October 2015



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Illinois FSA Newsletter

Illinois Farm Service Agency

3500 Wabash Ave Springfield, IL 62711

www.fsa.usda.gov/il

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

State Committee:

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State Executive Director:

Scherrie V. Giamanco Executive Officer:

Rick Graden

Administrative Officer:

Administrative Officer

Dan Puccetti

Division Chiefs:

Doug Bailey Jeff Koch Stan Wilson

Please contact your local FSA Office for questions specific to your operation or county.

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.

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.

FSA County Committee Election

DON'T MISS OUT ON VOTING

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" http://www.fsa.usda.gov/ 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 http://offices.usda.gov.

Farmers to Receive Documentation of USDA Services

Farm Service Agency (FSA) reminds agricultural producers that FSA provides a receipt to customers who request or receive assistance or information on FSA programs.

As a part of FSA's mission to provide enhanced customer service, producers who visit FSA will receive documentation of services requested and provided. From December through June, FSA issued more than 327,000 electronic receipts.

The 2014 Farm Bill requires a receipt to be issued for any agricultural program assistance requested from FSA, the Natural Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity.

In some cases, a form or document - such as a completed and signed program enrollment form - serve as the customer receipt instead of a printed or electronic receipt. A service is any information, program or loan assistance provided whether through a visit, email, fax or letter.

To learn more about FSA, visit www.fsa.usda.gov or to find your local USDA office, visit http://offices.usda.gov.

USDA Encourages Producers to Consider Risk Protection Coverage before Fall Crop

Farm Service Agency today encouraged producers to examine the available U.S. Department of Agriculture (USDA) crop risk protection options, including federal crop insurance and Noninsured Crop Disaster Assistance Program (NAP) coverage, before the sales deadline for fall crops.

Deadlines are quickly approaching to purchase coverage for fall-seeded crops. Producers are reminded that crops not covered by insurance may be eligible for the Noninsured Crop Disaster Assistance Program. The 2014 Farm Bill expanded NAP to include higher levels of protection. Beginning, underserved and limited resource farmers are now eligible for free catastrophic level coverage, as well as discounted premiums for additional levels of protection."

Federal crop insurance covers crop losses from natural adversities such as drought, hail and excessive moisture. NAP covers losses from natural disasters on crops for which no permanent federal crop insurance program is available, including forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

USDA has partnered with Michigan State University and the University of Illinois to create an online tool at www.fsa.usda.gov/nap that allows producers to determine whether their crops are eligible for federal crop insurance or NAP and to explore the best level of protection for their operation. NAP basic coverage is available at 55 percent of the average market price for crop losses that exceed 50

percent of expected production, with higher levels of coverage, up to 65 percent of their expected production at 100 percent of the average market price, including coverage for organics and crops marketed directly to consumers.

To learn more about NAP visit www.fsa.usda.gov/nap or contact your local USDA Service Center. To find your local USDA Service Centers go to http://offices.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: http://prodwebnlb.rma.usda.gov/apps/AgentLocator/#. Producers can use the USDA Cost Estimator, https://ewebapp.rma.usda.gov/apps/costestimator/Default.aspx, to predict insurance premium costs.

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For more information on NAP, service fees, premiums and sales deadlines, contact your local County FSA office or visit the web at www.fsa.usda.gov/nap

Producers are Reminded to Complete NASS Crop Surveys

The National Agricultural Statistics Service (NASS) Field Offices are currently completing 2015 small grain yield surveys and will contact growers in December to complete row crop yield surveys. If you are one of the producers contacted to complete a 2015 yield survey, we encourage your participation and cooperation as many USDA agencies including the Farm Service Agency (FSA) and Risk Management Agency (RMA) use the NASS yield data for their programs.

FSA uses NASS county yield data for farm credit, conservation, disaster programs, loan and commodity programs. Under the 2014 Farm Bill, FSA uses the NASS county yield data to calculate Agriculture Risk Coverage – County (ARC-CO) benchmark revenues and current year county revenues. For example, the 2014 NASS county yield, along with the crop's marketing year average price (MYA), are used to determine the county's current year revenue to determine if the county will trigger an ARC-CO payment. An ARC-CO payment is triggered for a county when the current year revenue falls below the guarantee revenue for the crop and crop year. In cases where NASS county yield data is not available, the FSA State Committee must determine a county yield using RMA yield data or the best available yield data, including assigning a county yield using neighboring county yields from NASS or RMA.

Any information that producers provide to NASS is kept confidential and protected by federal law. NASS publishes only aggregate-level data, ensuring that no individual operation or producer can be identified. All reports will be available at www.nass.usda.gov.

NAP Deadline Approaching for 2016 Crops

Noninsured Crop Disaster Assistance Program (NAP) applications are due at different times, depending on the crop being insured.

November 20, 2015 is the 2016 NAP application closing date for bi-annual and perennial crops, such as apples, asparagus, blueberries, caneberries, cherries, grapes, hops, nectarines, peaches, pears, plums, rhubarb, and strawberries.

December 1, 2015 is the 2016 NAP application closing date for honey

March 15, 2016 is the 2016 NAP application closing date for spring and summer planted NAP crops

May 1, 2016 is the 2017 NAP application closing date for nursery crops

Eligible producers can apply for 2016 NAP coverage at their local FSA Office using form CCC-471, Application for Coverage. The service fee for basic NAP coverage is the lesser of \$250 per crop or \$750 per producer per administrative county, not to exceed a total of \$1,875 for a producer with farming interest in multiple counties. Producers interested in buy-up coverage must pay a premium, in addition to the service fee. The maximum premium will be \$6,563.

Producer meeting the definition of a socially disadvantaged farmer or rancher, beginning farmer or rancher or limited resource farmer or rancher will have service fees waived. Producers meeting this definition that choose to purchase buy-up coverage will also have service fees waived and the premium will be capped at \$3,282.

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.

Tree Assistance Program (TAP) Sign-up

Orchardists and nursery tree growers who experience losses from natural disasters during calendar year 2015 must submit a TAP application either 90 calendar days after the disaster event or the date when the loss is apparent. TAP was authorized by the Agricultural Act of 2014 as a permanent disaster program. TAP provides financial assistance to qualifying orchardists and nursery tree growers to replant or rehabilitate eligible trees, bushes and vines damaged by natural disasters.

Eligible tree types include trees, bushes or vines that produce an annual crop for commercial purposes. Nursery trees include ornamental, fruit, nut and Christmas trees that are produced for commercial sale. Trees used for pulp or timber are ineligible.

To qualify for TAP, orchardists must suffer a qualifying tree, bush or vine loss in excess of 15 percent mortality from an eligible natural disaster. The eligible trees, bushes or vines must have been owned when the natural disaster occurred; however, eligible growers are not required to own the land on which the eligible trees, bushes and vines were planted.

If the TAP application is approved, the eligible trees, bushes and vines must be replaced within 12 months from the date the application is approved. The cumulative total quantity of acres planted to trees, bushes or vines, for which a producer can receive TAP payments, cannot exceed 500 acres annually.

2016 Acreage Reporting Dates

Producers who file accurate and timely reports for all crops and land uses, including failed acreage can prevent the potential loss of FSA program benefits. Please pay close attention to the acreage reporting dates below, as some dates have changed.

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their local County FSA office to file an accurate crop certification report by the applicable deadline.

The following 2016 acreage reporting dates are applicable for Illinois:

December 15, 2015	fall seeded small	grains and	perennial forag	e with and
December 13, 2013	iali secucu siliali	grains and	perennial loray	e will allu

intended use of forage and grazing

January 2, 2016 honey

January 15, 2016 apples, asparagus, blueberries, caneberries, cherries, grapes,

nectarines, peaches, pears, plums, strawberries

June 15, 2016 cucumbers (planted 5/1 – 5/31) in Gallatin, Lawrence, and White

Counties

July 15, 2016 cabbage (planted 3/15 – 5/31), perennial forage (with an intended

use of cover only, green manure, left standing, or seed) and all

other crops

August 15, 2016 cabbage (planted 6/1 - 7/20)

September 15, 2016 cucumbers (planted 6/1 – 8/15) in Gallatin, Lawrence, and White

Counties

The following exceptions apply to the above acreage reporting dates:

If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.

If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendars days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.

USDA Extends Dairy Margin Protection Program Deadline

USDA's Farm Service Agency (FSA) announced that the deadline to enroll for the dairy Margin Protection Program for coverage in 2016 has been extended until Nov. 20, 2015. The voluntary program, established by the 2014 Farm Bill, provides financial assistance to participating farmers when the margin – the difference between the price of milk and feed costs – falls below the coverage level selected by the farmer.

Producers are encouraged to use the online Web resource at www.fsa.usda.gov/mpptool to calculate the best levels of coverage for their dairy operation. The secure website can be accessed via computer, smartphone or tablet.

Producers who were enrolled in 2015 will need to make a coverage election for 2016 and pay the \$100 administration fee. Although any unpaid premium balances for 2015 must be paid in full by the enrollment deadline to remain eligible for higher coverage levels in 2016, premiums for 2016 are not due until Sept. 1, 2016. Also, producers can work with milk marketing companies to remit premiums on their behalf.

To enroll in the Margin Protection Program for Dairy, contact your local FSA county office. To find your local FSA county office, visit http://offices.usda.gov.

Payments under the program may be reduced by a certain percentage due to a sequester order required by Congress and issued pursuant to the Balanced Budget and Emergency Deficit Control Act of 1985. Should a payment reduction be necessary, FSA will reduce the payment by the required amount.

New Provisions - USDA Adds More Eligible Commodities for 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 will now include dairy, flowers and meats as eligible commodities.

The new commodities eligible for facility loans include floriculture, hops, rye, milk, cheese, butter, yogurt, meat and poultry (unprocessed), eggs, and aquaculture (excluding systems that maintain live animals through uptake and discharge of water). Commodities already eligible for the loans include corn, grain sorghum, soybeans, oats, wheat, barley, minor oilseeds harvested as whole grain, pulse crops (lentils, chickpeas and dry peas), hay, honey, renewable biomass, and fruits, nuts and vegetables for cold storage facilities.

FSFL's 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 FSFL's, visit www.fsa.usda.gov/pricesupport or contact your local FSA county office.

MAL's Available for Crop Years 2015-2018

The 2014 farm bill authorizes 2014-2018 crop year Marketing Assistance Loans (MAL's).

MALs provide financing and marketing assistance for wheat, 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.

FSA is now accepting requests for 2015 crop MALs for all eligible commodities after harvest.

The 2014 Farm Bill also establishes payment limitations per individual or entity not to exceed \$125,000 annually on certain commodities for the following program benefits: ARC PLC, marketing loan gains (MLGs) and LDPs. These payment limitations do not apply to MAL loan disbursements.

For more information and additional eligibility requirements, please visit a nearby USDA Service Center or FSA's website www.fsa.usda.gov.

Livestock Indemnity Program (LIP)

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the federal government or protected by federal law. LIP compensates livestock owners and contract growers for livestock death losses in excess of normal mortality due to adverse weather, including losses due to hurricanes, floods, blizzards, wildfires, extreme heat or extreme cold.

For 2015, eligible losses must occur on or after Jan. 1, 2015, and before December 31, 2015. A notice of loss must be filed with FSA within 30 days of when the loss of livestock is apparent. Participants must provide the following supporting documentation to their local FSA office no later than 30 calendar days after the end of the calendar year for which benefits are requested:

- Proof of death documentation
- Copy of growers contracts
- Proof of normal mortality documentation

Emergency Assistance for Livestock, Honeybees and Farm- Raised Fish Program (ELAP)

ELAP provides emergency assistance to eligible producers of livestock, honeybees and farm-raised fish that have losses due to disease, adverse weather, or other conditions, such as blizzards and wildfires. ELAP assistance is provided for losses not covered by LFP and LIP. For 2015 program year losses (losses that occur from October 1, 2014 through September 30, 2015), the notice of loss and an application for payment must be submitted by November 2, 2015.

For 2016 program year losses (losses that occur from October 1, 2015 through September 30, 2016), the ELAP notice of loss and an ELAP application for payment must be submitted by November 1, 2016.

For more information, producers can review the LIP and ELAP Fact Sheets on the <u>Farm Bill</u> webpage, or contact their local FSA office.

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.

October Interest Rates

Farm Operating - Direct 2.625%

Farm Ownership - Direct 3.750%

Farm Ownership - Direct, Joint

Financing 2.500%

Farm Ownership - Down Payment 1.500%

Conservation Loan 4.000%

FSFL 7 year Loan 1.875%

FSFL 10 year Loan 2.125%

FSFL 12 year Loan 2.375%

Commodity Loans 1.375%

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.

Youth Loans

The Farm Service Agency makes loans to youth to establish and operate agricultural income-producing projects in connection with 4-H clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

Youth Loan Eligibility Requirements:

Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien

• Be 10 years to 20 years of age

- Comply with FSA's general eligibility requirements
- Be unable to get a loan from other sources
- Conduct a modest income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the youth loan applicant, along with providing adequate supervision.

Stop by the county office for help preparing and processing the application forms.

Dates to Remember

November 02 Deadline to provide final ELAP documentation

November 09 COC ballots will be mailed to voters November 11 Veterans Day "Office Closed" November 26 Thanksgiving Day "Office Closed"

December 01 General CRP signup period begins
December 07 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).







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