



NEWSLETTER



Illinois State FSA Office

3500 Wabash
Springfield, IL 62711

217-241-6600
217-241-6619 fax

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

OCTOBER 2012

Scherrie V. Giamanco
State Executive Director

Rick Graden
Executive Officer

Mary Kirby – **Public Affairs Specialist**

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

WELCOME TO THE ILLINOIS FSA STATE NEWSLETTER (6th 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



HISPANIC AND WOMEN FARMER AND RANCHER CLAIMS PERIOD NOW OPEN

Agriculture Secretary Tom Vilsack today announced that Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims between September 24, 2012 and March 25, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000.

As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

The Department will continue reaching out to potential Hispanic and female claimants, around the country to get the word out to individuals who may be eligible for this program so they have the opportunity to participate.

Call center representatives can be reached at 1-888-508-4429. Claimants must register for a claims package (by calling the number or visiting the website) and the claims package will be mailed to claimants. All those interested in learning more or receiving information about the claims process and claims packages are encouraged to attend meetings in your communities about the claims process and contact the website or claims telephone number.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Claims Period: September 24, 2012 – March 25, 2013.

Independent legal services companies will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, persons seeking legal advice may contact a lawyer or other legal services provider.

To read Secretary Tom Vilsack's entire news release issued on September 24, 2012 click on the following link:

<http://www.usda.gov/wps/portal/usda/usdahome?contentid=2012/09/0309.xml&contentidonly=true>

COUNTY COMMITTEE ELECTIONS

Be watching your mailbox for your official county office committee election ballot starting early next month. Ballots will be mailed to all eligible voters starting on November 5, 2012. If, for some reason, you don't receive a ballot, feel free to notify the county FSA office.



Completed and signed ballots will be due back to the County Office by close of business on December 3, 2012.

ELECTRONIC SERVICES AVAILABLE

If a producer has Internet access, program participants can access many services from home 24 hours a day, seven days a week, and receive approval and payment by direct deposit within 48 hours.

To participate in these services, you must meet all program eligibility requirements. Online services have stringent security measures to protect your private information.

To utilize electronic services a producer needs an active USDA eAuthentication Level 2 account, which requires an e-mail address and filling out an online registration form at <http://www.eauth.egov.usda.gov/> followed by a visit to the county office for identity verification.

If you would like assistance establishing your account, just contact your local USDA Service Center.

2011 DCP FINAL PAYMENTS

DCP payments for 2012 participants were issued on or about October 1, 2012. These payments were deposited directly into participating producers' personal bank accounts.

If there are any unearned payments, Commodity Credit Corporation will automatically subtract those amounts from the October Direct and Counter-Cyclical Program payments.

2013 REPORTING OF FALL SEEDED CROPS

All producers are reminded that the acreage reporting date for fall seeded crops has changed, beginning with the crop planted for 2013 harvest. The new acreage reporting date is November 15, 2012. This applies to all fall seeded crops including winter wheat. Please contact your county office to certify your wheat crop.

CHANGES TO IRS FORMS 1099-G and 1099-MISC FOR CALENDAR YEAR 2012

In past years, IRS Form 1099-G was issued to show all program payments received from the Farm Service Agency, regardless of the amount. For calendar year 2012, the 1099-G reporting will change.

IRS Form 1099-G (Report of Payments to Producers) will only be issued to producers whose reportable payments total \$600 or more for the calendar year. Additionally, if the producer has at least \$600 in reportable payments received from multiple FSA offices, only one Form 1099-G will be issued. Producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

Any producer who receives less than \$600 in combined payments should consult a tax advisor to determine if these payments must be reported on their tax return.

For more information regarding IRS reporting changes, please contact your local County FSA office.

FSA ISSUES CRP ANNUAL PAYMENTS

Beginning October 2, 2012, County Offices issued CRP annual payments to all producers meeting eligibility requirements. Producers who feel they have payments due but have not received them by October 31, 2012, should contact their local FSA office.

LIVESTOCK PRODUCERS AFFECTED BY DISASTER URGED TO KEEP GOOD RECORDS

FSA urges livestock producers affected by natural disasters to keep thorough records of their livestock and feed losses, including additional expenses for such things as feed purchases because of lost supplies.

FSA recommends that owners and producers record all pertinent information of natural disaster consequences, including:

- Documentation of the number and kind of livestock that have died, supplemented if possible by
- photographs or video records 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; and
- Feed purchases if supplies or grazing pastures are destroyed.

The department's authority to operate the five disaster assistance programs authorized by the 2008 Farm Bill expired on September 30, 2011. This includes SURE; the Livestock Indemnity Program (LIP); the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP); the Livestock Forage Disaster Program (LFP); and the Tree Assistance Program (TAP). Production losses due to disasters occurring after September 30, 2011, are not eligible for disaster program coverage.

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.

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

For more information about FSFL please visit your FSA county office or 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.

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.

102 ILLINOIS COUNTIES ELIGIBLE FOR FSA EMERGENCY LOANS

As of August 15, 2012, the entire state of Illinois was declared a disaster using the new, streamlined Secretarial Disaster Designation process.

The disaster designation was a direct result of several program improvements announced by Secretary Vilsack on July 11, 2012. The program improvements include a streamlined Secretarial Disaster Designation process that automatically qualifies a disaster county once it is categorized as a severe drought for eight weeks according to the U.S Drought Monitor. Other improvements include a reduced interest rate for emergency loans.

All Illinois counties are eligible to apply for low-interest emergency (EM) loans. Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine. The current emergency loan interest rate is 2.125 percent.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. Emergency loan applications will be accepted through March 12, 2013, for production and physical losses.

On August 22, 2012, Secretary Vilsack announced another modification to the emergency loan program allowing them to be made earlier in the season. In the past, emergency loan eligibility was determined after the production cycle. Producers will no longer have to wait until the end of the production cycle to obtain a loan.

This change will support producers who currently need assistance to help offset high production costs. Please contact your local farm loan service center for questions regarding emergency loans.

CRP AUTHORITY AFTER SEPTEMBER 30, 2012

Many programs and policies of the U.S. Department of Agriculture were authorized under the Food, Conservation and Energy Act of 2008 (“2008 Farm Bill”) through September 30, 2012. As of October 1, 2012, no legislation has been enacted to reauthorize or extend this authority.

As a result, effective October 1, 2012, FSA shall not accept offers and not approve CRP contracts for all signup types. Existing contracts approved before October 1, 2012, will be maintained and payments issued following normal CRP processes.

NOTIFICATION OF THE AVAILABILITY OF THE DISASTER SET-ASIDE PROGRAM

The Disaster Set-Aside (DSA) program could be available to FSA direct farm loan customers whose operation has suffered losses as a result of a natural disaster and who cannot pay all of their expenses, debts to other creditors, and FSA farm loan payments.

Under the DSA program, direct loan customers may be eligible to delay any or all of their FSA farm loan payments due this year or next (but not both). This payment will be moved to the end of the loan to be paid on or before the final due date. Loans with less than 2 years remaining are not eligible.

DSA will only be approved if all farm loan payments will be up-to-date after the payments are set aside.

Applications can be made for DSA anytime your county has an active disaster designation. To apply for DSA, you must provide the local office with a letter, signed by all parties liable for the debt, requesting DSA and your actual production, income and expense records for the last three years. FSA might request additional information later if it is needed to make an eligibility decision. Complete applications must be submitted to FSA before the account becomes 90 days past due and prior to the end of the disaster designation.

Note: FSA will take a lien on all your assets (with few exceptions) if your account has become past due at the time DSA is closed.

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's experienced loan officers provide individualized planning to assist new farmers in building and growing their businesses. 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.

INCREASED GUARANTEED LOAN LIMIT

The Farm Service Agency has announced that the loan limit for the Guaranteed Loan Program will increase to \$1,302,000 on October 1, 2012. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service. The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness will also be increased to \$1,602,000. As a reminder, 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.

Producers should contact their local FSA County Offices with questions about farm loans.

LOANS FOR SOCIALLY DISADVANTAGED

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 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. If producers or their spouses believe they would qualify as socially disadvantaged, they should contact their local FSA office for details. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

RURAL YOUTH LOANS

FSA makes loans to rural youths 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 advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

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 a 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 a population of 50,000 or fewer people
- Be unable to get 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 the county office for help preparing and processing the application forms. The FSA staff can help you with questions you may have about a particular program.

FARM SAFETY

Flowing grain in a storage bin or gravity-flow wagon is like quicksand, it can kill quickly. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. Ensure everyone is visibly clear and accounted for before machinery is engaged.

FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

Dates to Remember	
October 8	Columbus Day Holiday
November 5	County Committee ballots mailed to voters
November 12	Veterans Day Holiday
November 22	Thanksgiving Day Holiday
Continues	Farm Storage Facility Loans
Continues	Continuous Conservation Reserve program

October 2012	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.25%
Farm Ownership Loans — Direct	3.375%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	3.75%
Farm Storage Facility (7 year)	1.125%
Farm Storage Facility (10 year)	1.750%
Farm Storage Facility (12 year)	2.00%
Commodity loans	1.125%