



NEWSLETTER



WELCOME TO THE ILLINOIS FSA STATE NEWSLETTER (22nd 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

Illinois State FSA Office

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Hours

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

MARCH 2014

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

NEW FARM BILL PROVIDES PERMANENT LIVESTOCK DISASTER ASSISTANCE PROGRAMS

The 2014 Farm Bill, formally known as the *Agricultural Act of 2014*, makes the Livestock Forage Program (LFP) and Livestock Indemnity Program (LIP) permanent programs and provides retroactive authority to cover eligible losses back to Oct. 1, 2011.

LFP provides compensation to eligible producers who suffered grazing losses due to drought and fire. LIP provides compensation to livestock producers who suffered livestock death losses in excess of normal mortality due to adverse weather and attacks by animals reintroduced into the wild by the Federal Government or protected by Federal law, including wolves and avian predators.

USDA is determined to make implementing the livestock disaster programs a top priority and plans to open program enrollment by April 15, 2014.

As USDA begins implementing the livestock disaster assistance programs, producers should record all pertinent information of natural disaster consequences, including:

- of ownership and losses
- Dates of death supported by birth recordings or purchase receipts
- Costs of transporting livestock to safer grounds or to move animals to new pastures
- Feed purchases if supplies or grazing pastures are destroyed
- Crop records, including seed and fertilizer purchases, planting and production records
- Pictures of on-farm storage facilities that were destroyed by wind or flood waters
- Evidence of damaged farm land.

Many producers still have questions. USDA is in the process of interpreting Farm Bill program regulations. Additional information will be provided once the enrollment period is announced. In the meantime, producers can review the [LIP and LFP Fact Sheets](#). Thanks for your patience as USDA works diligently to put Farm Bill programs into action to benefit the farmers and ranchers of rural America.

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 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.

2013 ACRE

Participants in the 2013 ACRE program are required to submit production reports for planted acres for the covered commodities planted on the enrolled farm by July 15, 2014. Failure to report production for the covered commodities planted on ACRE farms may result in contract termination. If the contract is terminated, all payments, including direct payments previously received, plus interest, will be required to be refunded.

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

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, 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.

MARKETING ASSISTANCE LOANS (MAL)

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.

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

- March 31-Honey, Oats, Wheat
- May 31-Corn, Cotton, Grain Sorghum, Rice, Soybeans

HONEY LOANS

Honey loans are a type of marketing assistance loan and they are available until April 1, 2014. The national loan rate for honey is \$.69 per pound. Market prices currently exceed the loan rate, so LDPs are not available at this time.

To be eligible for a loan, the producer must have produced honey in the United States during the calendar year for which the loan is requested, and extracted the honey on or before Dec. 31 of the applicable crop year; have continuous beneficial interest in the honey through date of repayment of the loan; and been responsible for the financial risk of keeping. Producers are responsible for maintaining the quality of farm-stored honey during the term of the loan.

The containers must be marked with the producer’s name, type of honey, number of container and net weight. Pre-loan inspections are required before the loans can be disbursed.

Honey used as collateral may not be disposed of without approval of the county office staff.

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.

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, RMA, or the Office of the Inspector General.

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.

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.

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, caneberrries, 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.

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 (HEL) and Wetland Conservation (WC) provisions.

Farmers with HEL 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 (HEL) 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.

NAP APPLICATION CLOSING DATES

Noninsured Crop Disaster Assistance Program (NAP) applications are due at different times, depending on the crop being insured.

- March 15 is the 2014 NAP application closing date for spring and summer planted NAP crops
- May 1 is the 2015 NAP application closing date for nursery crops
- August 31 is the 2014 NAP application closing date for canola
- September 1 is the 2014 NAP application closing date for value loss crops, such as, aquaculture, Christmas trees, ornamental nursery, and turfgrass sod
- September 30 is the 2014 NAP application closing date for mechanically harvested forage, grazed forage, and fall seeded small grains.
- November 20 is the 2014 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 2014 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.

DIRECT LOAN CHANGES

Changes to FSA regulations as a result of the 2014 Farm Bill were made to the interest rate charged on loans where FSA provides 50 percent or less of the financing on jointly financed purchases of real estate, also called Direct Farm Ownership Participation Loans. The interest rate will be the greater of 2.5 percent or the current interest rate for direct Farm Ownership loans minus 2 percent, as a fixed rate for the duration of the loan. At present, the March direct Farm Ownership rate is 4.25 percent. Because the 2.5 percent floor is greater than subtracting 2 percent from the direct farm ownership loan rate, the rate for Direct Farm Ownership Participation Loans in March is 2.5 percent.

LOANS FOR MEMBERS OF UNDERSERVED GROUPS (SOCIALY 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, FSA has provided priority funding for members of socially disadvantaged groups. (Underserved 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.

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 the local FSA office to setup an appointment with a Loan Approval Official.

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.

GUARANTEED LOAN ELIGIBILITY

Changes to FSA regulations as a result of the 2014 Farm Bill have removed Guaranteed Operating term limits.

Previous and current guaranteed loan borrowers who were not eligible for further guaranteed loans due to the previous 15 year eligibility term limit may now be eligible for further guaranteed loans through their commercial lender.

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.

LAND CONTRACT GUARANTEES

Know someone/Have a customer that wants to sell their land through a land contract to:

- Help their son or daughter?
- Spread out the capital gains tax?
- Have an income stream available to them from interest accrual?
- A beginning or socially disadvantaged farmer but are concerned about the risk?

FSA's Land Contract Guarantee Program may be able to help.

The Land Contract 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, contact your local FSA office.

FARM LOAN PROGRAM FUNDING

In February, the Agency received the full year's allocation for Fiscal Year 2014 Farm Loan funding. Each year the U.S. Congress appropriates money for FSA direct and guaranteed farm loans as part of the USDA budget. The Government's fiscal year runs from October 1 through September 30 of the following year. Below is a summary of Fiscal Year 2014 FSA Farm Loan Funding Appropriations on a National basis as of March 5, 2014:

PROGRAM	FY 2014 Available Funds	Funds Used as of 03/05/14	Total Unused Funds	No. of Loans Made
\$ in thousands				
Direct Operating	\$1,195,620	\$614,395	\$581,225	10,775
Non targeted funds	\$490,000	\$164,410	\$325,590	
Targeted funds	\$705,620	\$449,985	\$255,635	
Guaranteed Operating	\$1,502,132	\$346,070	\$1,156,062	1,475
Non targeted funds	\$877,000	\$233,000	\$644,000	
Targeted funds	\$625,132	\$113,070	\$512,062	
Direct Farm Ownership	\$575,000	\$451,460	\$123,540	2,506
Non targeted funds	\$102,062	\$100,000	\$2,062	
Targeted funds	\$472,938	\$351,460	\$121,478	
Guaranteed Farm Ownership	\$2,000,000	\$941,518	\$1,058,482	2,163
Non targeted funds	\$1,200,000	\$672,000	\$528,000	
Targeted funds	\$800,000	\$269,518	\$530,482	
Guaranteed Conservation	\$56,309	\$0	\$56,309	0
Non targeted funds	\$20,000	\$0	\$20,000	
Targeted funds	\$36,309	\$0	\$36,309	
Emergency Boll Weevil	\$62,545	\$7,868	\$54,677	65
Indian Land Acquisition	\$60,000	\$0	\$60,000	0
	\$2,000	\$0	\$2,000	0
NATIONAL TOTAL	\$5,453,606	\$2,361,311	\$3,092,295	16,984

This table shows loans made and funds used for various loan programs nationwide for Fiscal Year 2014. Targeted Funds = Monies legislatively set aside for exclusive use by minority farmers, women farmers, and beginning farmers.

There are individual statewide allocations in some of the loan programs, while in others, the National Office retains loan funds in a national reserve.

Visit www.fsa.usda.gov or an FSA county office to learn more about FSA programs and loans. For information about USDA's Farm Bill implementation plan, visit www.usda.gov/farmbill.

MARCH 2014 INTEREST RATES	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	2.00%
Farm Ownership Loans — Direct	4.25%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.00%
Farm Storage Facility (7 year)	2.125%
Farm Storage Facility (10 year)	2.750%
Farm Storage Facility (12 year)	2.875%
Commodity Loans	1.125%
DATES TO REMEMBER	
July 15, 2014	Final date to submit 2013 production for ACRE participants
Continuous	Continuous Conservation Reserve Program Farm Storage Facility Loans Sign up to conduct business online through E-authentication

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).