

New Mexico FSA State Newsletter - April 2023

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Message from the State Executive Director

Greetings Neighbor,

As we recap the month of April, I reflect on Earth Day April 22nd, a reminder to all of us the vulnerability of our natural resources and how important it is that we take care of our planet and make invests that will benefit future generations and the world around us. As agriculturalists, we live off the land and we react to whatever mother nature throws at us the best that we can. We are the original caretakers of the land, and I know each day we work hard to keep our soils healthy and manage our natural resources as best as we can. We do this not because its trendy or popular, we do this because it is our lively hood, and we truly care for our environment.

As a reminder agricultural producers and private landowners can begin signing up for the Grassland Conservation Reserve Program (CRP) starting April 18 and running through May 26. Among CRP enrollment opportunities, Grassland CRP is a unique working lands program, allowing producers and landowners to continue grazing and haying practices while conserving grasslands and promoting plant and animal biodiversity as well as healthier soil.

Beware, some CRP participants have reported receiving ROBO calls regarding CRP program. Please be advised these calls are from a third party and not associated with the Farm Service Agency. Based on our understanding, the group making the calls are giving the general signup dates and telling producers to visit their local office.

Jonas Moya State Executive Director

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

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

- Conservation Programs
 - Conservation Reserve Program (Continuous) Signup 59 Ongoing
- 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
- 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.

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.

USDA Develops Simplified Direct Loan Application to Improve Customer Service

The U.S. Department of Agriculture (USDA) has developed a simplified direct loan application to provide improved customer experience for producers applying for loans from the Farm Service Agency (FSA). The simplified direct loan application enables producers to complete a more streamlined application, reduced from 29 to 13 pages. Producers will also have the option to complete an electronic fillable form or prepare a traditional, paper application for submission to their local FSA farm loan office. The paper and electronic versions of the form will be available starting March 1, 2023.

Approximately 26,000 producers submit a direct loan application to the FSA annually, but there is a high rate of incomplete or withdrawn applications, due in part to a challenging and lengthy paper-based application process. Coupled with the Loan Assistance Tool released in October 2022, the simplified application will provide all loan applicants access to information regarding the application process and assist them with gathering the correct documents before they begin the process. This new application will help farmers and ranchers submit complete loan applications and reduce the number of incomplete, rejected, or withdrawn applications.

In October 2022, USDA launched the Loan Assistance Tool, an online step-by-step guide that provides materials to help an applicant prepare their farm loan application in one tool. Farmers

can access the Loan Assistance Tool by visiting <u>farmers.gov/farm-loan-assistance-tool</u> and clicking the 'Get Started' button. The tool is built to run on any modern browser like Chrome, Edge, Firefox, or the Safari browser. A version compatible with mobile devices is expected to be available by the summer. It does not work in Internet Explorer.

The simplified direct loan application and Loan Assistance Tool are the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements that are anticipated to launch in 2023 include:

- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA took action in October 2022 to provide relief to qualifying distressed borrowers while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Soon, all direct loan borrowers will receive a letter from USDA describing the circumstances under which additional payments will be made to distressed borrowers and how they can work with their FSA local office to discuss these options. Producers can explore all available options on all FSA loan options at <u>fsa.usda.gov</u> or by contacting their <u>local USDA Service</u> Center.

USDA Launches Loan Assistance Tool to Enhance Equity and Customer Service

The U.S. Department of Agriculture (USDA) launched a new online tool to help farmers and ranchers better navigate the farm loan application process. This uniform application process will help to ensure all farm loan applicants receive equal support and have a consistent customer experience with USDA's Farm Service Agency (FSA) regardless of their individual circumstances.

USDA experiences a high rate of incomplete or withdrawn applications, particularly among underserved customers, due in part to a challenging and lengthy paper-based application process. The Loan Assistance Tool is available 24/7 and gives customers an online step-by-step guide that supplements the support they receive when working in person with a USDA employee, providing materials that may help an applicant prepare their loan application in one tool.

Farmers can access the Loan Assistance Tool by visiting <u>farmers.gov/farm-loan-assistance-tool</u> and clicking the 'Get Started' button. From here they can follow the prompts to complete

the Eligibility Self-Assessment and start the farm loan journey. 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.

The Loan Assistance Tool is the first of multiple farm loan process improvements that will be available to USDA customers on farmers.gov in the future. Other improvements and tools that are anticipated to launch in 2023 include:

- A streamlined and simplified direct loan application, reduced from 29 pages to 13 pages.
- An interactive online direct loan application that gives customers a paperless and electronic signature option, along with the ability to attach supporting documents such as tax returns.
- An online direct loan repayment feature that relieves borrowers from the necessity of calling, mailing, or visiting a local Service Center to pay a loan installment.

Background

USDA provides access to credit to approximately 115,000 producers who cannot obtain sufficient commercial credit through direct and guaranteed farm loans. With the funds and direction Congress provided in Section 22006 of the Inflation Reduction Act, USDA is taking action to immediately provide relief to qualifying distressed borrowers whose operations are at financial risk while working on making transformational changes to loan servicing so that borrowers are provided the flexibility and opportunities needed to address the inherent risks and unpredictability associated with agricultural operations.

Obtaining Payments Due to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned a FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- · surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify

that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

USDA Expands Farmers.gov to Include Farm Records

Producers with farmers.gov accounts can now access farm records and maps online, the latest self-service feature added to the U.S. Department of Agriculture (USDA) website.

You can quickly and easily access your land information in real time by desktop computer, tablet or phone. Capabilities include:

- View, print and export detailed farm records such as cropland, base acres, yields,
 CRP acres, land ownership details, and much more;
- View, print and export farm/tract maps that can be provided to lenders, chemical or fertilizer providers, and FSA for reporting acreage and crop insurance agents; and
- Export common land unit (field) boundaries as ESRI shapefiles.

The ability to access these records on demand without a visit to the service center saves you time and money.

<u>Farmers.gov</u> now includes the most popular functionalities from FSAFarm+, the FSA portal for producers, while providing enhanced functionality and an improved user experience. A new enhancement expands the scope of accessibility to include farmers and ranchers who are members of an entity, as well as people with a power of attorney form (FSA-211) on file with FSA.

Managing USDA Business Online

Using farmers.gov, producers, entities and those acting on their behalf can also:

• View, upload, download, and e-sign conservation documents.

- Request financial assistance, including submitting a program application.
- View and submit conservation requests.
- View technical references and submit questions.
- Access information on current and past conservation practices, plans and contracts.
- Report practice completion and request practice certification.
- View farm loan and interest information (producers only).

Future plans include adding the ability to import and view other shapefiles, such as precision agriculture planting boundaries.

To access your information, you'll will need a <u>USDA eAuth account</u> to login to farmers.gov. After obtaining an eAuth account, producers should visit <u>farmers.gov</u> and sign into the site's authenticated portal via the <u>Sign In/Sign Up link</u> at the top right of the website. Google Chrome, Mozilla Firefox or Microsoft Edge are the recommended browsers to access the feature.

In addition to the self-service features available by logging into farmers.gov, the website also has ample information on USDA programs, including pandemic assistance, farm loans, disaster assistance, conservation programs and crop insurance. Recently, USDA updated the navigation and organization of the site as well as added some new webpages, including "Get Involved," "Common Forms," and "Translations." Learn more about these changes.

USDA Reminds Producers of Continuous Certification Option for Perennial Forage

The U.S. Department of Agriculture (USDA) reminds agricultural producers with perennial forage crops of an option to report their acreage once, without having to report that acreage in subsequent years, as long as there are no applicable changes on the farm. Interested producers can select the continuous certification option after USDA's Farm Service Agency (FSA) certifies their acreage report.

An acreage report documents a crop grown on a farm or ranch and its intended uses, including perennial crops like mixed forage, birdsfoot trefoil, chicory/radicchio, kochia (prostrata), lespedeza, perennial peanuts and perennial grass varieties. To access many USDA programs, producers must file an accurate and timely acreage report for all crops and land uses, including failed acreage and prevented planting acreage.

The perennial crop continuous certification process requires a producer to initially complete an acreage report certifying the perennial crop acreage. The producer may select the continuous certification option any time after the crop is certified. Once the continuous certification option is selected, the certified acreage will roll forward annually and does not require additional action on the producer's part in subsequent years unless the acreage report changes.

Once an producer selects continuous certification, then continuous certification is appliable to all fields on the farm for the specific crop, crop type and intended use. If continuous certification is selected by any producers sharing in the crop, then the continuous certification is appliable to fields in which the producer has a share for the specific crop, crop type and intended use.

Producers can opt out of continuous certification at any time. The continuous certification will terminate automatically if a change in the farming operation occurs.

How to File a Report

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.

More Information

Producers can contact their local FSA office to see if their crops are eligible for continuous certification or to make an appointment. Producers can make an appointment to report acres by contacting their local <u>USDA Service Center</u>.

Farmers to Receive Documentation of USDA Services

The Farm Service Agency (FSA) provides a receipt to customers who request or receive assistance or information on FSA programs.

The 2014 Farm Bill requires a customer receipt to be issued for any agricultural program assistance requested from FSA, the Natural Resources Conservation Service (NRCS) and Rural Development (RD). Receipts include the date, summary of the visit and any agricultural information, program and/or loan assistance provided to an individual or entity. Electronic receipts for acreage reports began on Aug. 1, 2016.

A service is any information, program, or loan assistance provided whether through an office visit, email, fax, or letter.

Save Time - Make an Appointment with FSA

Producers are encouraged to call their local FSA office to schedule an appointment to ensure maximum use of their time and to make sure FSA staff is available to tend to their important business needs. Please call your local FSA office ahead to set an appointment and to discuss any records or documentation that might be needed during your appointment. To find your local FSA office, visit farmers.gov/working-with-us/service-center-locator.

Myth-Busting FSA's New Revenue-Based Disaster and Pandemic Assistance Programs

In January, we announced two new programs designed to assist producers who experienced revenue losses from 2020 and 2021 natural disasters or the COVID-19 pandemic. These programs are revenue-based and feel a little different from our regular programs, but the goal is to better support farmers.

Both the <u>Emergency Relief Program (ERP)</u> Phase Two and the <u>Pandemic Assistance</u> <u>Revenue Program (PARP)</u> offer a holistic approach to disaster assistance and provide economic support for producers who bear the financial brunt of circumstances beyond their control.

With the rollout of any new program, there is a learning curve for producers and employees alike. ERP Phase Two and PARP are no exception. To encourage producer participation in these valuable programs, I'm going to do my best to debunk some myths and misconceptions surrounding ERP Phase Two and PARP.

With a June 2, 2023, deadline to apply for both programs, it's important that we clear up confusion about how to apply, what documents are required for participation, insurance requirements and related misinformation making its way across the countryside.

Now, let's do some myth-busting.

Myth #1 – You need to submit a completed tax return to FSA to apply for ERP Phase Two or PARP.

While these programs are based on revenue losses, you do not need a tax return, completed or otherwise, to apply for assistance. In fact, we have an <u>ERP Phase 2 tool</u> and <u>PARP</u> tool that walk you through the process step by step.

We understand that you may have questions for your certified public accountant or tax preparer, who was likely been hard to reach prior to the April 18 Internal Revenue Service tax deadline but we encourage you to download the program decision tools and get started. You'll probably discover that you already have on hand much of the information you need.

The following supporting materials will help you:

- 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.

The only reason you *might* have to provide your tax returns to FSA is in the event of a spot check or a request from the FSA County Committee.

Producers can <u>register for a free webinar</u> hosted by USDA and members of the National Farm Income Tax Extension Committee on Monday, May 1 at 2 p.m. eastern for a discussion on completing the ERP Phase Two application form.

Myth #2 – You cannot receive an ERP Phase Two payment if you received a payment under Phase One.

It's possible that you can still receive ERP Phase Two benefits if you received an ERP Phase One payment. There is also a possibility that your Phase Two payment may be offset.

Myth #3 – ERP Phase Two was intended to be an additional payment to those who received payment under Phase One.

ERP Phase Two was never designed or intended to be an additional payment. Instead, it was intended to assist those producers who did not receive relief in Phase One.

Click here to read the full blog and view a producer testimonial on the application process.

USDA Simplifies Application Process for Noninsured Crops for Underserved Producers; Improves Risk Management Accessibility

Earlier this year, we made several updates to disaster assistance programs to give more farmers, ranchers, and Tribes equitable access to recovery programs administered by the Farm Service Agency (FSA).

Specifically, I'd like to point out changes made to the Noninsured Crop Disaster Assistance Program (NAP) and how we've simplified the application process for underserved producers.

This important policy change opens the door to risk management options for producers who may not have previously known about or been able to obtain coverage to protect their crops.

NAP provides financial assistance to producers of noninsurable crops when natural disaster events cause low yields, loss of inventory, or prevented planting.

Our policy improvements mean that, beginning with the 2022 crop year, having a CCC-860 form, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, on file with FSA will provide producers with basic NAP coverage for all eligible crops. Specifically, FSA is waiving all NAP-related service fees for basic coverage for producers with a CCC-860 on file prior to the application closing date for each crop. These producers are also eligible to receive a 50% premium reduction if they elect higher levels of coverage before the application closing date for each crop.

At the end of January, we notified producers who already have the CCC-860 certification form on file regarding their eligibility for NAP basic coverage for 2022. If you suffered losses from natural disasters in 2022, you will need to contact your local FSA county office to file an acreage report, as well as a notice of loss, and an application for a NAP payment.

If you are interested in NAP coverage for 2023 and future years, your local FSA county office staff will be more than happy to provide information on eligibility, coverage options, and how to apply for additional coverage.

While these recent policy changes are intended to remove barriers to available benefits and help underserved producers manage risk, any producer of noninsurable crops can apply for NAP coverage by completing FSA form CCC-471, Application for Coverage, and paying a service fee. Your local FSA office can verify application closing dates and ensure coverage for your crops is available.

My staff and I are committed to revisiting FSA program policies and finding ways, within our authorities, to remove obstacles that prevent participation. Expanding NAP to ensure all producers of noninsured crops have access to risk coverage is the result of proactive input from producers and the willingness of FSA employees to think outside of the box for the benefit of the producers we serve.

Please contact your local <u>USDA Service Center</u> for more information on NAP coverage options.

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