



# NEWSLETTER



## WELCOME TO THE ILLINOIS FSA STATE NEWSLETTER (21st Edition)

### Illinois State FSA Office

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#### Hours

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

### FEBRUARY 2014

Scherrie V.  
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**State Executive Director**

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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

### MICROLOAN PROGRAM

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

FSA offers applicants a Microloan designed to help farmers with credit needs of \$35,000 or less. The loan features a streamlined application process built to fit the needs of new and smaller producers. This loan program will also be useful to specialty crop producers and operators of community supported agriculture (CSA).

Eligible applicants can apply for a maximum amount of \$35,000 to pay for initial start-up expenses such as hoop houses to extend the growing season, essential tools, irrigation and annual expenses such as seed, fertilizer, utilities, land rents, marketing, and distribution expenses. As financing needs increase, applicants can apply for a regular operating loan up to the maximum amount of \$300,000 or obtain financing from a commercial lender under FSA's Guaranteed Loan Program.

Individuals interested in applying for a microloan or would like to discuss other farm loan programs available, should contact their local FSA office to setup an appointment with a Loan Approval Official.

### FSA ADVISES PRODUCERS TO PLEASE BE AWARE OF PAYMENT REDUCTIONS DUE TO MANDATE SEQUESTURE

USDA's Farm Service Agency (FSA) is reminding farmers and ranchers who participate in FSA programs to plan accordingly in FY2014 for automatic spending reductions known as sequestration. The Budget Control Act of 2011 (BCA) mandates that federal agencies implement automatic, annual reductions to discretionary and mandatory spending limits. For mandatory programs the sequestration rate for FY2014 is 7.2% by law, adjusted up or down dependent on the specific program. Accordingly, FSA is implementing sequestration at varying rates for the following programs:

- Dairy Indemnity Payment Program;
- Marketing Assistance Loans;
- Loan Deficiency Payments;
- Noninsured Crop Disaster Assistance Program;
- 2013 Direct and Counter-Cyclical Payments;
- 2013 Average Crop Revenue Election Program;
- 2011 Supplemental Revenue Assistance Program;

Conservation Reserve Program payments are specifically exempt by statute from sequestration, thus these payments will not be reduced.

These sequester percentages reflect current law estimates; however with the continuing budget uncertainty, Congress still may adjust the exact percentage reduction.

Today's announcement sees producers feeling the impact of the sequestration cuts in FY2014.

At this time, FSA is implementing the sequester reductions as required. Due to the expiration of the Farm Bill on September 30, FSA does not have the flexibility to cover these payment reductions in the same manner as in FY13. FSA has provided notification on the specific payment reductions.

For information about FSA programs, visit your county USDA Service Center or go to [www.fsa.usda.gov/](http://www.fsa.usda.gov/).

#### FILING A NAP NOTICE OF LOSS

The CCC-576, Notice of Loss, is used to report failed acreage and prevented planting and may be completed by any producer with an interest in the crop. Timely filing a Notice of Loss is required for all crops including grasses.

For losses on crops covered by the Non-Insured Crop Disaster Assistance Program (NAP) and crop insurance, you must file a CCC-576, Notice of Loss, in the FSA County Office within 15 days of the occurrence of the disaster or when losses become apparent.

If filing for prevented planting, an acreage report and CCC-576 must be filed within 15 calendar days of the final planting date for the crop.

#### NAP APPLICATION CLOSING DATES

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

- March 15, 2014 is the 2014 NAP application closing date for spring and summer planted NAP crops (includes potatoes)
- March 15, 2014 is the 2014 NAP application closing date for oats (includes grain and forage)
- May 1, 2014 is the 2015 NAP application closing date for nursery crops
- August 31, 2014 is the 2015 NAP application closing date for canola
- September 1, 2014 is the 2015 NAP application closing date for value loss crops, such as, Christmas trees, aquaculture, ginseng root, turfgrass sod, onion sets, and controlled environment crops of mushrooms and floriculture
- September 30, 2014 is the 2015 NAP application closing date for mechanically harvested forage, grazed forage, and fall seeded small grains (alfalfa, mixed forage, grass, rye, barley)
- November 20, 2014 is the 2015 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, 2014 is the 2015 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.

#### FOREIGN INVESTMENT DISCLOSURE

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All foreign persons who acquire, transfer, or hold interests in agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, Realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

#### PREVENTING FRAUD

The Farm Service Agency supports the Risk Management Agency in the prevention of fraud, waste and abuse of the Federal Crop Insurance Program. FSA has been, and will continue to, assist RMA and insurance providers by monitoring crop conditions throughout the growing season. FSA will continue to refer all suspected cases of fraud, waste and abuse directly to RMA.

Producers can report suspected cases to the FSA office, the RMA office, or the Office of the Inspector General.

#### 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](http://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

STEP 1. 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](http://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. <http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/FSA658.PDF>

#### LOANS FOR MEMBERS OF UNDERSERVED

##### GROUPS(SOCIALLY DISADVANTAGED APPLICANTS)

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, the FSA has provided priority funding for members of socially disadvantaged applicants. 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.

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

### RURAL YOUTH LOANS

The Farm Service Agency makes loans to rural youth to establish and operate modest, income-producing, agriculture related, educational 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.

### 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 or feed any grain under loan.

### 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 a FSFL, requesting their loan proceeds be disbursed as a partial disbursement and final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final 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. A 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

### COMPLIANCE SPOT CHECKS

Compliance spot checks will be conducted on 2014 crops. Instead of locally selecting farms, contracts, deficiency loans, etc. for review, a nationwide selection of producers is employed. Spot check selections are to be conducted based on a producer's participation in USDA programs, such as, Conservation Reserve Program, Direct and Counter-cyclical Program, Loan Deficiency Program, NAP, etc.

### MARKETING ASSISTANCE LOANS

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A nine-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing. The crop may be stored on the farm or in the warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

#### 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.

#### FSA ALLOWS LENDERS TO USE EVALUATIONS INSTEAD OF APPRAISALS FOR LOANS OF \$250,000 OR LESS

Lenders that originate Farm Service Agency (FSA) guaranteed loans may now use internal real estate “collateral evaluations” to support loan requests of \$250,000 or less, rather than appraisals.

This policy change will allow lenders more flexibility and a faster underwriting process, and is consistent with industry standards.

Lenders must follow their regulator’s “Interagency Appraisal and Evaluation Guidelines” and apply these same policies to FSA guaranteed loans as non-guaranteed loans. In addition, lenders should request an appraisal when they would do so for unguaranteed loans even if the loan is under the threshold, such as when the expected loan-to-value is above their established standards.

A description of the method of establishing the real estate value – whether appraisal or evaluation – needs to be described to FSA in their credit presentation.

#### HIGHLY ERODIBLE LAND AND WETLAND COMPLIANCE

Landowners and operators are reminded that in order to receive benefits from USDA, they must be compliant with Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) provisions.

Farmers with HELC determined soils must apply tillage, crop residue and rotation requirements as specified in their conservation plan or approved system.

Producers should notify FSA prior to conducting land clearing or drainage projects to ensure compliance. Landowners and operators can complete form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification to determine whether a referral to Natural Resources Conservation Service (NRCS) for a technical determination is necessary.

For more information on Highly Erodible Land and Wetland Conservation provisions, contact a FSA County Office or visit the FSA website at [www.fsa.usda.gov](http://www.fsa.usda.gov)

#### 2014 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 for 2014.

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 2014 acreage reporting dates are applicable for Illinois:

September 30, 2013	aquaculture, Christmas trees, turfgrass sod, floriculture
December 15, 2013:	perennial forage (with an intended use of haying or grazing), fall-seeded small grains
January 2, 2014	honey
January 15, 2014:	apples, asparagus, blueberries, caneberries, cherries, grapes, nectarines, peaches, pears, plums, strawberries
July 15, 2014:	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, 2014: cabbage (planted 6/1 – 7/20)

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 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 15, 2014.

Noninsured Crop Disaster Assistance Program (NAP) policy holders should note that the acreage reporting date for NAP covered crops is the earlier of the dates listed above 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 County FSA office.

### DRIVING IN SNOW AND ICE

The best advice for driving in bad winter weather is not to drive at all, if you can avoid it.

Don't go out until the snow plows and sanding trucks have had a chance to do their work, and allow yourself extra time to reach your destination.

If you must drive in snowy conditions, make sure your car is prepared (**TIPS**), and that you know how to handle road conditions.

It's helpful to practice winter driving techniques in a snowy, open parking lot, so you're familiar with how your car handles. Consult your owner's manual for tips specific to your vehicle.

### TIPS:

1. Decrease your speed and leave yourself plenty of room to stop. You should allow at least three times more space than usual between you and the car in front of you.
2. Brake gently to avoid skidding. If your wheels start to lock up, ease off the brake.
3. Turn on your lights to increase your visibility to other motorists.
4. Keep your lights and windshield clean.
5. Use low gears to keep traction, especially on hills.
6. Don't use cruise control or overdrive on icy roads.
7. Be especially careful on bridges, overpasses and infrequently traveled roads, which will freeze first. Even at temperatures above freezing, if the conditions are wet, you might encounter ice in shady areas or on exposed roadways like bridges.
8. Don't pass snow plows and sanding trucks. The drivers have limited visibility, and you're likely to find the road in front of them worse than the road behind.
9. Don't assume your vehicle can handle all conditions. Even four-wheel and front-wheel drive vehicles can encounter trouble on winter roads.

### ANIMALS IN COLD WEATHER

**WATER** - Regardless of if you have dairy cattle, beef, sheep or goats, **water is critical!**

Livestock require water to maintain their immune system and stay healthy. Decreased water consumption leads to decreased feed intake, decreased milk production, decreased reproduction efficiency and reduced metabolic function.

During winter months, check water sources throughout the day to make sure they are free of ice and properly functioning.

**ENERGY** – Animals use energy from their diet for growth, reproduction, production, maintenance and thermoregulation.

Thermoregulation is how animals (and people) are able to maintain a core body temperature when the temperature outside changes.

When the temperature outside drops below the thermal neutral zone (TNZ) the animal must divert energy from the diet to maintain body temperature. This is energy that could have been used for growth, production or immune function.

<b>FEBRUARY 2014 INTEREST RATES</b>	
<b>90-Day Treasury Bill</b>	<b>.125%</b>
<b>Farm Operating Loans — Direct</b>	<b>2.00%</b>
<b>Farm Ownership Loans — Direct</b>	<b>4.25%</b>
<b>Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher</b>	<b>1.50%</b>
<b>Emergency Loans</b>	<b>3.00%</b>
<b>Farm Storage Facility (7 year)</b>	<b>2.375%</b>
<b>Farm Storage Facility (10 year)</b>	<b>3.00%</b>
<b>Farm Storage Facility (12 year)</b>	<b>3.125%</b>
<b>Commodity Loans</b>	<b>1.125%</b>
<b>February 17, 2014</b>	<b>Washington’s Birthday – office closed</b>
<b>Continuous</b>	<b>Continuous Conservation Reserve Program</b> <b>Farm Storage Facility Loans</b> <b>Sign up to conduct business online through E-authentication</b>

USDA is an equal opportunity provider, employer and lender. To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay).