



NEWSLETTER



Illinois State FSA Office

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Hours

Monday - Friday
8:00 a.m. - 4:30 p.m.

APRIL 2013

Scherrie V. Giamanco
**State Executive
Director**

Rick Graden
Executive Officer

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Affairs Specialist**

Visit our Website at:
www.fsa.usda.gov/il

WELCOME TO THE ILLINOIS FSA STATE NEWSLETTER (12th Edition)

As USDA Farm Service Agency is moving to a paperless, electronic version of County Newsletters, the State Office has developed a State Wide Newsletter that will be posted to this site every month. This is a uniform Newsletter available to all producers in the state. If you would like to have a hard copy of this newsletter for your use, please stop by your local county office to obtain one. If you wish to receive electronic county office news, and have not signed up to do so yet, please contact your local county office and provide them with your email address. We appreciate your patience while we transition into a new, more efficient, cost saving way of providing you with the most up to date information possible.

Sincerely,

Scherrie V. Giamanco – State Executive Director

HISPANIC AND WOMEN FARMERS AND RANCHERS CLAIMS PROCESS EXTENDED

Agriculture Secretary Tom Vilsack has announced the extension of the voluntary claims process for Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades. All claims must now be filed by **May 1, 2013**.

USDA urges potential claimants to contact the Claims Administrator for information and mail their claim packages on or before May 1, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied his or her application for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000. As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

Claimants may register for a claims package by calling the telephone number below Monday through Friday 9 a.m. to 8 p.m. Eastern Time or by downloading the forms from the website.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Fax: (855) 626-8343

Email: claims@hwfr.org

Claims Period: September 24, 2012 – May 1, 2013.

Claim packages and other documentation may be mailed to Hispanic and Women Farmers and Ranchers Claims Administrator, PO Box 4540, Portland, OR 97208-4540. Claim packages and other documentation may also be emailed to claims@hwfr.org. Claimants may also fax claims packages and other documentation to (855) 626-8343. Completed forms and documentation must be received no later than 11:59 p.m. PDT on May 1, 2013.



ACREAGE CERTIFICATION

After spring planting, producers should certify their 2013 acreage. Filing an accurate acreage report for all crops and land uses, including failed acreage and prevented planting acreage, can prevent the loss of benefits for a variety of programs.

Failed acreage must be reported before disposition of the crop. Prevented planting must be reported no later than 15 days after the final planting date.

Acreage reports are required for many Farm Service Agency programs. For spring and summer planted crops enrolled in programs other than NAP (Noninsured Crop Disaster Assistance Program), acreage reports are to be certified by July 15.

For NAP crops, producers should contact their local FSA office to obtain the specific acreage reporting date.

NAP COVERAGE DEADLINES

Noninsured Crop Disaster applications are due at different times, depending on the crop being insured.

- August 31 is the next NAP application closing date for canola.
- September 1 is NAP application closing date for value loss crops such as Christmas trees, aquaculture, turfgrass sod, floriculture, etc.
- September 30 is the NAP application closing date for mechanically harvested forage, grazed forage, and fall seeded small grains.
- November 20 is the NAP application closing date for bi-annual and perennial crops, such as apples, asparagus, blueberries, caneberries, cherries, grapes, nectarines, peaches, pears, plums, rhubarb, and strawberries.
- December 1 is the NAP application closing date for honey.

Producers should apply for Noninsured Crop Disaster Assistance Program (NAP) coverage using form CCC-471 (Application for Coverage). Related service fees are due when the application is filed. The application and service fee MUST be filed by the crop sales closing date. Contact your local FSA office for the filing dates for your crops

2011 SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM APPLICATIONS

During 2011, all Illinois counties except for Boone, DuPage, Grundy, Kane, Kendall, Lake, McHenry, Marshall, and Putnam Counties received a Secretarial Disaster Designation, whether primary or contiguous, and producers are eligible to apply for SURE benefits if they experienced at least a 10 percent production loss that affects one crop of economic significance. Producers outside a declared disaster county, but with production losses greater than or equal to 50 percent of the normal production on the farm, may also qualify for SURE.

To meet program eligibility requirements, producers must have obtained a policy or plan of insurance through the Federal Crop Insurance Corporation or obtained Noninsured Crop Disaster Assistance Program (NAP) coverage for all economically significant crops. Eligible farmers and ranchers who meet the definition of a socially disadvantaged, limited resource or beginning farmer or rancher do not have to meet this requirement. Forage crops intended for grazing are not eligible for SURE benefits.

For more information on SURE program eligibility requirements contact your local FSA office or visit the website at <http://www.fsa.usda.gov/sure>.

DCP/ACRE SIGN-UP CONTINUES

The sign-up period for DCP and ACRE are still open. The ACRE sign-up period will end on June 3, 2013 and the DCP sign-up period will end on Aug. 2, 2013. The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP in 2012 may opt for ACRE enrollment in 2013. Contact the FSA county office for more information, or an appointment to enroll.

CRP SIGN-UP STARTS SOON

USDA will conduct a four-week general sign-up for the Conservation Reserve Program (CRP), beginning May 20 and ending on June 14. CRP protects the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

Currently, about 27 million acres are enrolled in CRP. Producers that are accepted in the program can receive cost-share assistance to plant long-term, resource-conserving covers and receive an annual rental payment for the length of the contract which is 10-15 years.

Contracts on 3.3 million acres of CRP are set to expire on Sept. 30, 2013. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

For more information on CRP and other FSA programs, visit a local FSA service center or www.fsa.usda.gov.

ADJUSTED GROSS INCOME

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; \$1 million nonfarm average AGI for conservation programs; and \$ 1 million total average AGI for direct payments.

Participants in CCC programs subject to average AGI rules must submit form CCC-933 to their local FSA Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainervlet>.

DCP AND ACRE FRUITS AND VEGETABLES (FAV) EXEMPTION

Producers enrolled in the Direct and Counter-Cyclical Program (DCP) or the Average Crop Revenue Election (ACRE) program can plant any crop on base acres except for fruits, vegetables and wild rice other than mung beans and pulse crops.

Fruits and Vegetables (FAVs) and wild rice can only be planted if the commodity is destroyed without benefit before harvest unless one of the following exceptions applies:

- In a double-cropping practice with covered commodities or peanuts in any region designated as having a history of double-cropping covered commodities or peanuts with fruits, vegetables, or wild rice
- On a farm with a history of planting FAV's or wild rice, except that direct and counter-cyclical payments shall be reduced by an acre for each acre of base acreage planted to a fruit, vegetable, or wild rice
- If the producer has an established history of planting a specific fruit, specific vegetable, or wild rice. If you meet this exception, please check with your county office for additional requirements.

Failure to comply with FAV and wild rice provisions is a CCC-509 violation that could result in termination or a reduction in direct, counter-cyclical and ACRE program payments. Compliance and payment reductions will be determined on wild rice and all FAVs planted on base acres, with the following exemptions:

- FAVs that are designated as and meet the definition of a home garden

- FAVs planted and reported with an intended use and the producer pays a fee to cover the cost of a farm visit to verify that the crop has not been harvested as FAV cover only, foraging, green manure, grazing, left standing or silage.
- Mung beans and pulse crops

The intentions must be declared when the acreage report is filed. These exemptions can't be used to negate CCC-509 violations or payment reductions.

FARM RECORD CHANGES

June 1, 2013 is the deadline to provide changes to your farm records at the local FSA office for the current crop year. If you are changing your operation entity type, adding or dropping cropland or farms, or adding entities to your operation, contact the FSA county office by June 1.

CONDUCT USDA BUSINESS ONLINE BY CREATING AN EAUTHENTICATION ACCOUNT

The Internet allows you, the customer, access to USDA information 24 hours a day, seven days a week. You can fill out and submit electronic forms (eForms) any time of the day or night from anywhere you have Internet access. This new service delivery option allows you to complete and file your own forms or applications online, because your signature is already electronically "on file."

Information submitted to the Federal Government remains safe and secure because every customer has a unique User ID and password; only authorized USDA employees can access your information. It's safe, saves paper, saves a visit to your local USDA Service Center and provides electronic tracking of all your USDA transactions.

How to Sign Up for eAuth :

Begin the process by reviewing the information at the USDA Website <https://www.eauth.usda.gov>. This website describes the services available for Level 1 and Level 2 Accounts. Level 1 and Level 2 accounts require that you have an email address so you can register, create a customer profile, and be able to respond to a confirmation email. Level 1 Accounts do not require you to provide proof of your identity at a local USDA Service Center. Level 1 Accounts provide limited access to certain USDA Web site portals that require no authentication or authorization. A Level 2 Account does require a visit to a USDA Service Center with proof of your identity. That is because a Level 2 account allows you access to complete and submit documents and forms electronically.

LEVEL 1 ACCOUNT

STEP 1. To obtain a Level 1 Account, you may self-register online at www.eauth.egov.usda.gov.

Scroll down and click on the button that says "Sign Up for a Level 1 Account." Complete the brief customer profile.

STEP 2. You will receive a confirmation email, and you must respond to it within 7 days to activate your account.

LEVEL 2 ACCOUNT

STEP1. To obtain a Level 2 Account, you must complete an 18 question customer profile and prove your identity by presenting state or federal photo ID at a local USDA Service Center. Go to www.eauth.egov.usda.gov, scroll down and click on "Sign Up for a Level 2 Account." Complete your customer profile, which includes designating your user ID and password created by you, contact information and email information. The data you enter in your customer profile must match the data on the document you use as identification at your local USDA Service Center. Example: Your first and last names and address must match the government-issued photo ID you plan to use to prove your identity. Identify proof can only be verified by one of the following documents: Current State Driver's License, State Photo ID, US Military ID, or United States Passport.

STEP 2. After completing your customer profile and submitting it online, you will receive a confirmation email, and you must respond to it within 7 days to activate your account.

STEP 3. Then you must complete the “Identify Proofing” process by visiting a local USDA Service Center. You will be required to present the eligible photo ID to an USDA employee who will verify your identity and enter the expiration date of the ID document used.

STEP 4. The USDA employee then will update your customer profile to a Level 2 Account. You will have access to USDA online applications and forms within one hour of your account being updated.

You now have access to complete and submit documents and forms electronically. USDA continues to update and make more forms and programs available electronically.

MICROLOAN PROGRAM

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and the smallest of family farm operations.

The program will operate similar to the Operating Loan program but will include reduced requirements for managerial experience and loan security, as well as reduced paperwork.

The microloan program can be used for such expenses as annual crop inputs, marketing and distribution expenses, purchase of livestock and equipment, and minor farm improvements such as wells and coolers.

Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are normally repaid within 12 months or when the agricultural commodities produced are sold. Interest rates will be the same as the regular Direct Operating Loan rates.

FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The maximum principal amount for each loan through FSFL is \$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 \$50,000.00. FSFL loan terms of 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.

Producers may choose to apply for FSFL requesting their loan proceeds be disbursed as a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

Applications for FSFL must be submitted to the FSA county office that maintains the farm's records. An FSFL must be approved before any site preparation or construction can begin. The following commodities are eligible for farm storage facility loans:

- Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain
- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

MARKETING ASSISTANCE LOANS

Marketing Assistance Loans, also referred to as Commodity Loans, are available to producers who share in the risk of producing the crop. To be eligible, you must maintain beneficial interest in the crop through the time of application. Once beneficial interest in a commodity is lost, the commodity is ineligible for loan — even if you regain beneficial interest.

Violating provisions of a marketing assistance loan may trigger administrative actions, such as assessing liquidated damages, calling the loan and denial of future farm-stored loans. The most common violations are removing or disposing of a commodity being used as loan collateral without prior authorization and providing an incorrect quantity certification.

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.

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.

FINAL AVAILABILITY DATES FOR MARKETING ASSISTANCE LOANS & LOAN DEFICIENCY PAYMENTS

- May 31-Corn, Cotton, Grain Sorghum, Rice, Soybeans

FSA MOVES TO ELECTRONIC CHECK PROCESSING

FSA has moved towards an electronic method for processing check payments from customers. All paper checks submitted for payment, either in person or through the mail, will be converted into an Electronic Funds Transfer (EFT) using Over the Counter Channel (OTCnet), a web-based application.

The electronic transfer of funds could occur within 24 hours. FSA will hold the paper check for up to 14 calendar days to ensure that the transaction was successfully processed and then the check will be shredded. The producer will not receive the paper check back from FSA.

All counties have been transitioned into OTCnet.

The new electronic check processing system benefits the Agency and producers. The new system will reduce the possibility of losing or misplacing checks, speeds up the check clearing process and reduces the potential for human error.

BEGINNING FARMER LOANS

FSA has a program to assist beginning farmers and/or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or 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
- Except for operating loan assistance, does not own farm acreage in excess of 30 percent of the county's median size

Each member of an entity must meet the eligibility requirements. Loan approval is also dependent on acceptable feasibility and security determinations.

Additional program information, loan applications, and other materials are available at the local USDA Service Center or visit www.fsa.usda.gov.

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged groups.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

GUARANTEED LOAN PROGRAM

The Farm Service Agency loan limit for the Guaranteed Loan Program has increased to \$1,302,000. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness has increased to \$1,602,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA County Offices with questions about farm loans.

RURAL YOUTH LOANS

The Farm Service Agency makes loans to rural youths to establish and operate 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.

For more information you can stop by your FSA county office. Our staff can help with preparing and processing the application forms.

LAND CONTRACT (LC) GUARANTEES

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning or socially disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

FSA offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property.

CRP PARTICIPANTS OF PRIMARY NESTING SEASON REQUIREMENTS

The Farm Service Agency (FSA) reminds Conservation Reserve Program (CRP) participants that maintenance and management activities on CRP acres must be completed outside of the primary nesting season, which begins April 15, 2013, and continues through August 1, 2013.

CRP participants must not engage in any CRP maintenance or management activities during the primary nesting season.

Participants with maintenance issues that require immediate attention must contact their county FSA office for permission prior to performing any spot spraying or spot mowing on CRP acres.

Failure to contact the county FSA office prior to any maintenance on CRP acres during nesting season may result in payment reductions or possible contract termination.

For questions or more information about maintenance and management activities of CRP acres, please visit your local FSA county office or visit <http://www.fsa.usda.gov>

APRIL 2013	
90-Day Treasury Bill	0.125%
Farm Operating Loans — Direct	1.250%
Farm Ownership Loans — Direct	3.250%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.500%
Emergency Loans	2.250%
Farm Storage Facility (7 year)	1.375%
Farm Storage Facility (10 year)	2.000%
Farm Storage Facility (12 year)	2.250%
Commodity Loans	1.125%

Dates to Remember	
May 1, 2013	HWFRCP ends
May 27, 2013	Memorial Day – FSA Offices Closed
June 3, 2013	ACRE sign up ends
June 7, 2013	2011 SURE sign up ends
July 4, 2013	Independence Day – FSA Offices Closed
July 15, 2013	Deadline to certify spring and summer planted crops
August 2, 2013	DCP sign up ends
December 15, 2013	Deadline to certify 2014 perennial forage and 2014 fall seeded small grains
Continuous sign up	Farm Storage Facility Loans