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New Mexico FSA Newsletter

New Mexico Farm Service Agency

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Agricultural Producers in New Mexico Still Have Time to Apply for Direct Farm Ownership Loan Program

Low-Interest Loans Can Help Producers Start or Expand Farms

The U.S. Department of Agriculture (USDA) New Mexico Farm Service Agency (FSA) today announced that farmers and ranchers still have time to apply for low interest loans available through the FSA direct farm ownership program. Applications must be approved by Sept. 30, 2015, to take advantage of the funding available.

Eligible farmers and ranchers can borrow up to $300,000 to buy farmland, construct or repair buildings, pay closing costs, or promote soil and water conservation. The interest rate can be as low as 1.5 percent with up to 40 years to repay.

New farmers and ranchers, military veterans, and underserved farmers and ranchers also are encouraged to apply. Each year Congress targets 80 percent of available loan funds to beginning and targeted underserved farmers and

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Please contact your local FSA Office for questions specific to your operation or county.

ranchers. Targeted underserved groups include American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians, or other Pacific Islanders, Hispanics and women.

For more information about farm loan, visit www.fsa.usda.gov/farmloans, or contact your local FSA office. To find your local FSA county office, visit https://offices.usda.gov.

Farm Service Agency County Committee Nomination Period Begins June 15

The U.S. Department of Agriculture today announced that the nomination period for local Farm Service Agency (FSA) county committees begins on Monday, June 15, 2015.

It is important for county committees to reflect America's diversity, all eligible farmers and ranchers, including beginning farmers are encouraged to get involved in this year's elections. FSA has seen an increase in the number of nominations for qualified candidates, especially among women and minorities – a trend the Agency would like to see continue.

To be eligible to serve on a FSA county committee, a person must participate or cooperate in an agency administered program, be eligible to vote in a county committee election and reside in the local administrative area where they are nominated.

Farmers and ranchers may nominate themselves or others. Organizations representing minorities and women also may nominate candidates. To become a candidate, an eligible individual must sign an FSA-669A nomination form. The form and other information about FSA county committee elections are available at www.fsa.usda.gov/elections. Nomination forms for the 2015 election must be postmarked or received in the local USDA Service Center by close of business on Aug. 3, 2015.

FSA will mail election ballots to eligible voters beginning Nov. 9, 2015. Ballots will be due back to the local county office either via mail or in person by Dec. 7, 2015. Newly elected committee members and alternates will take office on Jan. 1, 2016.

While FSA county committees do not approve or deny farm ownership or operating loans, they make decisions on disaster and conservation programs, emergency programs, commodity price support loan programs and other agricultural issues. Members serve three-year terms. Nationwide, there are about 7,800 farmers and ranchers serving on FSA county committees. Committees consist of three to 11 members that are elected by eligible producers.

USDA Implements 2014 Farm Bill Provision to Limit Payments to Non-Farmers

Department Proposes Changes to "Actively Engaged" Rule

USDA proposed a rule to limit farm payments to non-farmers, consistent with requirements Congress mandated in the 2014 Farm Bill. The proposed rule limits farm payments to individuals who may be designated as farm managers but are not actively engaged in farm management. In the Farm Bill, Congress gave USDA the authority to address this loophole for joint ventures and general partnerships, while exempting family farm operations from being impacted by the new rule USDA ultimately implements.

The current definition of "actively engaged" for managers, established in 1987, is broad, allowing individuals with little to no contributions to critical farm management decisions to receive safety-net payments if they are classified as farm managers, and for some operations there were an unlimited number of managers that could receive payments.

The proposed rule seeks to close this loophole to the extent possible within the guidelines required by the 2014 Farm Bill. Under the proposed rule, non-family joint ventures and general partnerships must document that their managers are making significant contributions to the farming operation, defined as 500 hours of substantial management work per year, or 25 percent of the critical management time necessary for the success of the farming operation. Many operations will be limited to only one manager who can receive a safety-net payment. Operators that can demonstrate they are large and complex could be allowed payments for up to three managers only if they can show all three are actively and substantially engaged in farm operations. The changes specified in the rule would apply to payment eligibility for 2016 and subsequent crop years for Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) Programs, loan deficiency payments and marketing loan gains realized via the Marketing Assistance Loan program.

As mandated by Congress, family farms will not be impacted. There will also be no change to existing rules for contributions to land, capital, equipment, or labor. Only non-family farm general partnerships or joint ventures comprised of more than one member will be impacted by this proposed rule.

Stakeholders interested in commenting on the proposed definition and changes are encouraged to provide written comments at www.regulations.gov by May 26, 2015. The proposed rule is available at http://go.usa.gov/3C6Kk

LIVESTOCK FORAGE DISASTER PROGRAM (LFP)

Producers in Catron, Cibola, Colfax, Grant, Guadalupe, Harding, McKinley, Mora, Quay, Rio Arriba, Sandoval, San Miguel and Union County are eligible to apply for 2015 Livestock Forage Disaster Program (LFP) benefits on small grain, native pasture, improved pasture. LFP provides compensation to eligible livestock producers who suffer grazing losses for covered livestock due to drought on privately owned or cash leased land or fire on federally managed land.

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County committees can only accept LFP applications after notification is received by the National Office of qualifying drought or if a federal agency prohibits producers from grazing normal permitted livestock on federally managed lands due to qualifying fire.

For 2015 and subsequent years, eligible livestock producers must complete a CCC-853 and the required supporting documentation no later than 30 calendar days after the end of the calendar year in which the grazing losses occurred. Losses must occur in the calendar year the application is being filed.

Additional Information about LFP, including eligible livestock and fire criteria, is available at your local FSA office or online at: www.fsa.usda.gov.

New Farm Bill Offers Increased Opportunities for Producers

The 2014 Farm Bill offers increased opportunities for producers including farm loan program modifications that create flexibility for new and existing farmers. A fact sheet outlining modifications to the U.S. Department of Agriculture's (USDA) Farm Service Agency (FSA) Farm Loan Programs is available here.

The Farm Bill expands lending opportunities for thousands of farmers and ranchers to begin and continue operations, including greater flexibility in determining eligibility, raising loan limits, and emphasizing beginning and socially disadvantaged producers.

Changes that will take effect immediately include:

· Elimination of the 15 year term limit for guaranteed operating loans.

· Modification of the definition of beginning farmer, using the average farm size for the county as a qualifier instead of the median farm size.

· Modification of the Joint Financing Direct Farm Ownership Interest Rate to 2 percent less than regular Direct Farm Ownership rate, with a floor of 2.5 percent. Previously, the rate was established at 5 percent.

· Increase of the maximum loan amount for Direct Farm Ownership Down Payment Loan Program from $225,000 to $300,000.

· Elimination of rural residency requirement for Youth Loans, allowing urban youth to benefit.

· Debt forgiveness on Youth Loans, which will not prevent borrowers from obtaining additional loans from the federal government.

· Increase of the guaranteed percentage on Conservation Loans from 75 to 80 percent and 90 percent for socially disadvantaged borrowers and beginning farmers.

· Microloans will not count toward direct operating loan term limits for veterans and beginning farmers.

Additional modifications must be implemented through the rulemaking processes. Visit the FSA Farm Bill website for detailed information and updates to farm loan programs.
