

November 2018



Farm Service Agency **Electronic News Service**

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Illinois FSA Newsletter

Illinois Farm Service Agency

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Loan Servicing

There are options for Farm Service Agency loan customers during financial stress. If you are a borrower who is unable to make payments on a loan, contact your local FSA Farm Loan Manager to learn about the options available to you.

Happy Thanksgiving!

State Executive Director:

William J. Graff

State Committee:

James Reed-Chairperson
Melanie DeSutter-Member
George Obernagel III-Member
Troy Uphoff-Member

Executive Officer:

Rick Graden

Administrative Officer:

Dan Puccetti

Division Chiefs:

Doug Bailey
John Gehrke
Randy Tillman

To find contact information for your local office go to

www.fsa.usda.gov/il

Hopefully this finds you wrapping up your 2018 harvest. I do understand several areas of the state have experienced very challenging harvest conditions. At the end of August what looked like was going to be an early and easy harvest, turned out to be far from that, for many. As I write this I still see both corn and soybean fields standing waiting to be harvested on my drive into work each day.

County Offices are working diligently to get all the MFP payments sent to producers in a timely manner. If yours has been a long time coming, please contact your local office and inquire about your payment. If you are still not satisfied with the response time, please contact the State Office.

CRP contracts that were held up due to the expiration of the Farm Bill and the continuing resolution are now being moved forward for payment. Illinois has about 1000 contracts that have to come to the State Office for approval and then payments can be issued. There are 5 people working on these contracts. It will take a little time, but the good news is these contracts can finally be paid.

Last and maybe the most important, if you are experiencing difficulty with financing, please consider visiting your FSA office now. Early is always better than later when dealing with finances. FSA has a very experienced Farm Loan staff that may be able to provide assistance with either the direct or guaranteed loan program.

The sooner you come in, the better position FSA will be in to help. I know this part of farming is definitely not the fun part, but something that must be done.

Happy Thanksgiving!

William Graff
State Executive Director

FSA Encourages Farmers and Ranchers to Vote in County Committee Elections

The 2018 Farm Service Agency County Committee Elections began on Nov. 5, when ballots were mailed to eligible voters. The deadline to return the ballots to local FSA offices is Dec. 3, 2018.

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.

Eligibility for Elections for the 2018 County Committee

Elections for USDA's Farm Service Agency's (FSA) County Committees are underway.

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.

County committee election ballots were mailed to eligible voters on Nov. 5, 2018. The last day to return completed ballots to the USDA service center is Dec. 3, 2018.

For more information on eligibility to serve on FSA county committees, visit:

www.fsa.usda.gov/elections.

USDA to Provide Agricultural Credit Training, Expand Opportunities for Farmer Veterans and Beginning Farmers

USDA is partnering with the Farmer Veteran Coalition (FVC) to conduct agricultural credit training sessions in the Midwest for military veterans and beginning farmers and ranchers. States under consideration to host the workshops include Iowa, Illinois, Indiana, Michigan, Minnesota, Missouri, and Nebraska.

These workshops will provide individuals interested in farming as a career, including military veterans, with methods to improve business planning and financial skills, and improve understanding of the risk management tools that can help small farm operations.

Other partners include Niman Ranch a community network of more than 700 independent family farmers and ranchers, and the Farm Credit Council and the Farm Credit System, which provides

loans, leases and financial services to farmers, ranchers and rural businesses across the United States. The workshops will also include assistance with credit applications and introductions to local or regional food markets.

To learn more about veterans in agriculture, visit www.usda.gov/veterans. Visit www.fsa.usda.gov/farmloans or your local Farm Service Agency (FSA) office to learn more about FSA's farm loan programs. To find your local FSA office, visit <http://offices.usda.gov>. More information also is available from the Farmer Veteran Coalition at www.farmvetco.org.

USDA Market Facilitation Program

USDA launched the trade mitigation package aimed at assisting farmers suffering from damage due to unjustified trade retaliation by foreign nations. Producers of certain commodities can now sign up for the Market Facilitation Program (MFP).

USDA's Farm Service Agency (FSA) is currently administering MFP providing payments to corn, cotton, dairy, hog, sorghum, soybean, wheat, shelled almond, and fresh sweet cherry producers. An announcement about further payments will be made in the coming months, if warranted.

The sign-up period for MFP runs through Jan. 15, 2019, with information and instructions provided at www.farmers.gov/mfp. Producers must apply for MFP, signing and submitting CCC-910 by COB, Jan. 15, 2019. Eligible producers should apply after harvest is complete, as MFP payments will only be issued once production is reported and production must be reported by May 01, 2019.

A payment will be issued on 50 percent of the producer's total production, multiplied by the MFP rate for a specific commodity. A second payment period, if warranted, will be determined by the USDA.

FSA is currently approving and issuing MFP payments, in most cases within a few days of a producer submitting production evidence. Producers should submit production evidence in the year they desire to receive the MFP payments, but by May 1, 2019.

MFP is designed to be a simple program – ONE application containing ALL the 2018 production from ALL farms, ALL counties and ALL states. Be sure to report all eligible bushels on one application. Production not included on the MFP application cannot be added later.

For a list of initial MFP payment rates, view the [MFP Fact Sheet](#).

MFP payments are capped per person or legal entity as follows:

- A combined \$125,000 for eligible crop commodities
- A combined \$125,000 for dairy production and hogs
- A combined \$125,000 for fresh sweet cherries and almonds

Applicants must also have an average adjusted gross income for tax years 2014, 2015, and 2016 of less than \$900,000. Applicants must also comply with the provisions of the Highly Erodible Land and Wetland Conservation regulations.

Expanded Hog Timeline

USDA has expanded the timeline for producers with whom the Aug. 1, 2018, date does not accurately represent the number of head of live hogs they own. Producers may now choose any date between July 15 to Aug. 15, 2018 that correctly reflects their actual operation.

MFP applications are available online at www.farmers.gov/mfp. Applications can be completed at a local FSA office or submitted electronically either by scanning, emailing, or faxing. To locate or contact your local FSA office, visit www.farmers.gov.

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 (HEL) 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.

Changing Bank Accounts

FSA program payments are issued electronically into your bank account. In order to make timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for whatever 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 2017 through the Agriculture Risk Coverage and Price Loss Coverage program aren't paid until 2018. 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.

USDA and SCORE Joining Forces to Find Mentors

If you are a farmer or rancher, or have agricultural or business experience, join us in supporting the next generation and in investing in your local community! Your experiences and knowledge as a

business owner, agricultural professional, or farmer can provide vital support to the community you live in.

USDA is collaborating with SCORE – www.score.org - the nation's largest network of volunteer, expert business mentors in an effort to expand the field of available agricultural mentors and provide free business mentoring to farmers, ranchers, and other agricultural and rural business owners. SCORE is currently looking for volunteers with experience in an agriculture-related field who would like to become a part of an extended field of volunteers. The organization's Orientation and Mentoring Certification program provides volunteers with everything needed to be a successful volunteer. Training includes background about SCORE's mission and services, as well as guidance on how to be a business mentor, including enhancement of listening, interviewing and problem-solving skills.

Current SCORE volunteer mentors have backgrounds in finance, accounting, marketing, operations, business and financial planning. The mentors provide local expertise and free one-on-one business mentoring to new and existing farmers and business owners. Together they work through the process of starting up or maintaining agricultural and rural businesses. No matter what stage a business is in, SCORE volunteer mentors can help in developing business plans, navigating financing and legal issues, identifying new markets, and other topics, in order to help their clients succeed. FSA invites you to learn more and sign up to become a mentor today at <https://newfarmers.usda.gov/mentorship>.

Perennial Forage Acreage Reporting Date (ARD) for 2019 and Subsequent Years

Beginning with the 2019 crop year, the ARD has been established as July 15 for perennial forages for Illinois (July 15, 2019 for the 2019 crop year). For 2018 and prior crop years, the ARD was the previous December 15 (December 15, 2017 for the 2018 crop year).

Exception: For the Noninsured Crop Disaster Assistance Program (NAP), the ARD for perennial forage is the earlier of:

- July 15
- 15 calendar days before the onset of harvest or grazing of the specific perennial crop being reported
- the established normal harvest date for the end of the coverage period.

Marketing Assistance Available for 2018 Crops

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

MALs provide financing and marketing assistance for 2018 wheat, as well as other commodities such as 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 an MAL, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

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](#).

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 \$100,000 are secured by a promissory note/security agreement. 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>.

Update Your Records

FSA is cleaning up our producer record database. If you have any unreported changes of address, zip code, phone number, email address 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 FSA county office to update your records.

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

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Selected Interest Rates for November 2018		Dates to Remember	
Farm Operating Loans — Direct	3.750%	Nov. 22	Thanksgiving Day – FSA Offices will be closed
Farm Ownership Loans — Direct	4.125%	Dec. 3	Last day to file application for payment for producers who suffered livestock, honeybee, or farm-raised fish losses from Oct. 1, 2017 – September 30, 2018
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%		
Emergency Loans	3.750%		
Farm Storage Facility Loans (3 years)	2.875%		
Farm Storage Facility Loans (5 years)	3.000%	Dec. 3	Last day to submit COC Election ballots – postmarked no later than Dec. 3, 2018
Farm Storage Facility Loans (7 years)	3.125%		
Farm Storage Facility Loans (10 years)	3.125%		
Farm Storage Facility Loans (12 years)	3.125%	continuous	2018 ARC/PLC Farm Program enrollment
Commodity Loans	3.625%	Continuous	Sign-up for FSA text messages from your local county office
		continuous	Update Your Farm Records
		Continuous	Farm Storage Facility Loan applications

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).