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1 year fixed operating loan

# 4.95%

Offer of credit is subject to credit approval

- It's Quick!
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For additional information contact:

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550 W. North St. Manhattan, IL 60442  
815.478.6063 | tkoltveit@fnbmanhattan.com

\*Bank loan fee waived. Certain fees such as appraisal and title fees will apply.



# AGRICULTURAL NEWS

WINTER 2019

## LOCATIONS

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## FSA PROGRAMS AND DEADLINES

Happy Harvest Season from the Will/Cook and Kankakee Farm Service Agency Offices (FSA). Those who have made it into either FSA office may have noticed a few staffing changes. First, the Will/Cook County Executive Director (CED), Shannon Camfield, now Shannon Murphy, is currently also the Acting CED in Kankakee. We hope the transition has been smooth for our producers, and as always, we strive for excellence in customer service at both locations! Second, the Kankakee County Office welcomes Amber Schultz, who transferred from Will/Cook and joins Karen Boehrsen and Tracy Kelch. Will/Cook still boasts their same great staff: Nancy Wood, Terry Contos and Jane Ranney.

There are many program sign-ups occurring at the FSA right now. The 2019 Market Facilitation Program (MFP) sign-up deadline is quickly approaching. Applications MUST be received by Dec 6<sup>th</sup>, 2019. MFP is a direct payment made to eligible producers on specific crops to help those who have been directly impacted by illegal retaliatory tariffs resulting in the loss of traditional exports. Payments will be made in three portions with the first being 50% of the county specific payment rate on eligible commodities, not to exceed eligible acres being made now. The second potential payments will be determined based on market conditions and trade opportunities. Should these be made, 25% of the rate will be in November and the final 25% in January of 2020.

In addition to MFP, ARC and PLC election and enrollment for 2019 and 2020 are underway. Producers on a farm must make a unanimous decision of ARC-CO or PLC on a crop by crop basis per farm, or in ARC-IC for all commodities on the farm by March 15<sup>th</sup>, 2020. Once the 2019 election is made, it will be applicable to both 2019 and 2020. 2019 contracts must be enrolled by March 15<sup>th</sup>, 2020 and 2020 contracts must be enrolled by June 30<sup>th</sup>, 2020. Please have your program decision already made when you make your appointment for election and enrollment.

"...farmers will be provided information on farm loans that best fit their specific needs."





The following Non-Irrigated ARC-CO Guarantees can be used to help make your decisions:

<i>County</i>	<i>Corn</i>	<i>Soybeans</i>	<i>Wheat</i>
<i>Kankakee</i>	613.97	456.91	369.45
<i>Will</i>	573.34	446.39	360.00
<i>Cook</i>	455.60	347.50	348.42

An ARC-CO payment is equal to 85% of the base acres of a covered commodity multiplied by the difference between the county guarantee and the actual crop county revenue for the covered commodity. The payment rate may not exceed 10% of the ARC-CO benchmark revenue.

PLC program payments are issued when the effective price of a covered commodity is less than the effective reference price for that commodity. The effective price equals the higher of the national market year average price (MYA) or the national loan rate for the covered commodity. For 2019, specifically, the effective reference prices are \$3.70 for corn, \$8.40 for soybeans, and \$5.50 for wheat. So, in simpler terms, for 2019, the MYA price must fall below the prices listed above in order to trigger a payment.

PLC payments, if triggered, are paid 85% of the farm's base acres of each covered commodity with a PLC election where the farm has been enrolled.

ARC and PLC data can be found at [https://www.fsa.usda.gov/programs-and-services/arcplc\\_program/index](https://www.fsa.usda.gov/programs-and-services/arcplc_program/index) to help you make your decision.

In addition to elections and enrollment, we currently can complete 2020 PLC yield updates through September 30, 2020. These updates must be completed by the owners of each farm. The updated yield will be equal to the producers 2013-2017 average yield per planted acre times a factor established as follows: Corn 0.81, Soybeans 0.81, and Wheat 0.8595.

The last tidbit from the FSA is to introduce our borrowers to a new online tool that can help find information on USDA farm loans that may best fit their operations. USDA has launched the new *Farm Loan Discovery Tool* as the newest feature on farmers.gov, the Department's self-service website for farmers.

Farmers who are looking for financing options to operate a farm or buy land can answer a few simple questions about what they are looking to fund and how much money they need to borrow. After submitting their answers, farmers will be provided information on farm loans that best fit their specific needs. The loan application and additional resources also will be provided.

Farmers can download application quick guides that outline what to expect from preparing an application to receiving a loan decision. There are four guides that cover loans to individuals, entities, and youth, as well as information on microloans. The guides include general eligibility requirements and a list of required forms and documentation for each type of loan. These guides can help farmers prepare before their first USDA service center visit with a loan officer.

Farmers can access the *Farm Loan Discovery Tool* by visiting [farmers.gov/fund](https://farmers.gov/fund) and clicking the "Start" button. Follow the prompts and answer five simple questions to receive loan information that is applicable to your agricultural operation. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser, and is fully functional on mobile devices. It does not work in Internet Explorer.

For more information on FSA Farm Loans, please contact FSA Farm Loan Managers, Ron Burling at 815-942-0359 for Will & Cook Counties, or Ben Josefik at 815-844-6127 for Kankakee County.

## CASH FLOW PROJECTIONS FOR 2020

	<i>Corn Cash Flow</i>	<i>Soybean Cash Flow</i>
Fertilizer	\$ 130.00	\$ 35.00
Seed	\$ 115.00	\$ 75.00
Chemicals	\$ 70.00	\$ 50.00
Insurance	\$ 25.00	\$ 25.00
Drying	\$ 23.00	\$ -
Storage	\$ 18.00	\$ 6.00
Misc.	\$ 5.00	\$ 5.00
Labor	\$ 5.00	\$ 5.00
Fuel	\$ 17.00	\$ 14.00
Repairs	\$ 27.00	\$ 23.00
Light Truck	\$ 3.00	\$ 3.00
Rescue	\$ 20.00	\$ 20.00
Utilities	\$ 6.00	\$ 6.00
Marketing	\$ 2.00	\$ 2.00
Machine Hire	\$ 10.00	\$ 10.00
Real Estate Tax	\$ 17.00	\$ 16.00
Family Living	\$ 40.00	\$ 40.00
Income Tax	\$ 14.00	\$ 14.00
Term Payments	\$ 65.00	\$ 65.00
Building Repairs	\$ 5.00	\$ 5.00
Interest	\$ 22.00	\$ 15.00
<b>Total Cost</b>	<b>\$ 639.00</b>	<b>\$ 434.00</b>
Average Yield	185	55
Price	\$ 3.85	\$ 8.90
Income Total	\$ 712.25	\$ 489.50
<b>Net Income</b>	<b>\$ 73.25</b>	<b>\$ 55.50</b>

These numbers are estimates compiled from First Bank of Manhattan using local data as well as FBFM data and USDA. For the most accurate information, please use your current farm data. This is a guide and is not intended to make marketing decisions. These projections do not include cash rent. The price used was from USDA projections. If you have any questions regarding this information, please contact Tim Koltveit at First Bank of Manhattan at 815-478-6063.

Tim Koltveit  
Agricultural Loan Officer  
First Bank of Manhattan

