



NEWSLETTER



Illinois State FSA Office

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

May 2012

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

WELCOME TO THE ILLINOIS FSA STATE NEWSLETTER (2nd 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

USDA CELEBRATES 150TH ANNIVERSARY

The Farm Service Agency (FSA) is celebrating the United States Department of Agriculture's 150th anniversary. USDA was founded in 1862 when President Abraham Lincoln signed the Department of Agriculture Act that established the United States Department of Agriculture (USDA). Since the start, USDA has helped support the tremendous growth and success of American agriculture. FSA realizes that farmers and ranchers take risks everyday and FSA is looking forward to continue serving the producers while addressing the changing needs of agriculture and rural America.

NEW CONTINUOUS CRP INITIATIVE

FSA announced a new conservation initiative to protect up to 750,000 acres of the nation's most highly erodible croplands. This initiative will assist producers with targeting their most highly erodible cropland (land with an erodibility index of 20 or greater) by enabling them to plant wildlife-friendly, long-term cover through the Conservation Reserve Program (CRP).

Producers can enroll land on a continuous basis beginning this summer at their local Farm Service Agency (FSA) county office. With the use of soil survey and geographic information system data,

local FSA staff will be able to quickly determine a producer's eligibility for the initiative once the final policies are released.

Additional information on this new initiative will be provided as soon as policy becomes available and for now producers are encouraged to contact their local FSA office or visit FSA's website at www.fsa.usda.gov/crp for additional information regarding CRP.

2012 DCP/ACRE SIGN-UP

2012 Direct and Counter-Cyclical Program (DCP)/Average Crop Revenue Election (ACRE) program enrollment started Jan. 23, 2012 and will end June 1, 2012. Here are some IMPORTANT REMINDERS:

- All producers with an interest in **DCP base** acres must be included on the DCP/ACRE contract and receive a share of DCP/ACRE payment for the farm.
- All producers receiving a share greater than zero on the DCP/ACRE contract must sign the contract no later than June 1, 2012. Changes on the farm after enrolling in DCP/ACRE must be reported to your local FSA

office such as:

- Ownership changes
- Producer changes (Individuals and Entities)
- Change in crop shares arrangements

Note: Changes to 2012 DCP/ACRE contracts cannot be made after Sept. 30, 2012.



FSA ADOPTING GOVDELIVERY

The USDA Farm Service Agency offices are moving toward a paperless operation. Producers are asked to enroll in the new GovDelivery system which will provide notices, newsletters and electronic reminders instead of a hard copy through the mail. FSA, like many other organizations, is trying to work smarter and be more efficient.

Moving to electronic notifications via email will help conserve resources and save taxpayer dollars. County Committee ballots will continue to be mailed to all eligible producers.

ACREAGE CERTIFICATION

Time is nearing for producers to certify their 2012 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 is the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster. Producers who request prevented planting must report their acreage and complete a CCC-576 Notice of Loss, Part B within 15 days after the final planting date.

Producers will need to provide documentation showing field preparation, seed purchase, and other information that proves their intent to plant the acreage.

Acreage reports are required for many Farm Service Agency programs. Acreage report deadlines vary by county. Producers are encouraged to contact their local FSA office for specific crop reporting deadlines.

Acreage reports on crops covered by NAP are due in the county office by the earlier of July 15 or 15 calendar days before the onset of harvest or grazing of the specific crop acreage being reported.

SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM (SURE)

The sign-up for 2010 losses runs through **June 1, 2012.**

The Supplemental Revenue Assistance Program (SURE) provides benefits for farm revenue losses due to natural disasters that occurred during the 2010 crop year. SURE is available to eligible producers on:

- Farms in counties with Secretarial disaster declarations, including contiguous counties, that have incurred crop production or quality losses, or both, and includes all crops grown by a producer nationwide, except grazed crops.
- Any farm in which, for the crop year, the actual production on the farm because of disaster-related conditions is 50 percent or less than normal production of the farm.

DIRECT AND GUARANTEED LOANS

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. The agency offers a variety of direct and

guaranteed loan financing options for eligible applicants who may be looking for that first opportunity, as well as for those who have been farming for a number of years, and have a temporary need for obtaining direct or guaranteed financing to expand or restructure parts of their farming operation. Loan funds are targeted towards qualified beginning farmer applicants and for Socially Disadvantaged groups.

Farm ownership loans or farm operating loans may be obtained as direct loans for a maximum of up to \$300,000. Guaranteed loans have a maximum limit of \$1,214,000. This makes the maximum combination of direct and guaranteed loan indebtedness \$1,514,000.

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.

FSA loans are available to applicants who meet all eligibility requirements including the test for credit elsewhere.

As with all farm loan program applications, loan approval is also dependant on acceptable feasibility and security determinations.

To find out more about FSA loan programs, contact the county office staff.

MINORITY FARM REGISTER

Minority farmers and ranchers across the nation can voluntarily join the USDA Minority Farm Register to receive information and opportunities from USDA agencies.

The register is a shared outreach list that will help USDA, community-based organizations (CBOs) and minority-serving educational institutions communicate with minority farmers and ranchers. Producers who join the register may receive outreach materials, newsletters and program announcements from USDA agencies and approved outreach partners. USDA will carefully control access to and use of the Register.

Individuals wishing to join the Register can visit your local county FSA office and complete the registration form. Registration forms are also available in Spanish (AD-2035SP) and English (AD-2035) on the FSA web site (www.fsa.usda.gov) under "Forms."

CHANGING BANKS

Almost all Farm Service Agency payments are made electronically using Direct Deposit.

To keep the system running smoothly, it's critical to keep the county office staff up to date on changes you might make in your financial institutions.

If you have changed accounts or institutions that might affect the direct deposit of your FSA payments, contact the FSA county office so we can update our files to ensure continued uninterrupted service.

FORMS AD-1026 AND CCC-931 ARE AVAILABLE IN SPANISH

USDA is working hard to make more Spanish forms available to the public. Producers can now access the following forms in Spanish:

- [AD-1026 - Highly Erodible Land Conservation \(HELC\) and Wetland Conservation \(WC\) Certification](#)
- [CCC-931 - Average Adjusted Gross Income \(AGI\) Certification and Consent to Disclosure of Tax Information](#)

Please stay tuned as more Spanish forms are made

available at:

<http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>

FARM RECONSTITUTIONS

When changes in farm ownership or operation take place, a farm *reconstitution* is necessary. The reconstitution — or recon — is the process of combining or dividing farms or tracts of land based on the farming operation.

The following are the different methods used when doing a farm recon. Remember, to be effective for the current year, recons must be requested by Aug. 1 for farms enrolled in the Direct and Counter-cyclical Program.

- **Estate Method** — the division of bases, allotments and quotas for a parent farm among heirs in settling an estate;

Designation of Landowner Method — may be used when (1) part of a farm is sold or ownership is transferred; (2) an entire farm is sold to two or more persons; (3) farm Ownership is transferred to two or more persons; (4) part of a tract is sold or ownership is transferred; (5) a tract is sold to two or more persons; or (6) tract ownership is transferred to two or more persons. In order to use this method the land sold must have been owned for at least three years, or a waiver granted, and the buyer and seller must sign a Memorandum of Understanding;

- **DCP Cropland Method** — the division of bases in the same proportion that the DCP cropland for each resulting tract relates to the DCP cropland on the parent tract;
- **Default Method** — the division of bases for a parent farm with each tract maintaining the bases attributed to the tract level when the reconstitution is initiated in the system.

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. 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.

Loan terms of 7, 10, 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.

RURAL YOUTH LOANS

The Farm Service Agency makes loans to rural youth 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's advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5,000.

YOUTH LOAN ELIGIBILITY REQUIREMENTS

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or legal resident alien;
- Be 10 years to 20 years of age;
- Comply with FSA's general eligibility requirements;
- Reside in a rural area, city or town with the population of 50,000 or fewer people;
- Be unable to obtain a loan from other sources;
- Conduct a modest income-producing project in a supervised program of work as outlined above;
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

Stop by your local county office for help preparing and processing the loan application forms.

BEGINNING AND LIMITED RESOURCE 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
- Does not own a farm in excess of 30 % of the county's median size

Each member of an entity must meet the eligibility requirements. Loan approval is not guaranteed.

Additional program information, loan applications, and other materials are available at your local USDA Service Center or by visiting 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 established in the 2008 Farm Bill and Pub. L. 112-55 are \$500,000 nonfarm average AGI for commodity (DCP/ACRE), price support, and disaster assistance programs; \$750,000 farm average AGI for direct DCP/ACRE payments; \$1 million total farm and nonfarm average AGI for 2012 DCP/ACRE direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-931- "*Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information*" to the Internal Revenue Service by June 15 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/efcommon/eFileServices/eForms/CCC931.PDF>.

PREVENTED PLANTING

Prevented planting is the inability to plant the intended crop acreage with proper equipment by the final planting date for the crop type because of a natural disaster. Producers who request prevented planting must report their acreage and complete a CCC-576 Notice of Loss, Part B within 15 days after the final planting date. Producers will need to provide documentation showing field preparation, seed purchase, and other information that proves their intent to plant the acreage.

TREE ASSISTANCE PROGRAM ELIGIBILITY REQUIREMENTS REMINDER

Orchardists and nursery tree growers who experienced losses from natural disasters that occurred from January 1, 2008, through September 30, 2011, could still be eligible for the Tree Assistance Program (TAP).

Producers who experienced a loss from a natural disaster that occurred before September 30, 2011, must report the loss within 90 calendar days of when the loss was first apparent. The applicant must provide evidence to FSA of when the loss is first apparent. The local county committee will determine if the evidence supports that the loss occurred from an eligible disaster and was reported timely.

Contact your local FSA office for questions and additional eligibility requirements.

MEASUREMENT SERVICE

Farmers who would like a guarantee on their crop plantings and land use acreages can make it official by using the FSA measurement service. Producers must file a request with the county office staff and pay the cost of a field visit to have stake and referencing done on the farm. Measurement service is available using digital imagery. If an on-site visit is not required producers are charged a reduced rate.

Incorrect acreage self-certification can result in reduced program payments, penalty or loss of eligibility.

REMEMBER HAY NET

Producers are encouraged to use Hay Net on the FSA website (<http://www.fsa.usda.gov/haynet>). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use the site.

RURAL ROADWAY SAFETY

Blue skies and tranquil settings may lull us into complacency when driving on rural roadways but a tragedy may be waiting to happen, just around the corner. Rural roadways can be danger zones for both farm machinery operators and those sharing the road, if both are not careful. When comparing the number of fatalities on rural roadways and those using the primary or interstate roads, the rural traveler is less likely to buckle up and more likely to be killed. A report completed by the National Highway Traffic Safety Administration (NHTSA) indicated that there are approximately 40% more fatal crashes and fatalities occurring in rural areas compared to urban areas. Rural fatal accidents; have a larger proportion of crashes with more than one fatality per crash, a truck involved, severe vehicle damage, a head-on collision, and ejected persons.

Factors unique to rural roads such as large slow moving machinery, soft shoulders, hills, people riding in the back of pickups, and inexperienced vehicle operators could result in a dangerous situation. Large machinery's size, weight, and power magnify the destruction that can take place if a collision should occur. When a motorist comes upon a slow moving vehicle the driver may not be able to slow down fast enough to prevent a collision, especially if coming upon the machinery from a hill or around a curve, where the driver's vision is impeded.

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.

HISPANIC AND WOMEN FARMERS

A process to resolve the claims of Hispanic and women farmers and ranchers who believe they were discriminated against when seeking USDA farm loans has been established.

If you believe that the United States Department of Agriculture (USDA) improperly denied farm loan benefits to you between 1981 and 2000 because you are Hispanic, or because you are female, you may be eligible to apply for compensation.

For additional information on this and other settlement issues contact:

Hispanic and Women Farmer Claims Process:

www.farmerclaims.gov or call 1-888-508-4429

Pigford – The Black Farmers Discrimination Litigation:

www.blackfarmercase.com or call 1-866-950-5547

Keepseagle – The Native American Farmers Class Action Settlement:

www.IndianFarmClass.com or call 1-888-233-5506

FARM RECORD CHANGES

June 1, 2012 is the deadline to provide changes to your farm records at the local FSA office for the 2012 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.

MILC PROGRAM REQUIREMENTS REMINDER

Dairy producers must meet program requirements in order to maintain eligibility in the event that prices drop and trigger a MILC payment.

To maintain program eligibility, MILC participants must notify their local FSA office of any operation changes, such as a change in producer, shares, address or bank routing number. In order for dairy producers to receive a MILC payment, they must meet adjusted gross income (AGI) requirements by completing, "CCC-931 - AGI Certification and Consent to Disclosure of Tax Information."

Dairy producers who want to enroll in MILC must fill out, "CCC-580 - Milk Income Loss Contract" and select a start-month for which the Commodity Credit Corporation (CCC) will begin issuing payments to the dairy operation. Current dairies that participate in MILC can make changes to their start-month with certain restrictions.

Any start-month changes must be made on or before the 14th of the month before the selected MILC production start-month. The change must also be made before requesting payment and before the original MILC production start-month has passed.

Changes to the dairy operation start-month must be designated on FSA's form, "CCC-580M - Milk Income Loss Contract (MILC) Modification."

For more information about the MILC program, please contact your local FSA office or visit the web at: 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.

Selected Interest Rates for May 2012	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.50%
Farm Ownership Loans — Direct	3.50%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility Loans (7 years)	1.500%
Farm Storage Facility Loans (10 years)	2.125%
Farm Storage Facility Loans (12 years)	2.375%
Commodity Loans 1996-Present	1.125%

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.

FINAL AVAILABILITY DATES FOR MARKETING ASSISTANCE LOANS

- May 31-Corn, Dry Peas, Grain Sorghum, Lentils, Mustard Seed, Safflower Seed, Chickpeas, Soybeans, Sunflower Seed
-

CRP CONTRACTS SCHEDULED TO EXPIRE SEPTEMBER 30, 2012

Participants that have Conservation Reserve Program (CRP) contracts scheduled to expire September 30, 2012 have two options available, let the contract expire or submit an offer to re-enroll the acreage. Participants that allow the acreage to expire will receive their final payment in October of 2012.

After September 30, 2012 the acreage is no longer under a CRP contract and may be planted, hayed or grazed. Before planting, check to see if the land is subject to the highly erodible conservation and wetland conservation compliance provisions. If eligible, participants may apply for early release of CRP acres, which would allow preparation of the land for planting before September 30, 2012.

Participants should contact their local Farm Service Agency Office to reinstate crop acreage bases, if they were reduced when the contract was originally approved. Expired contract acres that were devoted to trees will NO longer be considered cropland and may be ineligible for subsequent CRP contracts and other farm programs.

Dates to Remember	
June 1	DCP/ACRE Deadline
June 1	SURE Deadline
June 1	Farm Record Changes Deadline
July 15	Deadline to provide 2010 ACREA production on FSA-658
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve program

Participants may also re-enroll acreage that is expiring September 30, 2012 by contacting their local Farm Service Agency Office by August 1, 2012 (this will allow time for preparing the new application). Offers will be accepted if the land meets eligibility requirements and will be eligible to receive a 10-15 year contract that would become effective October 1, 2012. A new Conservation Plan of Operations (CPO) will be required as well as other eligibility requirements.

Please contact your local FSA office for further information.

