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Illinois FSA Newsletter

Illinois Farm Service Agency
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State Executive Director:
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Joyce Matthews - Member
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Update Your Records today

FSA is cleaning up our producer record database. If you have any unreported changes of address or zip code or an incorrect name or business name on file they need to be reported to our office. Changes in your farm operation, like the addition of a farm by lease or purchase, need to be reported to our office as well. Producers participating in FSA and NRCS programs are required to timely report changes in their farming operation to the County Committee in writing and update their CCC-902 Farm Operating Plan.

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

Executive Officer:
Rick Graden
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Dan Puccetti

Division Chiefs:
Doug Bailey
Jeff Koch
Stan Wilson

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

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.

CRP Payment Limitation

Payments and benefits received under the Conservation Reserve Program (CRP) are subject to the following:

- payment limitation by direct attribution
- foreign person rule
- average adjusted gross income (AGI) limitation The 2014 Farm Bill continued the $50,000 maximum CRP payment amount that can be received annually, directly or indirectly, by each person or legal entity. This payment limitation includes all annual rental payments and incentive payments (Sign-up Incentive Payments and Practice Incentive Payments). Annual rental payments are attributed (earned) in the fiscal year in which program performance occurs. Sign-up Incentive Payments (SIP) are attributed (earned) based on the fiscal year in which the contract is approved, not the fiscal year the contract is effective. Practice Incentive Payments (PIP) are attributed (earned) based on the fiscal year in which the cost-share documentation is completed and the producer or technical service provider certifies performance of practice completion to the county office. Such limitation on payments is controlled by direct attribution.

- Program payments made directly or indirectly to a person are combined with the pro rata interest held in any legal entity that received payment, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Program payments made directly to a legal entity are attributed to those persons that have a direct and indirect interest in the legal entity, unless the payments to the legal entity have been reduced by the pro rata share of the person.
- Payment attribution to a legal entity is tracked through four levels of ownership. If any part of the ownership interest at the fourth level is owned by another legal entity, a reduction in payment will be applied to the payment entity in the amount that represents the indirect interest of the fourth level entity in the payment entity.   Essentially, all payments will be "attributed" to a person's Social Security Number. Given the current CRP annual rental rates in many areas, it is important producers are aware of how CRP offered acreages impact their $50,000 annual payment limitation.

Producers should contact their local FSA office for additional information. NOTE: The information in the above article only applies to contracts subject to 4-PL and 5-PL regulations. It does not apply to contacts subject to 1-PL regulations.

ARC, PLC and CTAP Acreage Maintenance

Producers enrolled in Agriculture Risk Coverage (ARC), Price Loss Coverage (PLC) or the Cotton Transition Assistance Program (CTAP) 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, PLC or CTAP, the County Committee may elect to terminate the contract for the program year.

FSAfarm+, FSA's Customer Self-Service Portal

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) has launched a new tool to provide farmers and ranchers with remote access to their personal farm information using their home computers. Farmers and ranchers can now view, print or export their personal farm data all without visiting an FSA county office.

The program, known as **FSA**farm+, provides you with secure access to view your personal FSA data, such as base and yields, Conservation Reserve Program data, other conservation program acreage, Highly Erodible Land Conservation and Wetland Conservation status information, field boundaries, farm imagery, name and address details, contact information and membership interest and shares in the operation. This data will be available in real time, at no cost to the producer and allow operators and owners to export and print farm records, including maps. Producers also can electronically share their data with a crop insurance agent from their own personal computer.

Farm operators and owners first will need "Level 2 eAuthentication" to access the webportal. This level of security ensures that personal information is protected for each user.

This level of security ensures that personal information is protected for each user. Level 2 access can be obtained by going to www.eauth.usda.gov, completing the required information and then visiting your local FSA office to finalize access.

For more information on **FSA**farm+, the customer self-service portal, contact your local county FSA office. To find your local FSA county office, click http://offices.usda.gov.

FSA Offers Improved Program to Limit Losses on Forages

Reduced forage quality is now considered a production loss for weather disaster assistance coverage under the new buy-up provisions of the Farm Service Agency (FSA) Noninsured Crop Disaster Assistance Program (NAP).

This safety net is important for cattlemen who produce non-insurable forages for feeding livestock. Previously, FSA only considered a decrease in overall forage tonnage produced when determining if the producer suffered a compensable loss after a qualifying weather event. Under FSA's new NAP buy-up provisions, a decrease in forage quality – such as protein content – may also be considered.

To receive coverage for the 2017 crop year, producers must enroll their eligible forage in NAP by September 30, 2016. Beginning, limited resource and targeted underserved farmers or ranchers are eligible for a waiver of the NAP service fee and a 50 percent premium reduction in buy-up provisions.

For more information on NAP, visit www.fsa.usda.gov/nap.

Dairy Producers Can Enroll to Protect Milk Production Margins

USDA Farm Service Agency (FSA) in Illinois announced that dairy producers can enroll for 2017 coverage in the Margin Protection Program for Dairy (MPP-Dairy) starting July 1, 2016. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating dairy producers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the producer.

Enrollment began July 1, 2016 and ends on September 30, 2016, for coverage in calendar year 2017. Please see the July 2016 Illinois FSA Newsletter, for a more detailed explanation of MPP.

For more information, visit FSA online at www.fsa.usda.gov/dairy or stop by a local County FSA office to learn more about the Margin Protection Program. To find a local county FSA office in your area, visit http://offices.usda.gov.

USDA Offers New Loans for Portable Farm Storage and Handling Equipment

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment through the Farm Storage Facility Loan (FSFL) program. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets. The FSFL program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The program also offers a new "microloan" option, which allows applicants seeking less than $50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history, with CCC providing a loan for the remaining 95 percent of the net cost of the eligible FSFL equipment.

Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets. FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage. Producers do not need to de

For larger farming and ranching operations that may not be able to participate in the new "microloan" option, may apply for the traditional, larger FSFL's with the maximum principal amount for each loan through FSFL of $500,000.00. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding $100,000.00. FSFL loan terms of 3, 5, 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Earlier this year, FSA significantly expanded the list of commodities eligible for FSFL. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. A FSFL must be approved before any site preparation or construction can begin.

To learn more about Farm Storage Facility Loans, visit www.fsa.usda.gov/pricesupport or contact your local county FSA office. To find your county FSA office, visit http://offices.usda.gov.

Marketing Assistance Available for 2016 Wheat, Other Crops

The 2014 Farm Bill authorized 2014-2018 crop year Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs and LDPs provide financing and marketing assistance for 2016 crop wheat, and other commodities such as 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.

Illinois FSA county offices are now accepting requests for 2016 crop wheat, oats, barley and honey MALs and LDPs for eligible commodities after harvest.

As 2016 crop harvest begins, Illinois FSA county offices will be accepting requests for 2016 fall harvested crops; corn and soybeans.

A producer who is eligible to obtain an MAL, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

In Illinois Hard Red Winter (HRW) prices are nearing a range where LDPs may be applicable, so producers should become familiar with the process to access this assistance.

To be eligible for an MAL or an LDP, 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 an LDP, the producer must retain beneficial interest in the commodity from the time of planting through the date the producer filed Form CCC-633EZ (page 1) in the FSA County Office. For more information, producers should contact their local FSA county office or view the LDP Fact Sheet.

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.

Loans for Targeted Underserved Producers

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, targeted underserved groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

Beginning Farmer 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.

August Interest Rates and Important Dates to Remember

Selected Interest Rates for August 2016	
90-Day Treasury Bill	.250%
Farm Operating Loans — Direct	2.25%
Farm Ownership Loans — Direct	3.375%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.25%
Farm Storage Facility Loans (3 years)	0.750%
Farm Storage Facility Loans (5 years)	1.125%
Farm Storage Facility Loans (7 years)	1.375%
Farm Storage Facility Loans (10 years)	1.500%
Farm Storage Facility Loans (12 years)	1.625%
Commodity Loans 1996-Present	1.500%

Dates to Remember	
Sept. 1	Final date to pay 2016 Margin Protection Program (MPP) premiums
Sept. 5	Labor Day Holiday – USDA Offices Closed
Sept. 30	Final date to purchase 2017 NAP coverage for alfalfa, clover, mixed forage, other perennial forages and grasses, (including small grains)
Continuous	FSFL applications
Continuous	Farm Record Changes
Continuous	Continuous CRP Signup (waterways, filter strips, field borders, pollinator habitat)