September 2015



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Illinois FSA September Newsletter

Illinois Farm Service Agency

3500 Wabash Ave. Springfield, IL 62711

www.fsa.usda.gov/il

State Committee:

Jill Appell-Chairperson Brenda Hill-Member Jerry Jimenez-Member Joyce Matthews-Member Gordon Stine-Member

State Executive Director: Scherrie V. Giamanco

Executive Officer: Rick Graden

USDA Enrollment Period for Agriculture Risk Coverage and Price Loss Coverage Safety-Net Programs Closes Sept. 30

Eligible producers are reminded that enrollment in the Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs for 2014 and 2015 ends Sept. 30, 2015.

The new programs, established by the 2014 Farm Bill, trigger financial protections for agricultural producers when market forces cause substantial drops in crop prices or revenues. More than 1.76 million farmers have elected ARC or PLC. Previously, 1.7 million producers had enrolled to receive direct payments (the program replaced with ARC and PLC by the 2014 Farm Bill). This means more farms have elected ARC or PLC than

Nationwide, 96 percent of soybean farms, 91
percent of corn farms, and 66 percent of wheat farms elected ARC. 99 percent of long grain rice farms, 99 percent of peanut farms, and 94 percent of medium grain rice farms elected PLC. For data about other crops and state-by-state program election results go to <u>www.fsa.usda.gov/arc-plc</u> .
Covered commodities under ARC and PLC include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium grain rice (which includes short grain and sweet rice), safflower seed, sesame, soybeans, sunflower seed and wheat. Upland cotton is no longer a covered commodity. For more information please contact your local FSA

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.

USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules

Farm Service Agency (FSA) has announced fruit, vegetable and wild rice provisions that affect producers who intend to participate in certain programs authorized by the Agricultural Act of 2014.

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the 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 that are 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 for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acrefor-acre payment reduction when those crops are planted on either more than 15 percent of the base acres of a farm enrolled in ARC using the county coverage or PLC, or more than 35 percent of the base acres of a farm enrolled in ARC 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 Announces Conservation Incentives for Working Grass, Range and Pasture Lands

Beginning Sept. 1, farmers and ranchers can apply for financial assistance to help conserve working grasslands, rangeland and pastureland while maintaining the areas as livestock grazing lands.

The initiative is part of the voluntary Conservation Reserve Program (CRP), a federally funded program that for 30 years has assisted agricultural producers with the cost of restoring, enhancing and protecting certain grasses, shrubs and trees to improve water quality, prevent soil erosion and reduce loss of wildlife habitat. In return, the U.S. Department of Agriculture (USDA) provides participants with rental payments and cost-share assistance. CRP has helped farmers and ranchers prevent more than 8 billion tons of soil from eroding, reduce nitrogen and phosphorous runoff relative to cropland by 95 and 85 percent respectively, and even sequester 43 million tons of greenhouse gases annually, equal to taking 8 million cars off the road.

The CRP-Grasslands initiative will provide participants who establish long-term, resourceconserving covers with annual rental payments up to 75 percent of the grazing value of the land. Cost-share assistance also is available for up to 50 percent of the covers and other practices, such as cross fencing to support rotational grazing or improving pasture cover to benefit pollinators or other wildlife. Participants may still conduct common grazing practices, produce hay, mow, or harvest for seed production, conduct fire rehabilitation, and construct firebreaks and fences.

With the publication of the CRP regulation today, the Farm Service Agency will accept applications on an ongoing basis beginning Sept. 1, 2015, with those applications scored against published ranking criteria, and approved based on the competiveness of the offer. The ranking period will occur at least once per year and be announced at least 30 days prior to its start. The end of the first ranking period will be Nov. 20, 2015.

To learn more about participating in CRP-Grasslands or SAFE, visit <u>www.fsa.usda.gov/crp</u> or consult with the local Farm Service Agency county office. To locate a nearby Farm Service Agency office, visit <u>http://offices.usda.gov</u>. To learn more about the 30th anniversary of CRP, visit <u>www.fsa.usda.gov/CRPis30</u> or follow on Twitter using #CRPis30.

FSA County Committee Election

Ballots will be mailed to voters by Nov. 9, 2015, and must be returned to the FSA county office or postmarked by Dec. 7, 2015. Eligible voters must contact their local FSA county office before the final date if they did not receive a ballot.

WHO CAN VOTE

Agricultural producers of legal voting age may be eligible to vote if they participate or cooperate in any FSA program. A person who is not of legal voting age but supervises and conducts the farming

operations of an entire farm also may be eligible to vote. Members of American Indian tribes holding agricultural land are eligible to vote if voting requirements are met. More information about voting eligibility requirements can be found in the FSA fact sheet titled "FSA County Committee Election - Eligibility to Vote and Hold Office as a County Committee Member" <u>http://www.fsa.usda.gov/</u> news-room/county-committee-elections/index.

Producers may contact their local FSA county office for more information. To find your local FSA county office, visit <u>http://offices.usda.gov</u>.

September Interest Rates

Farm Operating - Direct	2.625%
Farm Ownership - Direct	4.000%
Farm Ownership - Direct, Joint Financing	2.500%
Farm Ownership - Down Payment	1.500%
Emergency Loan Amount of Actual Loss	3.625%
Conservation Loan	4.000%
FSFL 7 year Loan	2.000%
FSFL 10 year Loan	2.250%
FSFL 12 year Loan	2.250%
FSFL 15 year Loan	2.375%
Commodity Loans	1.375%

USDA Packages Disaster Protection with Loans to Benefit Specialty Crop and Diversified Producers

U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) today announced that producers who apply for FSA farm loans also will be offered the opportunity to enroll in new disaster loss protections created by the 2014 Farm Bill. The new coverage, available from the Noninsured Crop Disaster Assistance Program (NAP), is available to FSA loan applicants who grow non-insurable crops, so this is especially important to fruit and vegetable producers and other specialty crop growers.

New, underserved and limited income specialty growers who apply for farm loans could qualify for basic loss coverage at no cost, or higher coverage for a discounted premium.

The basic disaster coverage protects at 55 percent of the market price for crop losses that exceed 50 percent of production. Covered crops include "specialty" crops, for instance, vegetables, fruits, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, hay, forage, grazing and energy crops. FSA allows beginning, underserved or limited income producers

to obtain NAP coverage up to 90 days after the normal application closing date when they also apply for FSA credit.

In addition to free basic coverage, beginning, underserved or limited income producers are eligible for a 50 percent discount on premiums for the higher levels of coverage that protect up to 65 percent of expected production at 100 percent of the average market price. Producers also may work with FSA to protect value-added production, such as organic or direct market crops, at their fair market value in those markets. Targeted underserved groups eligible for free or discounted coverage are American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women.

FSA offers a variety of loan products, including farm ownership loans, operating loans and microloans that have a streamlined application process.

Growers need not apply for an FSA loan, nor be a beginning, limited resource, or underserved farmer, to be eligible for Noninsured Crop Disaster Assistance Program assistance. To learn more, visit <u>www.fsa.usda.gov/nap</u>or <u>www.fsa.usda.gov/farmloans</u>, or contact your local FSA office at <u>https://offices.usda.gov</u>.

Guaranteed Loan Program

FSA guaranteed loans allow lenders to provide agricultural credit to farmers who do not meet the lender's normal underwriting criteria. Farmers and ranchers apply for a guaranteed loan through a lender, and the lender arranges for the guarantee. FSA can guarantee up to 95 percent of the loss of principal and interest on a loan. Guaranteed loans can be used for both farm ownership and operating purposes.

Guaranteed farm ownership loans can be used to purchase farmland, construct or repair buildings, develop farmland to promote soil and water conservation or to refinance debt.

Guaranteed operating loans can be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, insurance and other operating expenses.

FSA can guarantee farm ownership and operating loans up to \$1,392,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

Please contact your lender or local FSA farm loan office for more information on guaranteed loans.

Dates to Remember

September 30 Final date to enroll in ARC/PLC Program
September 30 Final date to re-enroll continuous CRP expiring in 2015
October 12 Columbus Day "Office Closed"
November 09 COC ballots will be mailed to voters
Veterans Day "Office Closed"
November 11 Veterans Day "Office Closed"
November 26 Thanksgiving Day "Office Closed"
December 01 General CRP signup period begins
COC ballots must be returned to FSA County Offices

USDA is an equal opportunity provider and employer. 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).