

New Mexico FSA State Newsletter - January 2023

In This Issue:

- Message from the State Executive Director
- Applying for NAP Payments
- USDA Reminds New Mexico Producers to File Crop Acreage Reports
- The Importance of Responding to NASS Surveys
- Report Banking Changes to FSA
- Preauthorized Debit Available for Farm Loan Borrowers
- Communication is Key in Lending
- 2023 Dairy Margin Coverage Deadline Extended Jan. 31, 2023, Last Day to Enroll
- Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs
- <u>USDA Announces Assistance for On-Farm Food Safety Expenses for Specialty Crop Growers</u>

Message from the State Executive Director

Hello Friends.

Happy New Year! I can't believe how fast this past year went by and now here we are in a new one. I hope over this holiday season you were able to take a break, enjoy the company of family, and step back to appreciate everything we have in this world.

Business as usual is occurring around the state at your local FSA counties offices. We have several program enrollments now open, such as the <u>Dairy Margin Coverage Program</u>, which acts as a safety net for producers managing changes in milk and feed prices. The deadline for DMC is January 31.

The <u>Food Safety Certification for Specialty Crops Program (FSCSC)</u> for 2022 is also open until January 31. FSCSC assists specialty crop operations that incur eligible on-farm food safety program expenses related to food safety certification.

With the new year the Census of Agriculture responses are also open and will be due February 6. By completing the survey, producers can tell their story and help generate opportunities that better serve current and future generations of producers. The questionnaire

can be completed online or completing and sending back the census sent to a producer's home. Learn more at https://www.nass.usda.gov/AgCensus/ (and look at this great https://www.nass.usda.g

Lastly, the deadline to change elections or enroll in the <u>Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs</u> for the 2023 crop year is March 15. ARC/PLC provides farmers with financial protections from substantial drops in crop prices or revenues.

For other important dates or information please contact your local FSA office. County office information can be found using the clickable link <u>here</u>.

To learn basic program information, visit FSA's Fact Sheet page, click here.

Sincerely,

Jonas Moya

OFFICE CLOSURE

- Washington's Birthday (Presidents Day) February 20, 2023
- Memorial Day May 29, 2023
- Juneteenth National Independence Day June 19, 2023
- Independence Day July 4, 2023
- Labor Day September 4, 2023
- Columbus Day October 9, 2023
- Veterans Day November 10, 2023
- Thanksgiving November 23, 2023
- Christmas Day December 25, 2023

IMPORTANT DATES

- Compliance, Acreage Reporting Deadline
 - Alfalfa January 31
- Livestock Forage Program (LFP)
 - 2022 Application for Payment Deadline January 30
- Emergency Livestock Assistance Program (ELAP)
 - 2022 Application for Payment Deadline January 30
- Dairy Margin Coverage (DMC)
 - 2023 Annual Registration & Coverage Election January 31
- Food Safety Certification for Specialty Crops (FSCSC)
 - 2022 Application Deadline
- Noninsured Crop Disaster Assistance Program (NAP)
 - Application Closing Dates:

- Alfalfa, Cucumbers, Mixed Forage, Pecans, Peppers January 31
- Cabbage, Carrots, Spinach/Greens February 1
- Livestock Indemnity Program (LIP)
 - 2022 Application for Payment Deadline March 1
- Agricultural Risk Coverage Price Loss Coverage
 - Contract Deadline March 15
- Conservation Programs
 - Emergency Conservation Program (ECP)
 - Harding County Wildfire February 3
 - Mora County Flooding, area outside of Hermit's Peak/Calf Canyon Fire Perimeter Application Deadline - January 9
 - San Miguel County Flooding, area outside of Hermit's Peak/Calf Canyon Fire Perimeter Application Deadline - January 9
 - Sign Up Period Pending to be Established for the Following Counties:
 - Harding Wildfire
 - Hidalgo Flooding
 - Luna Flooding

Applying for NAP Payments

The Noninsured Crop Disaster Assistance Program (NAP) provides financial assistance to you for crops that aren't eligible for crop insurance to protect against lower yields or crops unable to be planted due to natural disasters including freeze, hail, excessive moisture, excessive wind or hurricanes, flood, excessive heat and qualifying drought (includes native grass for grazing), among others.

In order to participate, you must obtain NAP coverage for the crop year by the applicable deadline using form CCC-471 "Application for Coverage" and pay the service fee. Application closing dates vary by crop. Producers are also required to submit an acceptable crop acreage report. Additionally, NAP participants must provide:

- The quantity of all harvested production of the crop in which the producer held an interest during the crop year
- The disposition of the harvested crop, such as whether it is marketable, unmarketable, salvaged or used differently than intended
- Acceptable crop production records (when requested by FSA)

Producers who fail to report acreage and production information for NAP-covered crops could see reduced or zero NAP assistance. These reports are used to calculate the approved yield.

If your NAP-covered crops are affected by a natural disaster, notify your FSA office by completing Part B of form CCC-576 "Notice of Loss and Application for Payment." This must

be completed within 15 calendar days of the occurrence of the disaster or when losses become apparent or 15 days of the final harvest date. For hand-harvested crops and certain perishable crops, you must notify FSA within 72 hours of when a loss becomes apparent.

To receive benefits, you must also complete Parts D, E, F and G of the CCC-576 "Notice of Loss and Application for Payment" within 60 days of the last day of coverage for the crop year for any NAP covered crops. The CCC-576 requires acceptable appraisal information. Producers must provide evidence of production and note whether the crop was marketable, unmarketable, salvaged or used differently than intended.

Eligible crops must be commercially produced agricultural commodities for which crop insurance is not available, including perennial grass forage and grazing crops, fruits, vegetables, mushrooms, floriculture, ornamental nursery, aquaculture, turf grass, ginseng, honey, syrup, bioenergy, and industrial crops.

For more information on NAP, contact your local County USDA Service Center or visit fsa.usda.gov/nap.

USDA Reminds New Mexico Producers to File Crop Acreage Reports

Agricultural producers in New Mexico who have not yet completed their <u>crop acreage reports</u> after planting should make an appointment with their U.S. Department of Agriculture (USDA) Farm Service Agency (FSA) service center before the applicable deadline.

An acreage report documents a crop grown on a farm or ranch and its intended uses. Filing an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planted acreage, can prevent the loss of benefits.

How to File a Report

The following acreage reporting dates are applicable in New Mexico:

January 15	Apples
March 15	Pistachios, Pecans (crop)
May 15	Spring Barley, Onions, Pecans (trees), Potatoes (Curry, Lea, Roosevelt Counties ONLY), Spring Wheat
July 15	All other crops, Perennial Forage, Potatoes (all counties, except Curry, Lea, and Roosevelt – see May 15)
July 31	Нетр

August 15 Beans

Acreage reporting dates vary by crop and by county. Contact your local FSA office for a list of acreage reporting deadlines by crop.

To file a crop acreage report, producers need to provide:

- Crop and crop type or variety.
- Intended use of the crop.
- Number of acres of the crop.
- Map with approximate boundaries for the crop.
- Planting date(s).
- Planting pattern, when applicable.
- Producer shares.
- Irrigation practice(s).
- Acreage prevented from planting, when applicable.
- Other information as required.

Acreage Reporting Details

The following exceptions apply to acreage reporting dates:

- If the crop has not been planted by the 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 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 crops are covered by the Noninsured Crop Disaster Assistance Program, acreage reports should be submitted by the applicable state, county, or crop-specific reporting deadline or 15 calendar days before grazing or harvesting of the crop begins.

Producers should also report crop acreage they intended to plant, but due to natural disaster, were unable to because of a natural disaster.

Prevented planting acreage must be reported on form CCC-576, Notice of Loss, no later than 15 calendar days after the final planting date as established by FSA and USDA's Risk Management Agency.

FSA offers continuous certification for perennial forage. This means after perennial forage is reported once and the producer elects continuous certification, the certification remains in effect until a change is made. Check with FSA at the local USDA Service Center for more information on continuous certification.

New Option to View, Print and Label Maps on Farmers.gov

Producers with an eAuth account linked to their USDA customer record can now access their FSA farm records, maps and common land units by logging into farmers.gov. A new feature will allow producers to export field boundaries as shapefiles and import and view other shapefiles, such as precision agriculture boundaries. This will allow producers to view, print and label their own maps for acreage reporting purposes.

Producers who have authority to act on behalf of another customer as a grantee via form FSA-211 Power of Attorney, Business Partner Signature Authority, along with other signature types, or as a member of a business can now access information in the farmers.gov portal.

Producers can learn how to use the farmers.gov Farm Records Mapping functionality with this fact sheet and these video tutorials.

More Information

Producers can make an appointment to report acres by contacting their local USDA Service Center.

The Importance of Responding to NASS Surveys

USDA's National Agricultural Statistics Service (NASS) conducts hundreds of surveys every year and prepares reports covering virtually every aspect of U.S. agriculture.

If you receive a survey questionnaire, please respond quickly and online if possible.

The results of the surveys help determine the structure of USDA farm programs, such as soil rental rates for the Conservation Reserve Program and prices and yields used for the Agriculture Risk Coverage and Price Loss Coverage programs. This county-level data is critical for USDA farm payment determinations. Survey responses also help associations, businesses and policymakers advocate for their industry and help educate others on the importance of agriculture.

NASS safeguards the privacy of all respondents and publishes only aggregate data, ensuring that no individual operation or producer can be identified.

NASS data is available online at <u>nass.usda.gov/Publications</u> and through the searchable <u>Quick Stats database</u>. Watch a video on how NASS data is used at youtube.com/watch?v=m-4zjnh26io&feature=youtu.be.

Report Banking Changes to FSA

Farm Service Agency (FSA) program payments are issued electronically into your bank account. In order to receive timely payments, you need to notify your FSA servicing office if you close your account or if your bank information is changed for any reason (such as your financial institution merging or being purchased). Payments can be delayed if FSA is not notified of changes to account and bank routing numbers.

For some programs, payments are not made until the following year. For example, payments for crop year 2019 through the Agriculture Risk Coverage and Price Loss Coverage program

aren't paid until 2020. If the bank account was closed due to the death of an individual or dissolution of an entity or partnership before the payment was issued, please notify your local FSA office as soon as possible to claim your payment.

Preauthorized Debit Available for Farm Loan Borrowers

USDA's Farm Service Agency (FSA) has implemented pre-authorized debit (PAD) for Farm Loan Program (FLP) borrowers. PAD is a voluntary and alternative method for making weekly, bi-weekly, monthly, quarterly, semi-annual or annual payments on loans.

PAD payments are pre-authorized transactions that allow the National Financial and Accounting Operations Center (NFAOC) to electronically collect loan payments from a customer's account at a financial institution.

PAD may be useful if you use nonfarm income from regular wages or salary to make payments on loans or adjustment offers or for payments from seasonal produce stands. PAD can only be established for future payments.

To request PAD, customers, along with their financial institution, must fill out form RD 3550-28. This form has no expiration date, but a separate form RD 3550-28 must be completed for each loan to which payments are to be applied. A fillable form can be accessed on the USDA Rural Development (RD) website at rd.usda.gov/publications/regulations-guidelines. Click forms and search for "Form 3550-28."

If you have a "filter" on the account at your financial institution, you will need to provide the financial institution with the following information: Origination ID: 1220040804, Agency Name: USDA RD DCFO.

PAD is offered by FSA at no cost. Check with your financial institution to discuss any potential cost. Preauthorized debit has no expiration date, but you can cancel at any time by submitting a written request to your local FSA office. If a preauthorized debit agreement receives three payment rejections within a three-month period, the preauthorized debit agreement will be cancelled by FSA. The payment amount and due date of your loan is not affected by a cancellation of preauthorized debit. You are responsible to ensure your full payment is made by the due date.

Communication is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

• Any proposed or significant changes in the farming operation

- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

2023 Dairy Margin Coverage Deadline Extended – Jan. 31, 2023, Last Day to Enroll

USDA extended the deadline for producers to enroll in <u>Dairy Margin Coverage</u> (<u>DMC</u>) and <u>Supplemental Dairy Margin Coverage</u> (<u>SDMC</u>) for program year 2023 to Jan. 31, 2023.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer.

Nearly 18,000 operations that enrolled in DMC for 2022 have received margin payments for August and September for a total of \$76.3 million. At \$0.15 per hundredweight for \$9.50 coverage, risk coverage through DMC is a relatively inexpensive investment.

DMC offers different levels of coverage, even an option that is free to producers, aside from a \$100 administrative fee. Limited resource, beginning, socially disadvantaged, and military veteran farmers and ranchers are exempt from paying the administrative fee, if requested. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the online <u>dairy decision tool</u>.

Supplemental DMC

Last year, USDA introduced Supplemental DMC, which provided \$42.8 million in payments to better help small- and mid-sized dairy operations that had increased production over the years but were not able to enroll the additional production. Supplemental DMC is also available for 2023. The enrollment period for 2023 Supplemental DMC is also extended to Jan. 31, 2023.

Supplemental DMC coverage is applicable to calendar years 2021, 2022 and 2023. Eligible dairy operations with less than 5 million pounds of established production history may enroll supplemental pounds.

For producers who enrolled in Supplemental DMC in 2022, the supplemental coverage will automatically be added to the 2023 DMC contract that previously established a supplemental production history.

Producers who did not enroll in Supplemental DMC in 2022 can do so now. Producers should complete their Supplemental DMC enrollment before enrolling in 2023 DMC. To enroll, producers will need to provide their 2019 actual milk marketings, which FSA uses to determine established production history.

DMC Payments

FSA will continue to calculate DMC payments using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay rather than 50%. For more information on DMC, visit the DMC webpage or contact your local USDA Service Center.

Farmers Can Now Make 2023 Crop Year Elections, Enroll in Agriculture Risk Coverage and Price Loss Coverage Programs

Agricultural producers can now change election and enroll in the <u>Agriculture Risk Coverage</u> (ARC) and <u>Price Loss Coverage</u> programs for the 2023 crop year, two key safety net programs offered by the U.S. Department of Agriculture (USDA). Signup began Oct. 17, 2022, and producers have until March 15, 2023, to enroll in these two programs. Additionally, USDA's Farm Service Agency (FSA) has started issuing payments totaling more than \$255 million to producers with 2021 crops that have triggered payments through ARC or PLC.

2023 Elections and Enrollment

Producers can elect coverage and enroll in ARC-County (ARC-CO) or PLC, which provide crop-by-crop protection, or ARC-Individual (ARC-IC), which protects the entire farm. Although election changes for 2023 are optional, producers must enroll through a signed contract each year. Also, if a producer has a multi-year contract on the farm and makes an election change for 2023, they must sign a new contract.

If producers do not submit their election by the March 15, 2023 deadline, their election remains the same as their 2022 election for crops on the farm. Farm owners cannot enroll in either program unless they have a share interest in the farm.

Covered commodities include barley, canola, large and small chickpeas, corn, crambe, flaxseed, grain sorghum, lentils, mustard seed, oats, peanuts, dry peas, rapeseed, long grain rice, medium and short grain rice, safflower seed, seed cotton, sesame, soybeans, sunflower seed and wheat.

Web-Based Decision Tools

In partnership with USDA, the University of Illinois and Texas A&M University offer web-based decision tools to assist producers in making informed, educated decisions using crop data specific to their respective farming operations. Tools include:

- Gardner-farmdoc Payment Calculator, a tool available through the University of Illinois allows producers to estimate payments for farms and counties for ARC-CO and PLC.
- ARC and PLC Decision Tool, a tool available through Texas A&M that allows
 producers to obtain basic information regarding the decision and factors that should
 be taken into consideration such as future commodity prices and historic yields
 to estimate payments for 2022.

2021 Payments and Contracts

ARC and PLC payments for a given crop year are paid out the following fall to allow actual county yields and the Market Year Average prices to be finalized. This month, FSA processed payments to producers enrolled in 2021 ARC-CO, ARC-IC and PLC for covered commodities that triggered for the crop year.

For ARC-CO, producers can view the <u>2021</u> ARC-CO Benchmark Yields and Revenues online database, for payment rates applicable to their county and each covered commodity. For PLC, payments have triggered for rapeseed and peanuts.

For ARC-IC, producers should contact their local FSA office for additional information pertaining to 2021 payment information, which relies on producer-specific yields for the crop and farm to determine benchmark yields and actual year yields when calculating revenues.

By the Numbers

In 2021, producers signed nearly 1.8 million ARC or PLC contracts, and 251 million out of 273 million base acres were enrolled in the programs. For the 2022 crop year signed contracts surpassed 1.8 million, to be paid in the fall of 2023, if a payment triggers.

Since ARC and PLC were first authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill, these safety-net programs have paid out more than \$34.9 billion to producers of covered commodities.

Crop Insurance Considerations

ARC and PLC are part of a broader safety net provided by USDA, which also includes crop insurance and marketing assistance loans.

Producers are reminded that ARC and PLC elections and enrollments can impact eligibility for some crop insurance products.

Producers on farms with a PLC election have the option of purchasing Supplemental Coverage Option (SCO) through their Approved Insurance Provider; however, producers on farms where ARC is the election are ineligible for SCO on their planted acres for that crop on that farm.

Unlike SCO, the Enhanced Coverage Option (ECO) is unaffected by an ARC election. Producers may add ECO regardless of the farm program election.

Upland cotton farmers who choose to enroll seed cotton base acres in ARC or PLC are ineligible for the stacked income protection plan (STAX) on their planted cotton acres for that farm.

More Information

For more information on ARC and PLC, visit the <u>ARC and PLC webpage</u> or contact your local USDA Service Center.

USDA Announces Assistance for On-Farm Food Safety Expenses for Specialty Crop Growers

Agriculture Secretary Tom Vilsack announced that the U.S. Department of Agriculture (USDA) plans to provide up to \$200 million in assistance for specialty crop producers who incur eligible on-farm food safety program expenses to obtain or renew a food safety certification in calendar years 2022 or 2023. USDA's new Food Safety Certification for Specialty Crops (FSCSC) program will help to offset costs for specialty crop producers to comply with regulatory requirements and market-driven food safety certification requirements, which is part of USDA's broader effort to transform the food system to create a more level playing field for small and medium producers and a more balanced, equitable economy for everyone working in food and agriculture.

Specialty crop operations can apply for assistance for eligible expenses related to a 2022 food safety certificate issued on or after June 21, 2022, beginning June 27, 2022. USDA is delivering FSCSC to provide critical assistance for specialty crop operations, with an emphasis on equity in program delivery while building on lessons learned from the COVID-19 pandemic and supply chain disruptions. Vilsack made the announcement from Hollis, N.H., where he toured a local, family-owned farm and highlighted USDA's efforts to help reduce costs for farmers and support local economies by providing significant funding to cut regulatory costs and increase market opportunities for farmers in New Hampshire and across the nation.

Program Details

FSCSC will assist specialty crop operations that incurred eligible on-farm food safety certification and related expenses related to obtaining or renewing a food safety certification in calendar years 2022 and 2023. For each year, FSCSC covers a percentage of the specialty crop operation's cost of obtaining or renewing their certification, as well as a portion of their related expenses.

To be eligible for FSCSC, the applicant must be a specialty crop operation; meet the definition of a small business or very small business; and have paid eligible expenses related to the 2022 (issued on or after June 21, 2022) or 2023 certification.

Specialty crop operations may receive assistance for the following costs:

- Developing a food safety plan for first-time food safety certification.
- Maintaining or updating an existing food safety plan.
- Food safety certification.
- Certification upload fees.
- Microbiological testing for products, soil amendments and water.
- Training

FSCSC payments are calculated separately for each category of eligible costs. A higher payment rate has been set for socially disadvantaged, limited resource, beginning and veteran farmers and ranchers. Details about the payment rates and limitations can be found at farmers.gov/food-safety.

Applying for Assistance

The FSCSC application period for 2022 is June 27, 2022, through January 31, 2023, and the application period for 2023 will be announced at a later date. FSA will issue payments at the time of application approval for 2022 and after the application period ends for 2023. If calculated payments exceed the amount of available funding, payments will be prorated.

Interested specialty crop producers can apply by completing the FSA-888, Food Safety Certification for Specialty Crops Program (FSCSC) application. The application, along with other required documents, can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means.

Producers can visit <u>farmers.gov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

New Mexico Farm Service Agency

100 Sun Ave. NE Suite 200 Albuquerque, NM 87109

Phone: 505-761-4900 Fax: 877-450-0860

<u>State Executive Director</u>:
Jonas Moya

<u>jonas.moya@usda.gov</u>

Executive Officer: Brenda Archuleta

brenda.archuleta@usda.gov

Farm Program Chief:
Joilynn Gray

ioilynn.gray@usda.gov

Farm Loan Chief: LeAnn Gibbs

<u>District Directors</u>: Andrew Flores

Oscar Rivera

oscar.rivera@usda.gov

Rhonda Mitchell

rhonda.mitchell@usda.gov

To find contact information for your local office go to www.fsa.usda.gov/NM