



# NEWSLETTER



## WELCOME TO THE ILLINOIS FSA STATE NEWSLETTER (27th Edition)

### Illinois State FSA Office

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Springfield, IL 62711

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#### Hours

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

### AUGUST 2014

Scherrie V. Giamanco  
**State Executive  
Director**

Rick Graden  
**Executive Officer**

Mary Kirby – **Public  
Affairs Specialist**

Visit our Website at:  
[www.fsa.usda.gov/il](http://www.fsa.usda.gov/il)

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

### USDA NOTIFIES PRODUCERS ON ACREAGE HISTORY AND YIELDS

Written notifications from USDA are underway to farmers that provide updates on their current base acres, yields and 2009-2012 planting history.

Please verify the information in the letter from USDA with your farm records. If the information is correct, no further action is needed at this time, but if our letter is incomplete or incorrect, contact your local FSA office as soon as possible.

Verifying the accuracy of data on a farm's acreage history is a required early step for enrolling in the upcoming Agriculture Risk Coverage (ARC) program and the Price Loss Coverage (PLC) program. Later this summer, farmers and ranchers will have an opportunity to update their crop yield information and reallocate base acres.

revenue protection or individual revenue protection for 2014-2018 crop years. Producers can expect to sign contracts for ARC or PLC for the 2014 and 2015 crop years in the spring of 2015.

Covered commodities 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 (includes short grain rice and temperate japonica rice), safflower seed, sesame, soybeans, sunflower seed, and wheat. Upland cotton is no longer a covered commodity.

Visit [www.fsa.usda.gov](http://www.fsa.usda.gov) or the local FSA office for information about FSA and the 2014 Farm Bill programs.

### USDA'S FARM SERVICE AGENCY (FSA) OFFERS FARM BILL WEBSITE AND ONLINE OVERVIEW OF FARM BILL PROGRAMS

The Agricultural Act of 2014 (the Act), also known as the 2014 Farm Bill, was signed by President Obama on Feb. 7, 2014. The Act repeals certain programs, continues some programs with modifications, and authorizes several new programs administered by the Farm Service Agency (FSA). Most of these programs are authorized and funded through 2018.

For the latest on 2014 Farm Bill programs administered by FSA, please visit our Farm Bill website at [www.fsa.usda.gov/farmbill](http://www.fsa.usda.gov/farmbill) and for an FSA program overview please read, download and/or print our recently posted FSA Farm Bill Fact Sheet titled, What's in the 2014 Farm Bill for Farm Service Agency Customers?

For more information on FSA, please contact your local USDA Service Center or visit us online at [www.fsa.usda.gov](http://www.fsa.usda.gov).

## USDA REMINDS FARMERS OF 2014 FARM BILL CONSERVATION COMPLIANCE CHANGES

Changes mandated through the 2014 Farm Bill require producers to have a Highly Erodible Land Conservation and Wetland Conservation Certification (AD-1026) on file.

For farmers to be eligible for premium support on their federal crop insurance, a completed and signed AD-1026 form must be on file with the FSA. Since many FSA and Natural Resource Conservation (NRCS) programs have this requirement, most producers should already have an AD-1026 on file. If producers have not filed, they must do so by June 1, 2015.

When a farmer completes the AD-1026, FSA and NRCS staff will outline any additional actions that may be required for compliance with the provisions. The Risk Management Agency, through the Federal Crop Insurance Corporation (FCIC), manages the federal crop insurance program that provides the modern farm safety net for American farmers and ranchers.

Since enactment of the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to compliance with the highly erodible land conservation and wetland conservation provisions. The 2014 Farm Bill continues the requirement that producers adhere to conservation compliance guidelines to be eligible for most programs administered by FSA and NRCS.

This includes the new price and revenue protection programs, the Conservation Reserve Program, the Livestock Disaster Assistance programs and Marketing Assistance Loans implemented by FSA. It also includes the Environmental Quality Incentives Program, the Conservation Stewardship Program, and other conservation programs.

FSA recently released a revised form AD-1026 (06/30/2014), which is available at USDA Service Centers and online at: [www.fsa.usda.gov](http://www.fsa.usda.gov).

USDA will publish a rule later this year that will provide details outlining the connection of conservation compliance with crop insurance premium support. Producers can also contact their local USDA Service Center for information. A listing of service center locations is available at [www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/](http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/contact/local/).

## USDA EXTENDS DEADLINE FOR THE EMERGENCY ASSISTANCE FOR LIVESTOCK, HONEYBEES, AND FARM-RAISED FISH PROGRAM

The enrollment deadline for the 2012 and 2013 Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) has been extended to Aug. 15, 2014. Originally, program sign-up was scheduled to end Aug. 1.

The new deadline gives livestock, honeybee, and farm-raised fish producers who experienced losses because of disease, adverse weather, wildfires or colony collapse disorder between Oct. 1, 2011 and Sept. 30, 2013, an additional two weeks to enroll in ELAP.

Producers are encouraged to contact their local FSA service center or visit FSA's website at [www.fsa.usda.gov](http://www.fsa.usda.gov) for additional information regarding ELAP.

## MARGIN PROTECTION PROGRAM FOR DAIRY PRODUCERS

The 2014 Farm Bill authorized the Margin Protection Program (MPP-Dairy) for dairy producers. The new, voluntary risk management program replaces the Milk Income Loss Contract (MILC) program which expires on Sept. 30, 2014.

MPP-Dairy offers protection to dairy producers when the difference (the margin) between the all-milk price and national average feed cost falls below a certain producer selected amount.

Eligible producers may purchase coverage for their dairy operation by paying an annual administrative fee of \$100 and a premium, as applicable, for higher levels of coverage.

Producers in the dairy operation will have to select a desired coverage level ranging from \$4.00 to \$8.00, in \$0.50 increments and a desired coverage percentage level ranging from 25 to 90 percent, in 5 percent increments. Producers will also have to decide whether or not to participate in the MPP-Dairy Program or the Livestock Gross Margin program administered by the Risk Management Agency (RMA), but they will not be allowed to participate in both.

A decision tool will be made available in the fall of 2014 to help producers make coverage level decisions. Enrollment will also begin this fall. Dairy operators will establish their production history during signup. Verification of the production records will be required. The regulations for MPP-dairy are still being developed. Additional information will be provided as it becomes available.

#### LIVESTOCK DISASTER ASSISTANCE SIGN-UP UNDERWAY

Livestock disaster programs are authorized by the 2014 Farm Bill as permanent programs and provide retroactive financial assistance authority to cover losses that occurred on or after Oct. 1, 2011. Livestock Forage Program (LFP) provides for grazing losses, Livestock Indemnity Program (LIP) provides financial assistance for livestock losses due to adverse weather events and Emergency Livestock, Honeybees and Farm Raised Fish Program (ELAP) covers losses due to an eligible adverse weather or loss condition, including blizzards and wildfires, as determined by the Secretary.

For more information, producers can review the LFP, LIP and ELAP Fact Sheets on the [Farm Bill webpage](#). Producers are encouraged to make an appointment with their local FSA office to apply for these programs.

#### 2014 MAL AND LDP REQUESTS

The USDA Farm Service Agency (FSA) is accepting requests for marketing assistance loans (MALs) and loan deficiency payments (LDPs) for eligible 2014 commodities.

MALs and LDPs for the 2014 crop year become available to eligible producers beginning with harvest/shearing season and extending through a specific commodity's final loan availability date.

MALs and LDPs provide financing and marketing assistance for wheat, feed grains, soybeans, and other oilseeds, pulse crops, wool, mohair 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 a loan, but agrees to forgo the loan, may obtain an LDP if such a payment is available.

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: price loss coverage payments, agriculture risk coverage payments, marketing loan gains (MLGs) and LDPs.

These payment limitations do not apply to MAL loan disbursements.

#### 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 average size farm, in the county where the farm is located

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](http://www.fsa.usda.gov).

#### 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.

For additional information you can read the [Land Contract Guarantee Program Fact Sheet](#).

#### DISASTER ASSISTANCE FOR 2012 FROST OR FREEZE FRUIT CROP LOSSES ANNOUNCED

Producers who experienced losses to bush or tree fruit crops due to frost or freeze during the 2012 crop year may be eligible for assistance through the Noninsured Crop Disaster Assistance Program (NAP). The program, authorized by the 2014 Farm Bill, provides supplemental NAP payments to eligible producers. NAP enrollment begins July 22, 2014 and ends September 22, 2014 for producers in 19 Illinois Counties.

The following 19 counties received a **contiguous** Secretarial Disaster Designation in 2012 due to a late spring frost/freeze: Boone, Carroll, Clark, Cook, Crawford, Edgar, Gallatin, Hancock, Henderson, Iroquois, Jo Daviess, Kankakee, Lake, Lawrence, McHenry, Vermilion, Wabash, White, and Will.

Farmers who did not have access to crop insurance and are in primary and adjacent counties that received a

Secretarial disaster designation because of frost or freeze in 2012 are eligible for NAP assistance. Losses due to weather damage or other adverse natural occurrences may also qualify for program assistance.

To expedite applications, producers who experienced losses are encouraged to collect records documenting these losses in preparation for sign-up. Producers also are encouraged to contact their FSA county office to schedule an appointment. Limited resource, socially disadvantaged, and beginning producers are eligible for premium reductions and also may be eligible for fee reductions.

Interested producers can view the 2012 NAP Coverage for Frost, Freeze or Weather Related Fruit Losses Fact Sheet at <http://go.usa.gov/5kSQ>, or visit a local FSA office. To find out if land is located in an eligible frost/freeze county, visit <http://go.usa.gov/53rz>.

#### USDA KICKS OFF THE 2014 "FEDS FEED FAMILIES" NATIONWIDE FOOD DRIVE

USDA kicked off the 6th annual Feds Feed Families Campaign on June 2, 2014. The 2014 food drive will run through August 27.

The food drive is an annual event in which Federal employees, nationwide, collect food for distribution by food banks, food pantries, and shelters.

All Federal agencies across the country participate in the campaign. Donations are given to local food banks across the country – having a positive impact to help food banks address food insecurity. Secretary Vilsack noted that the latest USDA estimates show that in 2012 food insecurity affected 14.5 percent of American households at some point.

If you are interested in making a donation to the annual "Feds Feed Families" Food Drive, please contact your local USDA Service Center.

For more information on the Feds Feed Families campaign, please visit:

<http://www.usda.gov/fedsfeedfamilies>

AUGUST 2014 INTEREST RATES	
90 Day Treasury Bills	.125%
Farm Operating Loans – Direct	1.50%
Farm Ownership Loan – Direct	3.625%
Farm Ownership Loans – Direct Down Payment, Beginning Farmer or Rancher	1.50%
Direct Farm Ownership – Joint Financing	2.50%
Emergency Loans	3.25%
Farm Storage Facility Loan (7 years)	2.125%
Farm Storage Facility Loan (10 years)	2.625%
Farm Storage Facility Loan (12 years)	2.750%
Commodity Loans 1996 – Present	1.125%
DATES TO REMEMBER	
AUGUST 27, 2014	FEDS, FEED FAMILIES FOOD DRIVE OVER
Continuous	Farm Storage Facility Loans Sign up to conduct business online through E- authentication