

September 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 SED

Throughout the COVID-19 pandemic Illinois Farm Service Agency (FSA) employees have continued to be at work or working remotely to continue to deliver disaster assistance, safety net, conservation programs and farm loans that keep American Agriculture in business today and well into the future.

State Executive Director:
William J. Graff

As many Illinois producers are gearing up for the 2020 harvest year, William J. Graff, State Executive Director of the Illinois FSA encourages producers to consider contacting their local county FSA office service center to update their PLC yields.

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

Illinois FSA county office service centers are currently very busy and expect to be even busier in the future. Please do not wait until the last minute to update your PLC yields. The deadline to update them is September 30, 2020. This would be of great help to the Illinois county office staffs as they manage their current and future workload.

Administrative Officer:
Dan Puccetti

Our USDA/FSA Service Centers in Illinois have been and will continue to be open for business by phone appointments with some in person visits in most offices. Field work continues with appropriate social distancing.

Division Chiefs:
Vicki Donaldson
John Gehrke
Randy Tillman

While our program delivery staff continues to come into the office, they will be working with our producers by telephone, and using online tools whenever possible, when face to face appointments are not allowed.

Acting Division Chief:
Ray Gvillo

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

All Service Center visitors wishing to conduct business with the Farm Service Agency are required to call their local County FSA Office to obtain the status of face to face appointments before arriving.

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!

Stay well, stay safe, and remember, we are all in this together and we will get through this.

William J. Graff
State Executive Director

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

USDA Adds Flexibilities for Crop Insurance

You can continue to work with your Approved Insurance Providers on policies, claims, and agreements. If you have crop insurance questions or other needs, you should continue to contact your insurance agents about conducting business by telephone or email.

USDA's Risk Management Agency is working with those insurance providers to provide additional flexibilities in response to COVID-19, including:

- Enabling producers to send notifications and reports electronically
- Extending the date for production reports
- Providing additional time and deferring interest on premium and other payments

- Authorizing replant self-certification
- Waiving the witness signature requirement for approval of Assignments of Indemnity
- Allowing dumped milk to be counted as milk marketings for the Dairy Revenue Production (DRP) or actual marketings for the Livestock Gross Margin for Dairy (LGM-Dairy) programs
- Allowing phone and electronic transactions for 2021 crop year sales and reporting dates, including options and endorsements
- Extending the deadline for some perennial crop Pre-Acceptance Inspection Reports (PAIRs)
- Waiving the 2021 crop year inspection requirements for the Nursery and Nursery Value Select (NVS) programs in certain cases
- Authorizing AIPs to allow organic producers to report acreage as certified organic, or transitioning to organic, for the 2020 crop year if they can show they have requested a written certification from a certifying agent by their policy's acreage reporting date.

For more in-depth information on these flexibilities, visit farmers.gov/coronavirus.

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For more in-depth information on these flexibilities, visit farmers.gov/coronavirus.

RCPP 2021 = Partner-Driven Conservation

NRCS in Illinois is inviting potential conservation partners to submit project applications for federal funding through the Regional Conservation Partnership Program (RCPP). Nationally, NRCS will award up to \$360 million dollars to locally driven, public-private partnerships that improve the nation's water quality, combat drought, enhance soil health, support wildlife habitat and protect agricultural viability. Deadline for this opportunity is November 4, 2020.

RCPP brings an expanded approach to investing in natural resource conservation that empowers local communities to work with multiple partners and agricultural producers to design solutions that work best for them. Partners may request between \$250,000 and \$10 million in RCPP funding through this funding announcement but are expected to offer value-added contributions to amplify the impact of RCPP funding in an amount equal or greater to the NRCS investment.

Eligible lead partners are encouraged to apply. Funding is open to private industry, non-government organizations, state and local governments, soil and water conservation districts, and universities. RCPP can work for current partners or new partners. The full list of eligible entities is available in the RCPP funding announcement.

RCPP has been around since 2014. There are 336 active RCPP projects that have engaged more than 2,000 partners nationwide. Illinois is already enjoying benefits of successful RCPP projects that provide innovative conservation solutions, leverage partner contributions, and offer impactful and measurable outcomes.

USDA is now accepting proposals for RCPP through the [RCPP portal](#). Proposals are due by 11:59 p.m. Eastern Time on November 4, 2020. For more information, view the [Application for Program Funding on grants.gov](#). For more information on RCPP, visit the [RCPP website](#).

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 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 owner's 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.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local County USDA Service Center or visit fsa.usda.gov/microloans.

USDA Offers Annual Installment Deferral Option for Farm Storage Facility Loan Borrowers

To assist Farm Storage Facility Loan (FSFL) borrowers experiencing financial hardship from the pandemic and other challenges in production agriculture, USDA's Farm Service Agency (FSA) is offering a one-time annual installment payment deferral option. No fees or prepayment penalties apply for borrowers who choose this FSFL loan flexibility option.

Eligible borrowers can request a one-time only annual installment payment deferral for loans having terms of three, five, seven or ten years. The installment deferral option is not available for 12-year term loans.

The FSFL installment payments will remain the same, except for the last year. The original loan interest rate and annual payment due date will remain the same. However, because the installment payment deferral is a one-year loan term extension, the final payment will be higher due to additional accrued interest.

Borrowers interested in exercising the one-time annual installment deferral option should contact FSA to make the request and to obtain, complete and sign required forms.

FSFLs provide low-interest financing for producers to store, handle and transport eligible commodities.

More Information

In addition to offering flexibilities for FSFLs, FSA has also made other flexibilities to help producers impacted by the pandemic, including relaxing the loan-making process for farm operating and ownership loans and implementing the Disaster Set-Aside provision that enables an upcoming installment on a direct loan to be set aside for the year. More information on these flexibilities can be found at farmers.gov/coronavirus.

All USDA Service Centers are open for business, including some that are open to visitors to conduct business in person by appointment only. All Service Center visitors wishing to conduct business with the FSA, Natural Resources Conservation Service or any other Service Center agency should call ahead and schedule an appointment. Service Centers that are open for appointments will pre-screen visitors based on health concerns or recent travel, and visitors must adhere to social distancing guidelines. Visitors may also be required to wear a face covering during their appointment. Field work will continue with appropriate social distancing. Our program delivery staff will be in the office, and they will be working with our producers in office, by phone and using online tools. More information can be found at farmers.gov/coronavirus.

For more information, contact your local USDA Service Center. To locate your local FSA office, visit farmers.gov/service-center-locator.

Environmental Review Required Before Project Implementation

The National Environmental Policy Act (NEPA) requires Federal agencies to consider all potential environmental impacts for federally-funded projects before the project is approved.

For all Farm Service Agency (FSA) programs, an environmental review must be completed before actions are approved, such as site preparation or ground disturbance. These programs include, **but are not limited to**, the Emergency Conservation Program (ECP), Farm Storage Facility Loan (FSFL) program and farm loans. If project implementation begins before FSA has completed an environmental review, the request will be denied. Although there are exceptions regarding the Stafford Act and emergencies, it's important to wait until you receive written approval of your project proposal before starting any actions.

Applications cannot be approved until FSA has copies of all permits and plans. Contact your local FSA office early in your planning process to determine what level of environmental review is required for your program application so that it can be completed timely.

USDA Accepting Applications to Help Cover Costs for Organic Certification

USDA's Farm Service Agency (FSA) announced that organic producers and handlers can apply for federal funds to assist with the cost of receiving and maintaining organic certification through the [Organic Certification Cost Share Program](#) (OCCSP). Applications for eligible certification expenses paid between Oct. 1, 2019, and Sept. 30, 2020, are due Oct. 31, 2020.

OCCSP provides cost-share assistance to producers and handlers of agricultural products for the costs of obtaining or maintaining organic certification under the USDA's National Organic Program. Eligible producers include any certified producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent. Eligible expenses for cost-share reimbursement include application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, travel expenses for inspectors, user fees, sales assessments and postage.

Changes in Reimbursement

Due to expected participation levels for fiscal year 2020, FSA revised the reimbursement amount through fiscal year 2023. Certified producers and handlers are now eligible to receive reimbursement for up to 50 percent of the certified organic operation's eligible expenses, up to a maximum of \$500 per scope.

This change is due to the limited amount of funding available and will allow a larger number of certified organic operations to receive assistance. If additional funding is authorized later, FSA may provide additional assistance to certified operations that have applied for OCCSP, not to exceed 75 percent of their eligible costs, up to \$750 per scope.

The changes to the payment calculation and maximum payment amount are applicable to all certified organic operations, regardless of whether they apply through an FSA county office or a participating state agency. State agencies that are interested in overseeing reimbursements to producers and handlers in their states must establish new agreements with FSA for fiscal 2020.

Opportunities for State Agencies

Today's announcement also includes the opportunity for state agencies to apply for grant agreements to administer the OCCSP program in fiscal 2020. State agencies that establish agreements for fiscal 2020 may be able to extend their agreements and receive additional funds to administer the program in future years.

FSA has not yet determined whether an additional application period will be announced for later years for state agencies that choose not to participate in fiscal 2020. States that would like to administer OCCSP for future years are encouraged to establish an agreement for 2020 to ensure that they will be able to continue to participate.

FSA will accept applications from state agencies for fiscal year 2020 funding for cost-share assistance from Aug. 10, 2020 through Sept. 9, 2020.

State Agencies must submit the Application for Federal Assistance (Standard Form 424 and 424B) electronically via Grants.gov, the Federal grants website, at <http://www.grants.gov>.

More Information

To learn more about organic certification cost share, please visit the [OCCSP webpage](#), view the [notice of funds availability on the Federal Register](#), or contact the [FSA county office](#) at your local USDA Service Center.

To learn more about USDA support for organic agriculture, visit usda.gov/organic.

Cover Crop Guidelines

The Farm Service Agency (FSA), Natural Resources Conservation Service (NRCS) and Risk Management Agency (RMA) worked together to develop consistent, simple and a flexible policy for cover crop practices.

Cover crops, such as grasses, legumes and forbs, can be planted: with no subsequent crop planted, before a subsequent crop, after prevented planting acreage, after a planted crop, or into a standing crop.

Termination:

The cover crop termination guidelines provide the timeline for terminating cover crops, are based on zones and apply to non-irrigated cropland. To view the zones and additional guidelines visit nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/ and click "Cover Crop Termination Guidelines."

The cover crop may be terminated by natural causes, such as frost, or intentionally terminated through chemical application, crimping, rolling, tillage or cutting. A cover crop managed and terminated according to NRCS Cover Crop Termination Guidelines is **not** considered a crop for crop insurance purposes.

Reporting:

The intended use of cover only will be used to report cover crops. This includes crops

that were terminated by tillage and reported with an intended use code of green manure. An FSA policy change will allow cover crops to be hayed and grazed. Program eligibility for the cover crop that is being hayed or grazed will be determined by each specific program.

If the crop reported as cover only is harvested for any use other than forage or grazing and is not terminated properly, then that crop will no longer be considered a cover crop.

Crops reported with an intended use of cover only will not count toward the total cropland on the farm. In these situations, a subsequent crop will be reported to account for all cropland on the farm.

- Beginning inventory supported by birth recordings or purchase receipts;
- Documentation from Animal Plant Health Inspection Service, Department of Natural Resources, or other sources to substantiate eligible death losses due to an eligible loss condition;
- Documentation that livestock were removed from grazing pastures due to an eligible adverse weather or loss condition;
- Costs of transporting livestock feed to eligible livestock, such as receipts for equipment rental fees for hay lifts and snow removal;
- Feed purchase receipts if feed supplies or grazing pastures are destroyed;

For more information on these programs and documentation requirements, contact your County USDA Service Center or visit fsa.usda.gov/disaster

USDA Announces Improvements to the Livestock Gross Margin Insurance Program for Cattle and Swine

USDA's Risk Management Agency (RMA) announced changes to the Livestock Gross Margin (LGM) insurance program for cattle and swine beginning in the 2021 crop year. Changes include adding premium subsidies to assist producers and moving premium due dates to the end of the endorsement period for cattle.

Prior to this change, LGM-Cattle and Swine did not have premium subsidies. Now, subsidies have been added and are based on the deductible selected by you. For LGM-Cattle, the subsidy will range from 18 percent with 0 deductible up to 50 percent with a deductible of \$70 or greater. For LGM-Swine, the subsidy will range from 18 percent with 0 deductible up to 50 percent with a deductible of \$12 or greater.

Livestock 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 livestock insurance and the modern farm safety net at rma.usda.gov.

Report Banking Changes to FSA

Farm Service Agency (FSA) program payments are issued electronically into your bank account. In order to receive timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for any reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2019 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2020. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. 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

If a farm loan borrower can't 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, contact your local County USDA Service Center or visit fsa.usda.gov.

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

If you 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), it may be because you have not filed form CCC-941, *Adjusted Gross Income Certification*.

If you don't have a valid CCC-941 on file for the applicable crop year you 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, 2019, and 2020. Unlike the past, you must have the CCC-941 certifying your AGI compliance before any payments can be issued.

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.

If you take out marketing assistance loans and use the farm-stored grain as collateral, remember that you are responsible for maintaining the quality of the grain through the term of the loan.

Unauthorized Disposition of Grain Results in Financial Penalties

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 your name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

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September Interest Rates and Important Dates

Selected Interest Rates for September 2020	
Farm Operating Loans — Direct	1.250%
Farm Ownership-Direct	2.250%
Farm Ownership Loans — Direct, Joint Financing	2.500%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	2.250%
Farm Storage Facility Loans (3 years)	0.125%
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%

Dates to Remember	
August 1	End of Primary Nesting Season (CRP Maintenance & Management) may resume
Sept. 11	Last day to sign-up for CFAP payments
Sept. 30	Last day to update your PLC yields on each farm. Please contact your local County FSA Office for more information.
Continuous	Sign-up for FSA text messages from your local county office
Continuous	Update Your Farm Records
Continuous	WHIP + Signup
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).