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United States Department of Agriculture

Farm Service Agency Electronic News Service

NEWSLETTER

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Illinois FSA Newsletter

Illinois Farm Service Agency

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State Executive Director:
William J. Graff

State Committee:
James Reed-Chairperson

Message from the State Executive Director

To all the veterans that are a part of Illinois FSA, and everyone who is married to, a son or daughter, family member of a veteran.

Thank YOU, especially **you Veterans**, THANKS!

William Graff

USDA announced that in the first month of the application period, the Farm Service Agency (FSA) approved more than $7 billion in payments to producers in the second round of the Coronavirus Food Assistance Program. CFAP 2 provides agricultural producers with financial assistance to help absorb some of the

Melanie DeSutter-Member
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Vicki Donaldson
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Wendy Mueller
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/

increased marketing costs associated with the COVID-19 pandemic.

Since CFAP 2 enrollment began on September 21, 2020, FSA has approved more than 443,000 applications. The top five states for payments are Iowa, Nebraska, Minnesota, Illinois and Kansas. USDA has released a data dashboard on application progress and program payments and will release further updates each Monday at 2:00 p.m. ET. The report can be viewed at farmers.gov/cfap.

Through CFAP 2, USDA is making available up to $14 billion for agricultural producers who continue to face market disruptions and associated costs because of COVID-19. CFAP 2 is a separate program from the first iteration of CFAP (CFAP 1). Farmers and ranchers who participated in CFAP 1 will not be automatically enrolled and must complete a new application for CFAP 2. FSA will accept CFAP 2 applications through December 11, 2020.

Eligible Commodities

CFAP 2 supports eligible producers of row crops, livestock, specialty crops, dairy, aquaculture, and many other commodities, including many that were ineligible for CFAP 1. FSA's CFAP 2 Eligible Commodities Finder makes finding eligible commodities and payment rates simple. Access this tool and other resources at farmers.gov/cfap.

Getting Help from FSA

New customers seeking one-on-one support with the CFAP 2 application process can call 877-508-8364 to speak directly with a USDA employee ready to offer general assistance. This is a recommended first step before a producer engages the team at the FSA county office at their local USDA Service Center.

FSA offers multiple options for producers to apply for CFAP 2. Producers with an eAuthentication account can apply online through the CFAP 2 Application Portal. Also available is a payment calculator and application generator that is an Excel workbook that allows producers to input information specific to their operation to determine estimated payments and populate the application form, which can be printed, signed, and submitted to the local FSA office. Producers can also download the CFAP 2 application and other eligibility forms from farmers.gov/cfap.

Producers of acreage-based commodities will use acreage and yield information provided by FSA through the annual acreage reporting process. Producers have the option to complete their application by working directly with their local FSA staff or online through the CFAP 2 Application Portal.

CFAP 2 is not a loan program, and there is no cost to apply.

More Information

To find the latest information on CFAP 2, visit farmers.gov/CFAP or call 877-508-8364.

Dairy Margin Coverage Program Enrollment for 2021 Opened October 13

The U.S. Department of Agriculture (USDA) began accepting applications for the Dairy Margin Coverage (DMC) program on Tuesday, October 13, 2020 for 2021 enrollment.

Signup runs through December 11, 2020. DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. DMC payments triggered for seven months in 2019 and three months so far in 2020. More than 23,000 operations enrolled in DMC in 2019, and more than 13,000 in 2020.

To determine the appropriate level of coverage for a specific dairy operation, producers can utilize the recently updated online dairy decision tool. The decision tool is designed to assist producers with calculating total premium costs and administrative fees associated with participation in DMC. An informational video is available, too.

Improvements to the decision tool, made in cooperation with representatives from the University of Minnesota and University of Wisconsin, include historical analysis that illustrates what DMC indemnity payments might have been had the program been available over the previous two decades. The analysis indicates that over the course of time, DMC payments made to producers exceed premiums paid. These decision tool enhancements provide a more comprehensive decision support experience for producers considering DMC.

In addition to DMC, USDA offers a variety of programs that have helped dairy producers, including insurance, disaster assistance, and conservation programs. Most recently, the Coronavirus Food Assistance Program 1 provided $1.75 billion in direct relief to dairy producers who faced price declines and additional marketing costs due to COVID-19 in early 2020. Now, signup is underway for the Coronavirus Food Assistance Program 2, which provides another round of assistance for dairy producers and many other eligible producers.

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

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 are 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.

FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2020 Farm Service Agency County Committee Elections began when ballots were mailed to eligible voters the week of November 2, 2020. The deadline to return ballots to local FSA offices, or to be postmarked, is December 7, 2020.

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.

Eligible voters in the local administrative area(s) conducting an election this year who do not receive a ballot can obtain one from their local USDA Service Center.

Newly elected committee members will take office Jauary 1, 2021

FSA is Accepting CRP Continuous Enrollment Offers

The Farm Service Agency (FSA) is accepting offers for specific conservation practices under the Conservation Reserve Program (CRP) Continuous Signup.

In exchange for a yearly rental payment, farmers enrolled in the program agree to remove environmentally sensitive land from agricultural production and to plant species that will improve environmental health and quality. The program's long-term goal is to re-establish valuable land cover to improve water quality, prevent soil erosion, and reduce loss of wildlife habitat. Contracts for land enrolled in CRP are 10-15 years in length.

Under continuous CRP signup, environmentally sensitive land devoted to certain conservation practices can be enrolled in CRP at any time. Offers for continuous enrollment are not subject to competitive bidding during specific periods. Instead they are automatically accepted provided the land and producer meet certain eligibility requirements and the enrollment levels do not exceed the statutory cap.

For more information, including a list of acceptable practices, contact your local County USDA Service Center or visit fsa.usda.gov/crp.

USDA Announces Increased Subsidies and Other Improvements to the Livestock Risk Protection Insurance Program

U.S. Department of Agriculture's (USDA) Risk Management Agency (RMA) is increasing premium subsidies and will make other improvements to the Livestock Risk Protection (LRP) plan of insurance for feeder cattle, fed cattle, and swine starting with the 2021 crop year. The increased premium subsidy is retroactive to the beginning of the 2021 crop year and is based on the coverage selected by the livestock producer. RMA will implement the other improvements later this year.

USDA encourages livestock producers to contact their insurance agent to take advantage of these improvements. These changes will not only make LRP more affordable for producers, but also will provide them with better coverage.

Other improvements to be implemented include:

- Increasing livestock head limits for feeder and fed cattle to 6,000 head per endorsement/12,000 head annually, and swine to 40,0000 head per endorsement/150,000 head annually
- Modifying the requirement to own insured livestock until the last 60 days of the endorsement
- Increasing the endorsement lengths for swine up to 52 weeks
- Creating new feeder cattle and swine types to allow for unborn livestock to be insured

For more information on the LRP program, please see the RMA website.

RMA is authorizing additional flexibilities due to coronavirus while continuing to support producers, working through Approved Insurance Providers (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.

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.

Farmers Encouraged to Keep the Stubble During No-Till November

The Natural Resources Conservation Service (NRCS) is encouraging Illinois farmers to “keep the stubble” on their harvested crop fields and improve soil health during No-Till November. First launched in 2017, the NRCS project is mirrored after the national cancer awareness ‘No Shave November’ campaign that encourages people not to shave during the entire month. The NRCS campaign encourages farmers to keep tillage equipment in their machine sheds this fall and keep the crop stubble on their fields. The campaign has reached more than 1.5 million people through Twitter and local media since 2017.

According to Ivan Dozier, Illinois NRCS State Conservationist, no-till farming is a cornerstone soil health conservation practice, which also promotes water quality while saving farmers time and money. One of the first soil health principles is ‘do not disturb.’ Dozier supports this campaign as a fun way to remind farmers about the important relationship between tillage and soil health. Improving soil health increases soil biological activity, which provides erosion control, nutrient benefits, and can simulate tillage. Supporting the campaign’s message is Champaign County no-till farmer and former President of the Association of Illinois Soil and Water Conservation Districts Steve Stierwalt. According to Stierwalt, Illinois has a lot of great conservation farmers in Illinois who are using no-till and working with cover crops and he’s thankful for all they’re doing to impact our natural resources. Stierwalt warns, however, that we need more farmers to embrace these new and profitable ways of production agriculture. No-till works for Stierwalt and they’ll work for you too.

Join Ivan, Steve, and so many others who are making a difference by keeping the stubble on the ground this winter. Dozier encourages farmers to keep your fields covered. Your soil—and all those earthworms--will thank you next spring! For more information on soil health and no-till, visit https://www.nrcs.usda.gov/wps/portal/nrcs/il/soils/health/. And keep an eye on IL NRCS’ twitter account to get all the stories, notifications, and helpful information ***https://twitter.com/NRCS_Illinois***

Disaster Set-Aside (DSA) Program for Farm Loan Borrowers

Farm Service Agency (FSA) borrowers with farms located in designated primary or contiguous disaster areas who are unable to make their scheduled FSA loan payments should consider the Disaster Set-Aside (DSA) program.

DSA is available to producers who suffered losses as a result of a natural disaster and relieves immediate and temporary financial stress. FSA is authorized to consider setting aside the portion of a payment/s needed for the operation to continue on a viable scale.

Borrowers must have at least two years left on the term of their loan in order to qualify.

Borrowers have eight months from the date of the disaster designation to submit a complete application. The application must include a written request for DSA signed by all parties liable for the debt along with production records and financial history for the operating year in which the disaster occurred. FSA may request additional information from the borrower in order to determine eligibility.

All farm loans must be current or less than 90 days past due at the time the DSA application is complete. Borrowers may not set aside more than one installment on each loan.

The amount set-aside, including interest accrued on the principal portion of the set-aside, is due on or before the final due date of the loan.

For more information, contact your local County USDA Service Center or visit fsa.usda.gov.

Making Farm Reconstitutions

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

To be effective for the current Fiscal Year (FY), farm combinations and farm divisions 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 and all other applicable documentation, such as proof of ownership, is submitted.

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

The following are the different methods used when doing a farm recon:

- **Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate
- **Designation of Landowner Method** — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method, the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding

- **DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract

- **Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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.

USDA Seeks New Partnerships to Safeguard, Restore Wetland Ecosystems

The United States Department of Agriculture (USDA) recently announced up to $30 million is available in technical and financial assistance through the Wetland Reserve Enhancement Partnership (WREP) to help conservation partners protect and restore critical wetlands on agricultural lands in Illinois. Restored wetlands help improve water quality downstream, enhance wildlife habitat, reduce impacts from flooding, and provide recreational benefits.

These partnerships enhance the locally driven process to better address critical wetland functions that progress beyond localities. WREP works with other NRCS landscape-level conservation efforts to coordinate the delivery of conservation assistance to producers in targeted areas that yield the most impacts for accelerated benefits nationally and regionally. Continuing to leverage these partnerships helps NRCS continue the important work with producers to help recover the health of wetland ecosystems on working lands.

Eligible conservation partners in Illinois will work through WREP to voluntarily execute high priority wetland protection, restoration, and enhancement activities on eligible agriculture lands. WREP enables effective integration of wetland restoration on working agricultural landscapes, providing meaningful benefits to farmers who enroll in the program and to the communities where the wetlands exist.

NRCS will review partners' project proposals and evaluate priority resource concerns, objectives, costs, and expected outcomes for each project and rank proposals based on the criteria set forth in the ranking worksheet on the WREP webpage. Proposals should be emailed to NRCS State Conservationist Ivan Dozier at ivan.dozier@usda.gov by **November 30, 2020**.

Wetland Reserve Easements enable landowners to successfully reduce impacts from flooding, recharge groundwater, enhance and protect wildlife habitat, and provide outdoor recreational and educational opportunities. Healthy wetlands, including those protected and restored through WREP, contribute to USDA's Agriculture Innovation Agenda of reducing the environmental footprint of U.S. agriculture in half by 2050. Visit the WREP webpage for more information on the workshop or this program opportunity.

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.

the coverage levels of between 50 and 65 percent of expected production. Buy-up levels of NAP coverage are available if the producer can show at least one year of previously successfully growing the crop for which coverage is being requested. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50 percent of expected production.

For all coverage levels, the NAP service fee is the lesser of $325 per crop or $825 per producer per county, not to exceed a total of $1,950 for a producer with farming interests in multiple counties.

Beginning, underserved, veterans and limited resource farmers are now eligible for free catastrophic level coverage.

Deadlines for coverage vary by state and crop. contact your local County USDA Service Center or visit fsa.usda.gov.

Federal crop insurance coverage is sold and delivered solely through private insurance agents.   Agent lists are available at all USDA Service Centers or at USDA's online Agent Locator. You can use the USDA Cost Estimator to predict insurance premium costs.

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.

USDA Fruit, Vegetable and Wild Rice Planting Rules Unchanged in 2018 Farm Bill

Fruit, vegetable and wild rice producers will continue to follow the same rules for certain Farm Service Agency (FSA) programs.

If you intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs, you are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas. Planting fruits, vegetables or wild rice on acres not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-acre payment reduction when those crops are planted on more than 15 percent of the base acres of an ARC enrolled farm using the county coverage or PLC, or more than 35 percent of the base acres of an ARC enrolled farm using the individual coverage.

Fruits, vegetables and wild rice that are planted in a double-cropping practice will not cause a payment reduction if the farm is in a double-cropping region as designated by the USDA's Commodity Credit Corporation.

USDA Awards Nearly $500K to Support L Wetland Mitigation Banking

USDA's Natural Resources Conservation Service (NRCS) announced awarded $498,010 for a new wetland mitigation banking project in Illinois through the Wetland Mitigation Banking Program. This program helps conservation partners develop and/or establish mitigation banks to help agricultural producers maintain eligibility for USDA programs. According to Ivan Dozier, State Conservationist, these banks will provide agriculture producers a streamlined mitigation option to remain compliant for USDA Farm Bill programs while maintaining wetlands to support functions and environmental values. Healthy wetlands help filter water, sequester carbon, curb soil loss, and provide habitat for wildlife.

The key partner in the Illinois effort is **Magnolia Land Partners, LLC,** who will establish two agricultural mitigation bank sites totaling 60 acres. Illinois NRCS will provide $498,010 in funding and Magnolia Partners will contribute $252,000. These sites will be added under Magnolia's NRCS approved statewide agricultural mitigation banking instrument. Magnolia will coordinate site locations with farm groups.

Mitigation banks create credits through restoration, creation, or enhancement of wetlands to compensate for impacts on ecosystems in developing communities. Establishing these banks serves Ag producers in more flexible ways. According to Dozier, having Magnolia facilitate and manage all the details for landowners is helpful in what can be a complex legal process. NRCS leadership will farmers posted on the site locations and track progress and long-term benefits for the projects.

Producers seeking benefits through USDA programs must comply with wetland provisions by avoiding impact on wetlands. In situations where avoidance or on-site mitigation is challenging, the Farm Bill offers participants options to mitigate activities off-site through the purchase of mitigation banking credits.

This competitive grant program helps states, local governments, and other qualified partners develop wetland mitigation banks to assist agricultural producers with meeting wetland conservation compliance requirements to remain eligible for USDA programs. Nationally, USDA will award $5 million for eight wetland mitigation banking projects nationwide. For project descriptions and more information, visit the Wetland Mitigation Banking Program webpage.

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.

November Interest Rates and Important Dates

Selected Interest Rates for November 2020	
Farm Operating Loans — Direct	1.250%
Farm Ownership-Direct	2.375%
Farm Ownership Loans — Direct, Joint Financing	2.500%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	2.375%
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)	0.725%
Farm Storage Facility Loans (12 years)	0.875%
Commodity Loans	1.125%

Dates to Remember	
October 1	ARC/PLC Signup Began
November 11	Veterans Day – Holiday – FSA Offices Closed
November 20	NAP Closing date for Tree/Fruit Crops
November 26	Thanksgiving Day – Holiday – FSA Offices Closed
December 11	Last date to enroll in 2021 Dairy Margin Coverage (DMC)
December 11	Last date to signup for CFAP2 Program
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