

New Mexico FSA State Newsletter - February 2023

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Message from the State Executive Director

Hello Friends,

Through high winds, snowstorms, and flooding, New Mexico FSA continues to be available to provide farmers and ranchers with the assistance needed to weather any storm that mother nature may throw at us. Monday thru Friday our staff is there to provide you with the information and assistance regarding the number of programs and loans that we offer. It is with great pride that New Mexico FSA continues to be a pillar in rural communities available to help serve and aid in the success of every farmer and rancher that visits our office. I thank you for being a customer. Below are a few important dates and announcements to remember.

Agriculture Secretary Tom Vilsack <u>announced</u> that agricultural producers and private landowners can begin applying for the Conservation Reserve Program (CRP) **General** signup starting February 27 through April 7. There are currently 23 million acres enrolled in CRP, with 1.9 million set to expire this year. USDA's Farm Service Agency (FSA) is aiming to reach the 27-million-acre cap statutorily set for fiscal year 2023. General CRP helps producers and landowners establish long-term, resource-conserving plant species, such as approved grasses or trees, to control soil erosion, improve water quality and enhance wildlife habitat on cropland. Additionally, General CRP includes a Climate-Smart Practice Incentive to help increase carbon sequestration and reduce greenhouse gas emissions by helping producers and landowners establish trees and permanent grasses, enhance wildlife habitat, and restore wetlands.

A simplified direct loan application has been implemented to help improve customer experience for producers applying for loans at FSA. The application enables producers to complete a more streamlined application, reduced from 29 to 13 pages. Producers will have

the option to complete an electronic fillable form or prepare a traditional paper application. The electronic and paper version of the form will be available starting March 1.

The Farm Service Agency has offered several programs to agriculture producers as of late. Programs aid producers who suffered crop losses due to wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, and qualifying droughts occurring in calendar years 2020 and 2021 through Phase 2 of the Emergency Relief Program (ERP). It also offers the Pandemic Assistance Revenue Program (PARP), which provides support, due to revenue loss, for agricultural producers impacted by the COVID-19 pandemic. As with previous pandemic programs, these programs are self-certification programs; however, they are subject to spot checks. If requested by USDA or the Government Accountability Office (GAO), the applicant must provide documentation to verify eligibility and the information included on the application, such as evidence that supports the gross revenue the applicant certified to, such as receipts, tax returns, and other documentation that is determined acceptable by USDA as valid evidence to support the application/payment received. Producers who are approved for participation are required to retain documentation in support of their application for 3 years after the date of approval.

Sincerely,

Jonas Moya

OFFICE CLOSURE

- Memorial Day May 29
- Juneteenth National Independence Day June 19
- Independence Day July 4
- Labor Day September 4
- Columbus Day

 October 9
- Veterans Day (observed) November 10
- Thanksgiving November 23
- Christmas Day December 25

IMPORTANT DATES

(Please check with your local office for other deadlines that may apply to your particular situation) <u>Service Center Locator</u>

- Livestock Indemnity Program (LIP)
 - 2022 Application for Payment Deadline March 1
- Acreage Reporting March 15
 - Pecan (crop), pistachios
- Agricultural Risk Coverage Price Loss Coverage
 - Contract Deadline March 15
- Conservation Programs

- Emergency Conservation Program (ECP)
 - Rio Arriba County Wildfire Sign up February 15 March 3
 - Chaves County Flooding Sign up February 15 March 15
- Noninsured Crop Assistance Program (NAP)
 - Application Closing Date for the following March 15
 - Beans, Corn, Cotton, Dry Peas, Guar, Millet, Potatoes, Sorghum, Soybeans, Squash, Sunflowers, and Tomatoes.
 - Acreage Reporting May 15
 - Spring Barley, Onions, Pecans (trees), Spring Wheat, Potatoes (Curry, Lea, and Roosevelt Counties)
 - Pandemic Assistance Revenue Program (PARP)
 - Sign Up Ends June 2
 - o Emergency Relief Program (ERP) Phase 2
 - Sign Up Ends June 2

Rolling Out Revenue Based Disaster and Pandemic Assistance Programs

Beginning January 23, 2023, agricultural producers can begin to apply for two new important programs for revenue losses, from 2020 and 2021 natural disasters or the COVID-19 pandemic. Both programs equitably fill gaps in earlier assistance.

First, you may be eligible for assistance through the <u>Emergency Relief Program (ERP)</u> Phase Two if you experienced revenue losses from eligible natural disasters in 2020 and 2021. ERP Phase Two is for producers who didn't receive assistance from ERP Phase One.

You may also be eligible for the <u>Pandemic Assistance Revenue Program (PARP)</u> if you experienced revenue losses in calendar year 2020. PARP is addressing gaps in previous pandemic assistance, which was targeted at price loss or lack of market access, rather than overall revenue losses.

Applications for both new programs are due June 2, 2023, and you can apply for both programs during your same appointment with USDA's Farm Service Agency (FSA).

Historically, FSA programs have been designed to make direct payments to producers based on a single disaster event or for a single commodity loss. For many of you, this may be the first revenue-based program that you've applied for with FSA.

Why revenue-based programs?

ERP Phase Two and PARP take a much more holistic approach to disaster assistance, ensuring that producers not just make it through a single growing season but have the financial stability to invest in the long-term well-being of their operations and employees.

In general, ERP Phase Two payments are based on the difference in allowable gross revenue between a benchmark year, representing a typical year of revenue for the producer and the disaster year – designed to target the remaining needs of producers impacted by qualifying natural disasters and avoid duplicative payments. ERP Phase Two revenue loss is based on tax years.

For PARP, an agricultural producer must have been in the business of farming during at least part of the 2020 calendar year and had a decrease in revenue for the 2020 calendar year, as compared to a typical year. PARP revenue loss is based on calendar years.

How to Apply

In preparation for enrollment, producers should gather supporting documentation including:

- Schedule F (Form 1040); and
- *Profit or Loss from Farming* or similar tax documents for tax years 2018, 2019, 2020, 2021 and 2022 for ERP and for calendar years 2018, 2019 and 2020 for PARP.

Producers should also have, or be prepared to have, the following forms on file for both ERP and PARP program participation:

- Form AD-2047, Customer Data Worksheet (as applicable to the program participant);
- Form CCC-902, Farm Operating Plan for an individual or legal entity;
- Form CCC-901, Member Information for Legal Entities (if applicable); and
- Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification.
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, as certain existing permanent and ad-hoc disaster programs provide increased benefits or reduced fees and premiums.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms on file. However, those who are uncertain or want to confirm should contact FSA at their local USDA Service Center.

Yes, FSA is stepping outside of the box.

FSA is a big proponent of agricultural producers having a say in the design, implementation and delivery of the programs that directly impact their livelihoods. We also believe that some of the most creative and useful ideas for program and process improvements come from the FSA employees who administer this assistance through our network of more than 2,100 county offices. We want to thank producers across the country, along with the entire FSA workforce, for not just thinking outside of the box but also providing their input to make sure that we can improve and enhance our programs and our approach to assistance to better and more efficiently serve all producers who need our help.

Please visit your local USDA Service Center for more information on ERP Phase Two, PARP and our full portfolio of conservation, prices support, safety-net, credit and disaster assistance programs.

Ask the Expert: A Farm Operating Loan Q&A with Jack Carlile

In this Ask the Expert, Jack Carlile, Farm Loan Manager for the USDA Farm Service Agency (FSA), answers questions about farm operating loans and when producers should apply in order to secure funds for the current crop year.

As the Farm Loan Manager for the Cherokee County Service Center, Jack is responsible for managing the loan making and loan servicing activities for five counties in northeast Oklahoma. His office provides services for over 650 farm loan customers. Jack was raised on a cross bred cow/calf operation that his grandparents started. Over the years, each generation has added to the operation by purchasing additional pasture. The operation also grows and bales their own hay. Jack's agriculture background and degree in agriculture economics from Oklahoma State University help him better understand the financing needs of his producers.

Who can apply for FSA Farm Loans?

Anyone can apply for FSA's loan programs. Applications will be considered on basic eligibility requirements. To apply for a loan, you must meet the following general eligibility requirements including:

- Be a U.S. citizen or qualified alien.
- Operator of a family farm or ranch.
- Have a satisfactory credit history.
- Unable to obtain credit elsewhere at reasonable rates and terms to meet actual needs.
- Not be delinquent on any federal debts.

To read the full blog visit <u>farmers.gov/blog/ask-the-expert-farm-operating-loan-qa-with-jack-carlile.</u>

USDA Microloans Help Farmers Purchase Farmland and Improve Property

Farmers can use USDA farm ownership microloans to buy and improve property. These microloans are especially helpful to beginning or underserved farmers, U.S. veterans looking for a career in farming, and those who have small and mid-sized farming operations.

Microloans have helped farmers and ranchers with operating costs, such as feed, fertilizer, tools, fencing, equipment, and living expenses since 2013.

Microloans can also help with farmland and building purchases and soil and water conservation improvements. FSA designed the expanded program to simplify the application process, expand eligibility requirements and expedite smaller real estate loans to help farmers strengthen their operations. Microloans provide up to \$50,000 to qualified producers and can be issued to the applicant directly from the USDA Farm Service Agency (FSA).

To learn more about the FSA microloan program, contact your local USDA Service Center or visit fsa.usda.gov/microloans.

USDA Offers Farmers.gov Features to Help Farmers Hire Workers

The U.S. Department of Agriculture (USDA) offers features on the <u>farmers.gov</u> website designed to help facilitate the employment of H-2A workers.

USDA's goal is to help farmers navigate the complex H-2A program that is administered by Department of Labor, Department of Homeland Security, and the State Department so hiring a farm worker is an easier process.

The primary new H-2A features on Farmers.gov include:

- A real-time dashboard that enables farmers to track the status of their eligible employer application and visa applications for temporary nonimmigrant workers;
- Streamlining the login information so if a farmer has an existing login.gov account they can save multiple applications tracking numbers for quick look-up at any time;
- Enables easy access to the Department of Labor's (DOL) Foreign Labor Application Gateway (FLAG);
- Allows farmers to track time-sensitive actions taken in the course of Office of Foreign Labor Certification's (OFLC) adjudication of temporary labor certification applications;
- Allowing for farmers to access all application forms on-line.

All information can be found at www.farmers.gov/manage/h2a.

In 2018, USDA unveiled farmers.gov, a dynamic, mobile-friendly public website combined with an authenticated portal where customers can apply for programs, process transactions and manage accounts. With feedback from customers and field employees who serve those customers, <u>farmers.gov</u> delivers farmer-focused features through an agile, iterative process to deliver the greatest immediate value to America's agricultural producers – helping farmers and ranchers do right, and feed everyone.

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 <u>USDA Service Center</u>.

New Mexico Farm Service Agency

100 Sun Ave. NE Suite 200 Albuquerque, NM 87109

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

State Executive Director: Jonas Moya

jonas.moya@usda.gov

Executive Officer: Brenda Archuleta

Farm Loan Chief: LeAnn Gibbs brenda.archuleta@usda.gov lisa.gibbs@usda.gov

Farm Program Chief: **Joilynn Gray** joilynn.gray@usda.gov

District Directors: Andrew Flores andrew.flores@usda.gov 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