December 2016



- Farm Service Agency Extends Voting Deadline for County Committee Elections
- FSAfarm+, FSA's Customer Self-Service Portal
- <u>USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for</u> Small-Scale Operators
- Preauthorized Debit Available for Farm Loan Borrowers
- Filing CCC-941 Adjusted Gross Income (AGI) Certifications
- USDA Offers New Loans for Portable Farm Storage and Handling Equipment
- Fruit, Vegetable and Wild Rice Planting Rules
- Marketing Assistance Loans Available for 2016 Crops
- <u>USDA Partners with Farmers and Ranchers to Protect More Than 500,000 Acres of</u> Working Grasslands
- Double-cropping
- Reporting Organic Crops
- Cover Crop Guidelines
- CRP Provides Opportunity to Improve Pollinator Nutrition While Restoring or Enhancing Habitat
- 2017 Acreage Reporting Dates
- December Interest Rates and Important Dates to Remember

December FSA Newsletter

2016 Holiday Greetings to Friends of FSA

This year's message to you is bittersweet. Upon my retirement in January, 2017 I will be happy to sleep a bit later in the morning. That being said, I am sad that this is my last holiday message to you.

My dreams in February of 1994 when I came to FSA did not begin to imagine the experiences that have become a wonderful reality. The FSA Team and I have built relationships with Illinois Agriculture organizations and individuals that are strong. Together we have worked through the good days, the challenging days, and each day of service. We have given and received our best to each other, Illinois producers, the American people and Illinois FSA. As I have said before, being in service to the American people is an honor for which I am grateful and I can only hope that IL FSA has made each of your lives a little better.

I consider Illinois Producers to be some of the wisest, conservation oriented, generous, family-oriented, and successful in the world. Our partnership with you is here to ensure this country has a multitude of producers, rather than just a few, who could dictate the supply and the price of our food

FSA Farm Programs and Farm Loans help level the playing field from year to year. We acknowledge and thank you by providing the best in service and greeting you with a cheerful smile even when some days are challenging.

Season's Greetings, Merry Christmas, Happy New Year to you and yours.

Have the happiest holiday ever.

Scherrie V. Giamanco State Executive Director Illinois Farm Service Agency

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To find contact information for your local office go to www.fsa.usda.gov/il

Farm Service Agency Extends Voting Deadline for County Committee Elections

The deadline to submit ballots for the USDA Farm Service Agency (FSA) 2016 County Committee Elections has been extended to ensure farmers and ranchers have sufficient time to vote. Eligible voters now have until Dec. 13, 2016 to return ballots to their local FSA offices.

FSA has modified the ballot, making it easily identifiable and less likely to be overlooked. Ballots returned by mail must be postmarked no later than Dec. 13, 2016. Newly elected committee members will take office Jan. 1, 2017.

Nearly 7,700 FSA County Committee members serve FSA offices nationwide. Each committee has three to 11 elected members who serve three-year terms of office. One-third of County Committee seats are up for election each year. County Committee members apply their knowledge and judgment to help FSA make important decisions on its commodity support, conservation, indemnity, disaster and emergency programs.

Producers must participate or cooperate in an FSA program to be eligible to vote in the County Committee election. Approximately 1.5 million producers are currently eligible to vote.

Farmers and ranchers who supervise and conduct the farming operations of an entire farm, but are not of legal voting age, also may be eligible to vote.

For more information, visit the FSA website at www.fsa.usda.gov/elections or contact the local County FSA office.

FSAfarm+, FSA's Customer Self-Service Portal

The U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) has launched a new tool to provide farmers and ranchers with remote access to their personal farm information using their home computers. Farmers and ranchers can now view, print or export their personal farm data all without visiting an FSA county office.

The program, known as **FSA**farm+, provides you with secure access to view your personal FSA data, such as base and yields, Conservation Reserve Program data, other conservation program acreage, Highly Erodible Land Conservation and Wetland Conservation status information, field boundaries, farm imagery, name and address details, contact information and membership interest and shares in the operation. This data will be available in real time, at no cost to the producer and allow operators and owners to export and print farm records, including maps. Producers also can electronically share their data with a crop insurance agent from their own personal computer.

Farm operators and owners first will need "Level 2 eAuthentication" to access the webportal. This level of security ensures that personal information is protected for each user. Level 2 access can be obtained by going to www.eauth.usda.gov, completing the required information and then visiting your local FSA office to finalize access.

For more information on **FSA**farm+, the customer self-service portal, contact your local FSA office. To find your local FSA county office, click http://offices.usda.gov.

USDA Announces Streamlined Guaranteed Loans and Additional Lender Category for Small-Scale Operators

The U.S. Department of Agriculture (USDA) announced the availability of a streamlined version of USDA guaranteed loans, which are tailored for smaller scale farms and urban producers. The program, called EZ Guarantee Loans, uses a simplified application process to help beginning, small, underserved and family farmers and ranchers apply for loans of up to \$100,000 from USDA-approved lenders to purchase farmland or finance agricultural operations.

USDA today also unveiled a new category of lenders that will join traditional lenders, such as banks and credit unions, in offering USDA EZ Guarantee Loans. Microlenders, which include Community Development Financial Institutions and Rural Rehabilitation Corporations, will be able to offer their customers up to \$50,000 of EZ Guaranteed Loans, helping to reach urban areas and underserved producers. Banks, credit unions and other traditional USDA-approved lenders, can offer customers up to \$100,000 to help with agricultural operation costs.

EZ Guarantee Loans offer low interest rates and terms up to seven years for financing operating expenses and 40 years for financing the purchase of farm real estate. USDA-approved lenders can issue these loans with the Farm Service Agency (FSA) guaranteeing the loan up to 95 percent.

USDA is providing a 90-day period for the public to review and comment on program improvements. To review program details, visit www.regulations.gov, reference RIN 0560-Al34 and follow the instructions to submit comments.

More than half of all FSA loans go to new farmers and more than a quarter to underserved borrowers. FSA also offers loans of up to \$5,000 to young farmers and ranchers though the Youth Loan Program. Loans are made to eligible youth to finance agricultural projects, with almost 9,000 young people now participating. More information about the available types of FSA farm loans can be found at www.fsa.usda.gov/farmloans or by contacting your local FSA office. To find your nearest office location, visit http://offices.usda.gov

Preauthorized Debit Available for Farm Loan Borrowers

USDA Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful for borrowers who use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at http://www.rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

For more information about PAD, contact your local FSA office. To find a local FSA office, visit http://offices.usda.gov

Filing CCC-941 Adjusted Gross Income (AGI) Certifications

Many producers have experienced delays in receiving Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) payments, Loan Deficiency Payments (LDPs) and Market Gains on Marketing Assistance Loans (MALs) because they have not filed form CCC-941, Adjusted Gross Income Certification. LDPs will not be paid until all eligible producers, including landowners who share in the crop, have filed a valid CCC-941.

Producers without a valid CCC-941 certifying their compliance with the average adjusted gross income provisions will not receive payments that have been processed. All farm operator/tenants/owners who have not filed a CCC-941 and have pending payments should IMMEDIATELY file the form with their recording county FSA office. Farm operators and tenants are encouraged to ensure that their landowners have filed the form. FSA has been issuing 2016 LDPs and Market Gains.

FSA can accept the CCC-941 for 2015, 2016 and 2017. Unlike the past, producers must have the CCC-941 certifying their AGI compliance before any payments can be issued.

USDA Offers New Loans for Portable Farm Storage and Handling Equipment

USDA's Farm Service Agency (FSA) will provide a new financing option to help farmers purchase portable storage and handling equipment through the Farm Storage Facility Loan (FSFL) program. The loans, which now include a smaller microloan option with lower down payments, are designed to help producers, including new, small and mid-sized producers, grow their businesses and markets. The FSFL program allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The program also offers a new "microloan" option, which allows applicants seeking less than \$50,000 to qualify for a reduced down payment of five percent and no requirement to provide three years of production history, with CCC providing a loan for the remaining 95 percent of the net cost of the eligible FSFL equipment. Farms and ranches of all sizes are eligible. The microloan option is expected to be of particular benefit to smaller farms and ranches, and specialty crop producers who may not have access to commercial storage or on-farm storage after harvest. These producers can invest in equipment like conveyers, scales or refrigeration units and trucks that can store commodities before delivering them to markets.

FSFL microloans can also be used to finance wash and pack equipment used post-harvest, before a commodity is placed in cold storage. Producers do not need to demonstrate the lack of commercial credit availability to apply for FSFL's.

Larger farming and ranching operations, that may not be able to participate in the new "microloan" option, may apply for the traditional, larger FSFL's with the maximum principal amount for each loan through FSFL of \$500,000.00. Participants are required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$100,000.00. FSFL loan terms of 3, 5, 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Earlier this year, FSA significantly expanded the list of commodities eligible for FSFL. Eligible commodities now include aquaculture; floriculture; fruits (including nuts) and vegetables; corn, grain sorghum, rice, oilseeds, oats, wheat, triticale, spelt, buckwheat, lentils, chickpeas, dry peas sugar, barley, rye, hay, honey, hops, maple sap, unprocessed meat and poultry, eggs, milk, cheese, butter, yogurt and renewable biomass.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. The FSFL application must be approved before: purchasing the FSFL equipment, beginning any excavation or site preparation, accepting delivery of FSFL equipment, beginning installation or construction.

To learn more about Farm Storage Facility Loans, visit www.fsa.usda.gov/pricesupport or contact a local FSA county office. To find your local FSA county office, visit https://offices.usda.gov.

Fruit, Vegetable and Wild Rice Planting Rules

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.

Marketing Assistance Loans Available for 2016 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 2016 crop 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.

Illinois FSA county offices are now accepting requests for 2016 crop commodity and honey MALs and LDPs for eligible commodities after harvest. As 2016 crop harvest wraps up, Illinois FSA county offices are accepting requests for 2016 fall harvested crops; corn, grain sorghum and soybeans.

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.

USDA Partners with Farmers and Ranchers to Protect More Than 500,000 Acres of Working Grasslands

USDA will accept more than 504,000 acres that were offered nationwide by producers during the recent ranking period for the Conservation Reserve Program (CRP) Grasslands enrollment. Through the voluntary CRP Grasslands program, grasslands threatened by development or conversion to row crops are maintained as livestock grazing areas, while providing important conservation benefits.

Illinois will accept 8 offers totaling more than 1,864.7 acres. Nationwide, over 70 percent of the acres are from beginning farmers, veterans and underserved producers. About two-thirds of the acres are in counties with the highest threat for conversion. Additionally, nearly 60 percent of the acres are in wildlife priority areas and nearly three-fourths of the acres will have a wildlife-focused conservation plan as part of the operation.

USDA is also reminding producers that it is still accepting additional offers for CRP Grasslands. The current ranking period that closes on Dec. 16, also includes a new CRP Grasslands practice specifically tailored for small-scale livestock grazing operations to encourage broader participation. Small livestock operations with 100 or fewer head of grazing dairy cows (or the equivalent) can submit applications to enroll up to 200 acres of grasslands per farm. USDA's goal is to enroll up to additional 200,000 acres. The new practice for small-scale livestock grazing operations encourages greater diversity geographically and in all types of livestock operation. Small livestock operations are encouraged to contact their local Farm Service Agency office to learn more about this program before Dec. 16, to be considered as part of the current ranking period.

Small livestock operations or other farming and ranching operations interested in participating in CRP Grasslands should contact their local FSA office.

To find your local FSA office, visit http://offices.usda.gov. To learn more about FSA's conservation programs, visit www.fsa.usda.gov/conservation.

Double-cropping

Each year, state committees will review and approve or disapprove county committee recommended changes or additions to specific combinations of crops.

Double-cropping is approved when the two specific crops have the capability to be planted and carried to maturity for the intended use, as reported by the producer, on the same acreage within a crop year under normal growing conditions. The specific combination of crops recommended by the county committee must be approved by the state committee.

Double-cropping is approved in Illinois on a county-by-county basis. Contact your local FSA Office for a list of approved double-cropping combinations for your county.

A crop following a cover crop terminated according to termination guidelines is approved double cropping and these combinations do not have to be approved by the state committee.

Reporting Organic Crops

Producers who want to use the Noninsured Crop Disaster Assistance Program (NAP) organic price and selected the "organic" option on their NAP application must report their crops as organic.

When certifying organic acres, the buffer zone acreage must be included in the organic acreage.

Producers must also provide a current organic plan, organic certificate or documentation from a certifying agent indicating an organic plan is in effect. Documentation must include:

- name of certified individuals
- address
- telephone number
- effective date of certification
- certificate number
- list of commodities certified
- name and address of certifying agent
- a map showing the specific location of each field of certified organic, including the buffer zone

Certification exemptions are available for producers whose annual gross agricultural income from organic sales totals \$5,000 or less. Although exempt growers are not required to provide a written certificate, they are still required to provide a map showing the specific location of each field of certified organic, transitional and buffer zone acreage.

For questions about reporting organic crops, contact your local FSA office. To find your local office, visit http://offices.usda.gov.

Cover Crop Guidelines

Recently 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.

The termination and reporting guidelines were updated for cover crops.

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 https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/landuse/crops/ and click "Cover Crop Termination Guidelines."

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.

Cover crops include grasses, legumes, and forbs, for seasonal cover and other conservation purposes. Cover crops are primarily used for erosion control, soil health Improvement, and water quality improvement. 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.

Cover crops 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.

CRP Provides Opportunity to Improve Pollinator Nutrition While Restoring or Enhancing Habitat

The Livestock Indemnity Program (LIP) provides assistance to eligible producers for livestock death losses in excess of normal mortality due to an extreme or abnormal adverse weather event and/or 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 2016, eligible losses must occur on or after January 1, 2016, and before December 31, 2016. 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 (January 30, 2017) for which benefits are requested:

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

The Farm Service Agency is committed to supporting insect pollination and the health and well-being of honey bees and other pollinators through the CRP Program. Ongoing efforts aim to increase the percentage of fast blooming forage legumes and other inexpensive wildflowers that have traditionally been a part of CRP plant mixes. The CP42 Pollinator Habitat Practice, first introduced in 2012, offers landowners a way to create longer-lasting meadows of high quality native wildflowers that support pollinators and other wildlife throughout the growing season.

Participants of newly enrolled CRP pollinator habitat practices are eligible to receive annual rental payments, cost share payment covering up to 50% of the cost of establishing the pollinator practice, a \$150 Sign-up Incentive Payment for each Continuous CRP acre enrolled in CP42, and a cost share payment covering 50% of the cost of mid-contract management. Effective December 1, 2016, enrollment in CP42 is limited to a maximum of 100 acres per farm.

CP42 practices are comprised of native plant species and includes a variety of plants that flower at different times throughout the growing seasons, providing pollen sources that are critical for honey bee and native bee health and habitat for migrating pollinators such as monarch butterflies. Planting in blocks is preferred over strip plantings, and each block or strip of habitat must be a minimum of 0.5 acres.

For questions regarding CRP and Pollinator Habitats, please contact your local FSA office.

2017 Acreage Reporting Dates

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

Acreage reporting dates vary by crop and by county, so please contact your local FSA office for a list of county-specific deadlines.

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the applicable 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 applicable acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15th.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the applicable dates or 15 calendar days before grazing or harvesting of the crop begins.

For questions regarding crop certification and crop loss reports, please contact your local FSA office.

The following 2017 acreage reporting dates are applicable for Illinois:

December 15, 2016 fall seeded small grains, canola, and perennial forage

January 2, 2017 honey

January 15, 2017 apples, asparagus, blueberries, caneberries, cherries,

grapes,

nectarines, peaches, pears, plums, strawberries

June 15, 2017 cucumbers (planted 5/1 - 5/31)

July 15, 2017 All other spring and summer planted crops

August 15, 2017 cabbage (planted 6/1 - 7/20)

September 15, 2017 cucumbers (planted 6/1 - 8/15)

December Interest Rates and Important Dates to Remember

Selected Interest Rates for December 2016		
90-Day Treasury Bill	.250%	
Farm Operating Loans — Direct	2.25%	
Farm Ownership Loans — Direct	3.25%	
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%	
Emergency Loans	3.25%	
Farm Storage Facility Loans (3 years)	1.125%	
Farm Storage Facility Loans (5 years)	1.375%	
Farm Storage Facility Loans (7 years)	1.750%	
Farm Storage Facility Loans (10 years)	2.00%	
Farm Storage Facility Loans (12 years)	2.00%	
Sugar Storage Facility Loans	2.125%	
Commodity Loans 1996- Present	1.750%	

Dates to Remember	
Dec, 13	Final date to return COC election ballots
Dec. 15	Final date to report fall seeded crops such as wheat and perennial forage for 2017
Dec. 26	Christmas Day Holiday- FSA Offices Closed
Jan. 2	New Year's Day Holiday – FSA Offices Closed
Jan. 16	Martin Luther King's Birthday – FSA Offices Closed
Continuous	Farm Storage Facility Loan applications
Continuous	Farm Record Changes
Continuous	CRP signup (waterways, filter strips, field borders, pollinator habitat)

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