November 2019

Illinois FSA Newsletter

Illinois Farm Service Agency

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State Executive Director:
William J. Graff

Program Deadline Reminders from the State Executive Director

The Agriculture Risk Coverage and Price Loss Coverage programs **2019 enrollment opened September 3, 2019 and runs through March 15, 2020.**

About the program: The ARC Program is an income support program that provides payments when actual crop revenue declines below a specified guarantee level.
The PLC Program provides payments when the effective price for a covered commodity falls below its’ effective reference price.

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

Administrative Officer:
Dan Puccetti

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

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/

Illinois producers are strongly encouraged to contact their local FSA county office to start the election and enrollment process early. County offices cannot get everyone in at once – so while you are thinking about it, stop in your county office and elect/enroll and certify your yields now.

Signup is also ongoing for the Market Facilitation Program (MFP), a U.S. Department of Agriculture (USDA) program to assist farmers who continue to suffer from damages because of unjustified trade retaliation from foreign nations. Through MFP, USDA will provide up to $14.5 billion in direct payments to impacted producers, part of a broader trade relief package announced in late July. The sign-up period runs through **Dec. 6, 2019.**

MFP payments will be made to producers of certain non-specialty and specialty crops as well as dairy and hog producers.

The Dairy Margin Coverage Program (DMC) 2020 Enrollment ends Dec. 13, 2019.

Please try to visit your local county FSA office sooner than later to be sure you don't miss any of these pertinent program deadlines.

Here's wishing you a Happy, Healthy, Safe Thanksgiving!

William J. Graff
State Executive Director

USDA Opens 2020 Enrollment for Dairy Margin Coverage Program- Ends Dec. 13, 2019

Dairy producers can now enroll in the Dairy Margin Coverage (DMC) for calendar year 2020. USDA's Farm Service Agency (FSA) opened signup for the program that helps producers manage economic risk brought on by milk price and feed cost disparities.

The DMC program offers reasonably priced protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer. The deadline to enroll in DMC for 2020 is Dec. 13, 2019.

Agriculture Risk Coverage and Price Loss Coverage programs

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About the program: The ARC Program is an income support program that provides payments when actual crop revenue declines below a specified guarantee level. The PLC Program provides payments when the effective price for a covered commodity falls below its' effective reference price.

Producers are strongly encouraged to contact their local FSA county office to start the election and enrollment process early. County offices cannot get everyone in at once – so while you are thinking about it, stop in your county office and elect/enroll and certify your yields now.

- You can make a program election now, and then make a change to that election anytime between now and the deadline, March 15, 2020.
- The election made for 2019 will also be effective for 2020.
- You will have the opportunity to reelect to a different program election, in each year from 2021-2023.
- Elections of ARC-CO or PLC are made on a covered commodity by covered commodity basis.
- If ARC-IC is elected, all covered commodity base acres on the farm have elected ARC-IC.
- Failure to make an election for 2019 will result in the program election for 2018 being in effect for 2019 and 2020, for all covered commodities.
- The failure of producers on a farm to make a unanimous election for 2019 will result in the farm not being eligible for 2019 payments.
- Farm owners have a one-time opportunity to update the farm PLC yield starting in 2020, on a commodity-by-commodity basis.
    - Yield update decisions can be modified ANYTIME throughout the yield update process. **Note:** The producer is not required to re-sign a contract if the yield is updated after contract initiation, enrollment or approval.
- The owner will **certify** to the yield. Production evidence is not required, unless requested by FSA.

    - Yields may be provided by the operator or the owner, but it is the owner's decision whether or not to update the yield (At least one owner's signature is required).
    - Use of RMA production for yield data is encouraged, when certifying to yields for yield
    - update purposes.
    - The updated yield for the farm is equal to 90% of each covered commodity's **2013-2017** average yield, multiplied by a National Yield factor.

- If the farm owner and the producer visit the office together, FSA can process the ARCPLC election and enrollment, as well as update the owner's yield information, all in the same visit. The Farm yield update only requires ONE owner's signature.

- The opportunity to update the Farm's yield(s) is voluntary. The yield update period ends September 30, 2020.

- Covered commodities include wheat, oats, barley, corn, grain sorghum, rice long grain, rice medium grain, soybeans, sunflower seed, rapeseed, canola, safflower seed, flaxseed, mustard seed, crambe, sesame seed, dry peas, lentils, small chickpeas, large chickpeas, peanuts, and seed cotton.

- 2020 enrollment period began October 2019, and ends June 30, 2020.

Under the 2018 Farm Bill, the producer on a farm with 10 base acres or less may remain eligible for payment, if the total base acres from all enrolled farms in which the producer has an interest is greater than 10 base acres.

SDA farmer or rancher, limited resource farmer or rancher, beginning farmer, or veteran

Producer, remain eligible for ARCPLC payments on farms having 10 acres or less base acres.

FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2019 Farm Service Agency County Committee Elections begin on November 4, 2019, when ballots will be mailed to eligible voters. The deadline to return the ballots to local FSA offices is December 2, 2019.

County committee members are an important component of the operations of FSA and provide a link between the agricultural community and USDA. Farmers and ranchers elected to county committees help deliver FSA programs at the local level, applying their knowledge and judgment to make decisions on commodity price support programs; conservation programs; incentive indemnity and disaster programs for some commodities; emergency programs and eligibility. FSA committees operate within official regulations designed to carry out federal laws.

To be an eligible voter, farmers and ranchers must participate or cooperate in an FSA program. A person who is not of legal voting age but supervises and conducts the farming operations of an entire farm, may also be eligible to vote.

It is important that every eligible producer participate in these elections because FSA county committees are a link between the agricultural community and USDA.

To be eligible to vote in the elections, a person must:

Meet requirement one (see explanation below) ***or*** meet requirement two, ***and*** requirement three (see explanation below).

Requirement One: Be of legal voting age and have an interest in a farm or ranch as either: an individual who meets one or more of the following; (a) is eligible to vote in one's own right, (b) is a partner of a general partnership, (c) is a member of a joint venture **OR** an authorized representative of a legal entity, such as: (a) a corporation, estate, trust, limited partnership or other business enterprise, excluding general partnership and joint ventures or (b) a state, political subdivision of a state or any state agency (only the designated representative may cast a vote for the entity).

Requirement Two: Not of legal voting age but supervises and conducts the farming operations of an entire farm.

Requirement Three: Participates or cooperates in an FSA program that is provided by law.

For more information on eligibility to serve on FSA county committees, visit: www.fsa.usda.gov/elections.

Marketing Assistance Available for 2019 Crops

The 2018 Farm Bill extends loan authority through 2023 for Marketing Assistance Loans (MALs) and Loan Deficiency Payments (LDPs).

MALs provide financing and marketing assistance for commodities such as wheat, feed grains, soybeans and other oilseeds, pulse crops, rice, 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.

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

To be eligible for a 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.

Farm Reconstitutions and Farm Transfers

When changes in farm ownership or operation take place, a farm *reconstitution may be* necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

In addition, a change in farm ownership or operation may necessitate a request for a new *administrative county*.

The transfer request may be initiated due to a change in operation of land, a farm combination with other farms operated by the same person, a change in dwelling of the operator, a change occurs that makes another County Office more accessible, a County Office closure or reduced hours of operation, or if another County Office is significantly more convenient for the producer.

To be effective for the current Fiscal Year (FY), farm reconstitutions and farm transfers must be requested by **August 1 of the FY** for farms subject to the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) program.

A reconstitution is considered to be requested when all:

- of the required signatures are on FSA-155
- other applicable documentation, such as proof of ownership, is submitted.

A farm transfer is considered to be requested when all:

- of the required signatures are on the FSA-179
- the reason for the in and out transfer is specified on the FSA-179

Total Conservation Reserve Program (CRP) and non-ARC/PLC farms may be reconstituted at any time.

For more information and assistance, please contact your local USDA service center. To find your local USDA service center, visit farmers.gov/service-center-locator.

Supervised Credit

Farm Service Agency (FSA) Farm Loan programs are considered supervised credit. Unlike loans from a commercial lender, FSA loans are intended to be temporary in nature. Therefore, it is our goal to help you graduate to commercial credit, and our farm loan staff is available to help borrowers through training and credit counseling.

The FSA team will help borrowers identify their goals to ensure financial success. Through this process, FSA staff will advise borrowers in developing strategies and a plan to meet your operation's goals and graduate to commercial credit. Ultimately, the borrower is responsible for the success of the farming operation, but FSA's staff will help in an advisory role to provide the tools necessary to help you achieve your operational goals and manage your finances.

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.

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.

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. 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.

Authorization Required for Incidental Grazing of CRP Acres

In certain situations, landowners and operators may need to graze a field containing Conservation Reserve Program (CRP) continuous practices such as grass waterways (CP8A), contour grass strips (CP15A); filter strips (CP21); quail and upland bird habitat buffers (CP33), denitrifying bioreactor on filter strips (CP21B), or saturated filter strips (CP21S). FSA must first authorize the incidental grazing on CRP in a field intended to be gleaned.

Grazing is incidental to the gleaning of the crop residue in a field, or before the harvest of a small grain and occurs after the harvest of crops from within the surrounding field, or during the dormant period of a small grain intended for harvest.

The grazing cannot occur during the primary nesting season, which for Illinois is April 15 through August 1. In addition, grazing can only occur if the approved cover for that practice has been established and the grazing will not adversely impact the purpose or performance of the practice.

All livestock shall be removed from CRP acreage **no later than two months** after incidental grazing begins. CRP participants utilizing incidental grazing will have a payment reduction for the acreage being grazed. Participants are also responsible, at their own expense, to reestablish a cover destroyed or damaged as a result of the incidental grazing.

If the acreage to be grazed is separated from the surrounding cropland by a fence, the CRP acreage shall not be grazed.

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Producers, Including Beginning and Underserved Farmers, Have a New Option to Gain Access to Land

The U.S. Department of Agriculture (USDA) is offering farm ownership microloans, creating a new financing avenue for farmers 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.

The microloan program has been hugely successful, providing more than 16,800 low-interest loans, totaling over $373 million to producers across the country. Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013. Seventy percent of loans have gone to new farmers.

Now, microloans will be available to also help with farm land 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 visit www.fsa.usda.gov/microloans, or contact your local FSA office.

Breaking New Ground

Agricultural producers are reminded to consult with FSA and NRCS before breaking out new ground for production purposes as doing so without prior authorization may put a producer’s federal farm program benefits in jeopardy. This is especially true for land that must meet Highly Erodible Land (HEL) and Wetland Conservation (WC) provisions.

Producers with HEL determined soils are required to apply tillage, crop residue and rotational requirements as specified in their conservation plan.

Producers should notify FSA as a first point of contact prior to conducting land clearing or drainage type projects to ensure the proposed actions meet compliance criteria such as clearing any trees to create new cropland, then these areas will need to be reviewed to ensure such work will not risk your eligibility for benefits.

Landowners and operators complete the form AD-1026 - Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to identify the proposed action and allow FSA to determine whether a referral to Natural Resources Conservation Service (NRCS) for further review is necessary.

Illinois Department of Transportation Explore Use of Living Snow Fences

Do you live or farm near a state route or interstate? Does winter make travel difficult? The Illinois Department of Transportation is exploring the use of living snow fences to reduce impaired travel from blowing and accumulating snow. To l*earn more go to farmweeknow.com.*

November Interest Rates and Important Dates to Remember

Selected Interest Rates for November 2019	
Farm Operating Loans — Direct	2.500%
Farm Ownership Loans — Direct	2.500%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	3.000%
Emergency Loans	3.000%
Farm Storage Facility Loans (3 years)	1.500%
Farm Storage Facility Loans (5 years)	1.500%
Farm Storage Facility Loans (7 years)	1.625%
Farm Storage Facility Loans (10 years)	1.625%
Farm Storage Facility Loans (12 years)	1.750%
Commodity Loans	2.625%

Dates to Remember	
November 28	Thanksgiving Day Holiday – FSA Offices Closed
December 6	MFP enrollment ends
December 13	2020 enrollment for the Dairy Margin Coverage (DMC) Program ends
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