enrolled in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs must protect all cropland and noncropland acres on the farm from wind and water erosion and noxious weeds. Producers who sign ARC county or individual contracts and PLC contracts agree to effectively control noxious weeds on the farm according to sound agricultural practices. If a producer fails to take necessary actions to correct a maintenance problem on a farm that is enrolled in ARC or PLC, the County Committee may elect to terminate the contract for the program year.

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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 NRCS Welcomes New Kind of Conservationist

USDA Natural Resources Conservation Service (NRCS) in Illinois recently filled a key staff position at their State Office facility in Champaign. It's a new position—one this agency has never had before—and adding the position is truly a sign of the times for what's happening in production agriculture. While NRCS is always happy to have additional staff, they are especially eager to tap into the technical skills and knowledge Dr. Zuber brings to the team. As the new Soil Health Specialist, Stacy Zuber comes to the conservation agency from a position at the University of Missouri, but Illinois is her home—it's where she grew up and where she went to college. Zuber sees this as an opportunity to do what she loves and to do it back here in Illinois.

While NRCS has more than 84 years of experience reducing soil erosion on the land, the intricacies and science of soil biology are unfolding each day. The growing interest and activity in this area demanded that NRCS have the best and brightest research professionals on the team. Because Stacy is from Illinois, so she knows these soils. The NRCS staff is excited to have her expertise and passion to increase our success and improve soils here on Illinois farms.

Zuber attended the University of Illinois, earning a bachelor's degree in Chemistry, a master's degree and a Ph.D. in Crop Sciences. Her graduate school research projects focused on impacts on soil health following long-term extended crop rotation and no-till in Illinois soils. Zuber conducted research projects during post-doctoral experiences in Indiana and Missouri. In Indiana, she did on-farm research with Purdue University and the Conservation Cropping System Initiative to evaluate commercial soil health tests. In Missouri, she worked on a state-wide assessment of soil health indicators from farmers' fields enrolled in a state cover crop cost-share program.

Zuber will be instrumental in providing soil health training and information to staff, conservation partners, and working with farmers on new research, field days, and experiments to improve organic matter levels, water infiltration rates, and soil productivity. Zuber is happy to be part of the NRCS team and to help farmers protect and improve Illinois soils.

Illinois NRCS has also recently filled the vacant State Resource Conservationist position. George Henshaw will oversee work and functions of the Ecological Sciences staff, which includes soil health and other technical specialists like biology, agronomy, forestry, and others. Working together, these skilled specialists make up his team that provide guidance and training essential to the science-based tools and conservation practices NRCS offers farmers and landowners every day. Henshaw most recently served as Assistant State Conservationist for Programs in Columbia, Missouri.

Welcome to Illinois and welcome to the many different conservation partners who work together across the state to serve farmers and production agriculture. To learn more about Illinois NRCS and soil health, visit [www.il.nrcs.usda.gov](http://www.il.nrcs.usda.gov).

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## August Interest Rates and Important Dates

<b>Selected Interest Rates for August 2020</b>	
Farm Operating Loans — Direct	1.375%
Farm Ownership-Direct	2.375%
Farm Ownership Loans — Direct, Joint Financing	2.500%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	2.375%
Farm Storage Facility Loans (3 years)	0.250%
Farm Storage Facility Loans (5 years)	0.250%
Farm Storage Facility Loans (7 years)	0.500%
Farm Storage Facility Loans (10 years)	0.625%
Farm Storage Facility Loans (12 years)	0.750%
Commodity Loans	1.125%



<b>Dates to Remember</b>	
August 1	End of Primary Nesting Season (CRP Maintenance & Management) may resume
August 14	Last day to certify 2020 crops without a Late Certification Fee
August 21	Clear 30 CRP signup deadline (contact your local FSA county office for more information)
August 28	Last day to sign-up for CFAP payments
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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