

November 2015



Having trouble viewing this email? [View it as a Web page.](#)

- [Holiday Greeting from the State Executive Director](#)
- [Loans for Targeted Underserved Producers](#)
- [Guaranteed Loan Program](#)
- [Beginning Farmer Loans](#)
- [USDA Issues Safety-Net Payments to Farmers Facing Market Downturn](#)
- [Producers are Reminded to Complete NASS Crop Surveys](#)
- [USDA Announces Changes to Fruit, Vegetable and Wild Rice Planting Rules](#)
- [2011, 2012, 2013 and 2014 Average Adjusted Gross Income Compliance Reviews](#)
- [FSA County Committee Election](#)
- [November Interest Rates](#)
- [Dates to Remember](#)

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## November FSA Newsletter

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### Illinois Farm Service Agency

3500 Wabash Ave  
Springfield, IL 62711

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

#### State Committee:

Jill Appell - Chair  
Brenda Hill - Member  
Jerry Jiminez - Member  
Joyce Matthews - Member  
Gordon Stine - Member

#### State Executive Director:

Scherrie V. Giamanco

#### State Executive Officer:

Rick Graden

#### Administrative Officer:

Dan Puccetti

### Holiday Greeting from the State Executive Director

Dear Friends,

Just as the Pilgrims and Native Americans celebrated that first successful harvest, we have continued the tradition here in the USA.

No more relevant is this holiday than in the Illinois Farming Community. IL production agriculture families make up a large part of the finest and most productive growers in this country. The rest of us thank each of you for your hard work and ability in feeding the people here and around the world.

Illinois USDA FSA's mission is to inform the public about farm programs; to eliminate barriers for farmers and ranchers; and to broaden program participation to all communities. Your patronage is

**Division Chiefs:**

Doug Bailey  
Jeff Koch  
Stan Wilson

valued and your confidence is appreciated. We are thankful to count you as friends and customers.

Wishing you a Happy Thanksgiving,

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

Sincerely,

Scherrie V. Giamanco  
State Executive Director

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## Loans for Targeted Underserved Producers

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 to purchase or improve farms or ranches.

While all qualified producers are eligible to apply for these loan programs, FSA has provided priority funding for members of targeted underserved applicants.

A targeted underserved 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, targeted underserved 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

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## Guaranteed Loan Program

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

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

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

FSA can guarantee farm ownership and operating loans up to \$1,399,000. Repayment terms vary depending on the type of loan, collateral and the producer's ability to repay the loan. Operating loans are normally repaid within seven years and farm ownership loans are not to exceed 40 years.

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

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

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## USDA Issues Safety-Net Payments to Farmers Facing Market Downturn

USDA's Farm Service Agency (FSA) has announced that beginning today, nearly one half of the 1.7 million farms that signed up for either the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs will receive safety-net payments for the 2014 crop year.

Unlike the old direct payments program, which paid farmers in good years and bad, the 2014 Farm Bill authorized a new safety-net that protects producers only when market forces or adverse weather cause unexpected drops in crop prices or revenues.

**Example:** The corn price for 2014 is 30 percent below the historical benchmark price used by the ARC-County program, and revenues of the farms participating in the ARC-County program are down by about \$20 billion from the benchmark during the same period. The nearly \$4 billion provided today by the ARC and PLC safety-net programs will give assistance to producers where revenues dropped below normal.

The ARC/PLC programs primarily allow producers to continue to produce for the market by making payments on a percentage of historical base production, limiting the impact on production decisions.

Nationwide, 96 percent of soybean farms, 91 percent of corn farms, and 66 percent of wheat farms elected the ARC-County coverage option. Ninety-nine percent of long grain rice and peanut farms, and 94 percent of medium grain rice farms elected the PLC option. Overall, 76 percent of participating farm acres are protected by ARC-County, 23 percent by PLC, and 1 percent by ARC-Individual. For data about other crops, as well as state-by-state program election results, final PLC price and payment data, and other program information including frequently asked questions, visit [www.fsa.usda.gov/arc-plc](http://www.fsa.usda.gov/arc-plc).

Crops receiving assistance include barley, corn, grain sorghum, lentils, oats, peanuts, dry peas, soybeans, and wheat. In the upcoming months, disbursements will be made for other crops after marketing year average prices are published by USDA's National Agricultural Statistics Service. Any

disbursements to participants in ARC-County or PLC for long and medium grain rice (except for temperate Japonica rice) will occur in November, for remaining oilseeds and also chickpeas in December, and temperate Japonica rice in early February 2016. ARC-individual payments will begin in November. Upland cotton is no longer a covered commodity.

The Budget Control Act of 2011, passed by Congress, requires USDA to reduce payments by 6.8 percent. For more information, producers are encouraged to visit their local Farm Service Agency office. To find a local Farm Service Agency office, visit <http://offices.usda.gov>.

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## **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 the 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](http://www.nass.usda.gov).

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

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

Producers who intend to participate in the Agriculture Risk Coverage (ARC) or Price Loss Coverage (PLC) programs are subject to an acre-for-acre payment reduction when fruits and nuts, vegetables or wild rice are planted on the payment acres of a farm. Payment reductions do not apply to mung beans, dry peas, lentils or chickpeas.

Planting fruits, vegetables or wild rice on acres that are not considered payment acres will not result in a payment reduction. Farms that are eligible to participate in ARC/PLC but are not enrolled for a particular year may plant unlimited fruits, vegetables and wild rice for that year but will not receive ARC/PLC payments for that year. Eligibility for succeeding years is not affected.

Planting and harvesting fruits, vegetables and wild rice on ARC/PLC acreage is subject to the acre-for-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.

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## **2011, 2012, 2013 and 2014 Average Adjusted Gross Income Compliance Reviews**

The AGI verification and compliance reviews for 2011, 2012, 2013 and 2014 are conducted on producers who the IRS indicated may have exceeded the adjusted gross income limitations described in [7 CFR 1400.500]. Based on this review, producers will receive determinations of eligibility or ineligibility.

If the producer is determined to have exceeded the average AGI limitation of \$900,000, receivables will be established for payments earned directly or indirectly by the producer subject to the \$900,000 limitation. The Illinois FSA State Office has begun notifying producers selected for review. If you have any questions about the review process or determinations, please contact the Illinois FSA State Office at 217-241-6600. Producers who receive initial debt notification letters may only appeal the amount of the debt to their local FSA office. Payment eligibility adverse determinations become administratively final 30 days from the date of the payment eligibility adverse determination letter and can only be reopened if exceptional circumstances exist that prevented the producer from timely filing the appeal.

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## **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/newsroom/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>.

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## **November Interest Rates**

90 Day Treasury Bill	.125%
Direct Farm Operating Loans	2.50%

Direct Farm Ownership Loans	3.875%
Farm Ownership Loans - Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.50%
Farm Storage Facility Loans (7 years)	1.750%
Farm Storage Facility Loans (10 years)	2.125%
Farm Storage Facility Loans (12 years)	2.250%
Commodity Loans 1996- Present	1.250%

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## Dates to Remember

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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).

November 20	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
November 20	Deadline to enroll in 2016 MPP-Dairy coverage
November 26	Thanksgiving Day Holiday - FSA Offices Closed
December 1	Conservation Reserve Program (CRP) General Signup begins and continues through Feb. 26, 2016
December 7	Last day to return County Committee Election ballots to County FSA Offices

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