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Message from the State Executive Director

Hello Friends,

The fall season is upon us! We have some updates to share with you as we begin to move into the later months of the year.

The farmers.gov local dashboard has now been expanded to 40 states and allows producers to access county specific farming data and USDA resources all in one place. New Mexico was part of this dashboard expansion. Your new farmers.gov local dashboard includes farming data and USDA resources including USDA news, commodity pricing, weather forecasts, historical climate data, past storm events, USDA service center locator and additional state resources for your state and county. The dashboard transforms complex data sets into easy-to-read charts and graphs to help you quickly find information that matters to you. Please visit the following site for mor information: [Farmers.gov Local Dashboard Expanded to 40 Additional States | Farmers.gov.](#)

The U.S Department of Agriculture (USDA) is extending the application deadline for the [Milk Loss Program \(MLP\)](#) to Monday, Oct. 30, 2023, allowing more time for eligible dairy farmers to apply for much-needed, weather-related disaster recovery assistance.

The August milk margin triggered the eighth consecutive payment for dairy producers who obtained [Dairy Margin Coverage](#) (DMC) for the 2023 program year. August's income over feed margin is \$6.46 per hundredweight (cwt.) with projected DMC payments totaling \$120 million. To date, including the projected August payments, dairy producers have received more than \$1.2 billion in much needed economic support for 2023 and margin forecasts indicate the likelihood of more to come before the end of the calendar year.

The U. S Department of Agriculture (USDA) will provide more than \$3 billion to commodity and specialty crop producers impacted by natural disaster events in 2022. Eligible impacted producers can apply for financial assistance through the [Emergency Relief Program \(ERP\) 2022](#). The program will help offset the financial impacts of crop yield and value losses from qualifying disasters occurring in 2022.

FSA is now implementing Emergency Relief Program (ERP) 2022. This covers losses to crops, trees, bushes and vines due to qualifying, calendar year 2022 natural disaster events including wildfires, hurricanes, floods, derechos, excessive heat, tornadoes, winter storms, freeze (including a polar vortex), smoke exposure, excessive moisture, qualifying drought and related conditions. For more information, visit FSA's [emergency relief website](#).

Small nonfarm businesses in four New Mexico counties and neighboring counties in Colorado are now eligible to apply for low-interest federal disaster loans from the U.S. Small Business Administration, announced Director Jeffrey Lusk of SBA's Disaster Field Operations Center-West. These loans offset economic losses because of reduced revenues caused by drought in the following primary county that began Aug.29. Applicants may apply online, receive additional disaster assistance information and download applications at [SBA.gov/disaster](#). Applicants may also call SBA's Customer Service Center at (800) 659-2955 or email disastercustomerservice@sba.gov for more information on SBA disaster assistance. The deadline to apply for economic injury is June 24, 2024.

Jonas Moya
State Executive Director

OFFICE CLOSURE

- 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) [Service Center Locator](#)

- **Conservation Programs**
 - Conservation Reserve Program (Continuous) Signup 59 Ongoing
- **Acreage Certification Reporting**

- November 15, Apiculture
- December 15, Fall-Seeded Small Grains
- December 16, Grass (NAP Coverage, Intended use of Grazing)

NOTE: Any crops covered by the Non-Insured Crop Program (NAP), acreage certification is the earlier of the acreage reporting date or the onset of grazing or harvest. Please contact your local FSA Office.

FSA Offers Safety Net Programs for Honeybee Producers

The Farm Service Agency (FSA) administers two programs that have specific safety net benefits for producers of honeybees and honey. The Noninsured Crop Disaster Assistance Program (NAP) and the Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP) assist producers when disasters impact honey production or damage or destroy colonies, hives or honeybee feed.

NAP is designed to reduce financial losses when natural disasters result in lower yields or crop losses, including honey. NAP coverage is equivalent to catastrophic insurance, meaning it covers up to 50 percent of a producer's normal yield (must have at least a 50 percent loss) at 55 percent of the average market price. The 2018 Farm Bill reinstates higher levels of coverage, from 50 to 65 percent of expected production in 5 percent increments, at 100 percent of the average market price. Producers of organics and crops marketed directly to consumers also may exercise the "buy-up" option to obtain NAP coverage of 100 percent of the average market price at the coverage levels of between 50 and 65 percent of expected production.

The NAP service fee is the lesser of \$325 per crop or \$825 per producer per administrative county, not to exceed a total of \$1,950 for a producer with farming interests in multiple counties.

You must apply for NAP coverage by [Dec. 1] prior to the year for which you're seeking coverage.

ELAP covers colony losses, honeybee hive losses (the physical structure) and honeybee feed losses in instances where the colony, hive or feed has been destroyed by a natural disaster or, in the case of colony losses, because of Colony Collapse Disorder. Colony losses must be in excess of normal mortality.

Both the NAP and ELAP programs require you to report the number of colonies you have in production to FSA by Jan. 2. You must notify FSA within 30 calendar days of changes in the total number of colonies or when honeybees are moved to another county.

For both programs, you must notify FSA within 15 calendar days of when a loss occurs or from when the loss is apparent. To learn more about programs for honey and honeybee producers, contact your County USDA Service Center or visit fsa.usda.gov.

USDA To Provide Additional Financial Assistance to Qualifying Guaranteed Farm Loan Borrowers Facing Financial Risk

The USDA announced it will begin providing additional, automatic financial assistance for qualifying guaranteed Farm Loan Programs (FLP) borrowers who are facing financial risk. The announcement is part of the \$3.1 billion to help certain distressed farm loan borrowers that was provided through Section 22006 of the Inflation Reduction Act.

Since the Inflation Reduction Act was signed into law by President Biden in August 2022, USDA has provided approximately \$1.15 billion in assistance to more than 20,000 distressed borrowers as a part of an ongoing effort to keep borrowers farming, remove obstacles that currently prevent many borrowers from returning to their land, and improve the way that USDA approaches borrowing and loan servicing in the long-term. The financial assistance announced today will provide qualifying distressed guaranteed loan borrowers with financial assistance similar to what was already provided to distressed direct loan borrowers. Based on current analysis, the financial assistance announced today will assist an estimated approximately 3,500 eligible borrowers, subject to change as payments are finalized. An FLP guaranteed loan borrower is distressed if they qualify under one of the options below. FLP guaranteed borrowers who qualify under multiple options will receive a payment based on the option that provides the greatest payment amount:

Payment of any outstanding delinquency on all qualifying FLP guaranteed loans as of Oct. 18, 2022. This includes any guaranteed loan borrowers who did not receive an automatic payment in 2022 on that loan because they were not yet 60 days delinquent as of Sept. 30, 2022, as well as guaranteed borrowers that became delinquent on a qualifying FLP guaranteed loan between September 30, 2022, and Oct. 18, 2022.

Payment on a qualifying FLP guaranteed loan for which a guaranteed loan borrower received a loan restructure, which modified the guaranteed loan maturity date, between March 1, 2020, and Aug. 11, 2023. The payment amount will be the lesser of the post-restructure annual installment or the amount required to pay the loan in full. The guaranteed loan must not have been paid in full prior to Aug. 11, 2023.

Payments on certain deferred amounts on qualifying FLP guaranteed loans, not to exceed \$100,000, for guaranteed borrowers who received a deferral or another type of payment extension, for at least 45 days, between March 1, 2020, and Sept. 30, 2022, from their guaranteed lender on that qualifying guaranteed loan in response to COVID-19, disasters, or other revenue shortfalls. The Inflation Reduction Act payment amount will be the lesser of the most recent deferral or extension amount on the qualifying FLP guaranteed loan, or the

amount required to pay that loan in full. The guaranteed loan must not have been paid in full prior to Aug. 11, 2023.

This assistance is only available for FLP guaranteed loan borrowers who did not or will not receive an initial payment on the same FLP guaranteed loan under Inflation Reduction Act assistance announced in October 2022. Distressed guaranteed borrowers qualifying for this assistance will receive a United States Department of the Treasury check that is jointly payable to the borrower and the lender. These borrowers will also receive a letter from FSA informing them of Inflation Reduction Act assistance they will receive as well as instructions to make an appointment with their lender to process the payment and apply it to their qualifying guaranteed loan accounts. Guaranteed lenders will receive an email in the coming days informing them of this assistance and any next steps. Lenders will also receive letters informing them which borrowers will receive assistance and the amount of assistance they will receive. Any distressed guaranteed borrowers who qualify for these forms of assistance and are currently in bankruptcy will be addressed using the same case-by-case review process announced in October 2022 for complex cases. FSA will also provide relief to qualifying FLP guaranteed loan borrowers determined to be distressed borrowers based on liability for remaining federal debt subject to debt collection and garnishment after the liquidation of their guaranteed loan account as of July 31, 2023. This will allow some borrowers to potentially return to farming. Guaranteed borrowers who qualify for this assistance will have their federal debt paid automatically by FSA and will receive a letter informing them of the payment made on their federal debt. All letters to qualifying guaranteed loan borrowers will contain instructions for opting out of assistance if a borrower chooses to do so.

Important Tax Information

Similar to other USDA Inflation Reduction Act assistance, payments provided to borrowers and payments to be applied to FSA farm loan accounts will be reported to the Internal Revenue Service (IRS). Borrowers receiving this assistance will receive a 1099 form from FSA. Please note that payments over \$600 are subject to Federal and State Income Taxes and will be reflected on your annual 1099 form. Borrowers are encouraged to consult a tax professional with all tax-related questions regarding any Inflation Reduction Act assistance received. USDA also has tax-related resources at farmers.gov/taxes.

Individual Requests for Farmers Seeking Assistance

In addition to the automatic payments announced today for distressed guaranteed loan borrowers, FSA continues to accept and review individual distressed borrower assistance requests from direct loan borrowers who missed a recent installment or are unable to make their next scheduled installment on a qualifying direct FLP loan. All FSA direct borrowers should have received a [letter](#) detailing the eligibility criteria and process for seeking this type of assistance, which is available even before they become delinquent. As the letter details, borrowers who are within two months of their next installment may seek a cash flow analysis from FSA using a recent balance sheet and operating plan to determine their eligibility.

FSA direct borrowers also received a [letter](#) detailing an opportunity to receive assistance if they took certain extraordinary measures to avoid delinquency on their qualifying direct FLP loans, such as taking on or refinancing more debt, selling property, or cashing out retirement or college savings accounts.

Borrowers can submit requests for extraordinary measures or cash flow-based assistance in person at their local FSA office or by sending in a direct request using the farmers.gov 22006

assistance request portals at farmers.gov/loans/inflation-reduction-investments/assistance. All requests for assistance must be received by Dec. 31, 2023.

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 are now available.

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 farmers.gov/farm-loan-assistance-tool 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 fsa.usda.gov or by contacting their [local USDA Service Center](#).

Tax Resources for USDA Program Participants

Navigating filing taxes can be challenging, especially if you are new to running a farm business, participating in disaster programs for first time, or trying to forecast the farm's tax bill. Receiving funds from USDA through activities such as a conservation program payment or a disaster program is considered farm income that includes a tax liability for farm businesses. USDA technical assistance is free and creates no tax implications.

At the end of the tax year, USDA issues tax forms 1098 and 1099 forms for farm loans, conservation programs administered by the Farm Service Agency and Natural Resource Conservation Service including the Conservation Reserve Program and Environmental Quality Incentives Program, crop disaster payments, and the Market Facilitation Program. USDA also issues tax forms for recipients of assistance for distressed borrowers, including through Section 22006 of the Inflation Reduction Act.

If you have received tax forms related to your operation, USDA cannot and does not provide tax advice but wants you to be aware of options that may help manage your tax liability. USDA has partnered with experts to provide resources to help you make the right tax decisions for your operation. Monthly webinars are available for registration and to view on demand at [Taxes and USDA Programs | Farmers.gov](#).

The [Tax Estimator Tool](#) is an interactive spreadsheet that producers can download to estimate tax liability. It is for informational and educational purposes and should not be considered tax or legal advice. Producers may need to work with a tax professional to determine the correct information to be entered in the Tax Estimator Tool.

We encourage you to visit [Taxes and USDA Programs | Farmers.gov](#) for more information on how to find and work with a tax preparer as well as instructions on how to request copies of USDA documents and links to other helpful tax resources.

Cost Share for Organic Certification

As part of USDA's broader effort to support organic producers and in response to stakeholder feedback, this year the Farm Service Agency increased the cost share amount under the [Organic Certification Cost Share Program](#) (OCCSP), which helps organic producers cover

organic certification costs, to the maximum amount allowed by statute. Specifically, FSA will cover up to 75% of costs associated with organic certification, up to \$750 for crops, wild crops, livestock, processing/handling and state organic program fees (California only). OCCSP will cover costs incurred from Oct. 1, 2022, through Sept. 30, 2023.

FSA begins accepting applications for OCCSP Monday, May 15. Applications are due Oct. 31, 2023. To apply, producers and handlers should contact the FSA at their local [USDA Service Center](#). As part of completing the OCCSP application, producers and handlers will need to provide documentation of their organic certification and eligible expenses. Organic producers and handlers may also apply for OCCSP through participating state departments of agriculture.

FSA is also accepting applications from state departments of agriculture to administer OCCSP. FSA will post a synopsis of the funding opportunity on [grants.gov](#) and will send more information to all eligible state departments of agriculture. Additional details can be found on the [OCCSP webpage](#). More information about these initiatives and more can be found at [farmers.gov/organic-transition-initiative](#).

USDA Announces Milk Loss Assistance for Dairy Operations Impacted by 2020, 2021 and 2022 Disaster Events

USDA announced Milk Loss Program (MLP) assistance for eligible dairy operations for milk that was dumped or removed, without compensation, from the commercial milk market due to qualifying weather events and the consequences of those weather events that inhibited delivery or storage of milk (e.g., power outages, impassable roads, infrastructure losses, etc.) during calendar years 2020, 2021 and 2022. Administered by the Farm Service Agency (FSA), signup for MLP begins Sept. 11 and runs through Oct. 16, 2023.

Background

On Dec. 29, 2022, President Biden signed into law the Extending Government Funding and Delivering Emergency Assistance Act (P.L. 117-43), providing \$10 billion for crop losses, including milk losses due to qualifying disaster events that occurred in calendar years 2020 and 2021. Additionally, the Disaster Relief Supplemental Appropriations Act, 2023 (Pub. L. 117-328) provides approximately \$3 billion for disaster assistance for similar losses that occurred in calendar year 2022.

Eligibility

MLP compensates dairy operations for milk dumped or removed without compensation from the commercial milk market due to qualifying disaster events, including droughts, wildfires, hurricanes, floods, derechos, excessive heat, winter storms, freeze (including a polar vortex), and smoke exposure that occurred in the 2020, 2021 and 2022 calendar years. Tornadoes are considered a qualifying disaster event for calendar year 2022 only.

The milk loss claim period is each calendar month that milk was dumped or removed from the commercial market. Each MLP application covers the loss in a single calendar month. Milk loss that occurs in more than one calendar month due to the same qualifying weather event requires a separate application for each month.

The days that are eligible for assistance begin on the date the milk was removed or dumped and for concurrent days milk was removed or dumped. Once the dairy operation restarts milk marketing, the dairy operation is ineligible for assistance unless after restarting commercial milk marketing, additional milk is dumped due to the same qualifying disaster event. The duration of yearly claims is limited to 30 days per year for 2020, 2021 and 2022.

How to Apply

To apply for MLP, producers must submit:

- FSA-376, Milk Loss Program Application
- Milk marketing statement from the:
 - Month prior to the month milk was removed or dumped.
 - Affected month.
- Detailed written statement of milk removal circumstances, including the weather event type and geographic scope, what transportation limitations occurred and any information on what was done with the removed milk.
- Any other information required by the regulation.

If not previously filed with FSA, applicants must also submit all the following items within 60 days of the MLP application deadline:

- Form AD-2047, Customer Data Worksheet.
- Form CCC-902, Farm Operating Plan for an individual or legal entity.
- Form CCC-901, Member Information for Legal Entities (if applicable).
- Form FSA-510, Request for an Exception to the \$125,000 Payment Limitation for Certain Programs (if applicable).
- Form CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, (if applicable).
- A highly erodible land conservation (sometimes referred to as HELC) and wetland conservation certification (Form AD-1026 Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Certification) for the MLP producer and applicable affiliates.

Most producers, especially those who have previously participated in FSA programs, will likely have these required forms already on file. However, those who are uncertain or want to confirm the status of their forms can contact their local [FSA county office](#).

MLP Payment Calculation

The final MLP payment is determined by factoring the MLP payment calculation by the applicable MLP payment percentage.

The calculation for determining MLP payment is:

- $((\text{Base period per cow average daily milk production} \times \text{the number of milking cows in a claim period} \times \text{the number of days milk was removed or dumped in a claim period}) \div 100) \times \text{pay price per hundredweight (cwt.)}$.

For MLP payment calculations, the milk loss base period is the first full month of production before the dumping or removal occurred.

The MLP payment percentage will be 90% for underserved producers, including socially disadvantaged, beginning, limited resource, and veteran farmers and ranchers and 75% for all other producers.

To qualify for the higher payment percentage, eligible producers must have a CCC-860, Socially Disadvantaged, Limited Resource, Beginning and Veteran Farmer or Rancher Certification, form on file with FSA for the applicable program year.

Adjusted Gross Income (AGI) limitations do not apply to MLP, however the payment limitation for MLP is determined by the person's or legal entity's average adjusted gross farm income (income derived from farming, ranching and forestry operations). Specifically, a person or legal entity, other than a joint venture or general partnership, cannot receive, directly or indirectly, more than \$125,000 in payments under MLP if their average adjusted gross farm income is less than 75% of their average AGI or more than \$250,000 if their adjusted gross farm income is at least 75% of their average AGI.

Inflation Reduction Act Section 22007 – Discrimination Financial Assistance Program

On July 7, USDA and its partner vendors announced the opening of the application period for Section 22007 of the Inflation Reduction Act (IRA), which directs USDA to provide financial assistance to farmers, ranchers, and forest landowners who experienced discrimination in USDA farm lending programs prior to January 2021. The opening of the application process is an important step in delivering on USDA's commitment of providing financial assistance to those who have faced discrimination in USDA farm lending programs. The application process is open now and will close on January 13, 2024. Borrowers will have the option to apply for assistance online via 22007apply.gov or through a paper-based form.

Details about the program, including an application and e-filing portal, are available at 22007apply.gov. The website includes an English and Spanish language application that applicants can download or submit via an e-filing portal, information on how to obtain technical assistance in-person or virtually, and additional resources and details about the program. Applicants can also call the free call center at 1-800-721-0970 or visit one of several dozen brick-and-mortar offices the program has set up around the country. Locations are provided on the program website and vendors will update the local events schedule with more information as it becomes available. It is important to note that filing an application is FREE and does not require a lawyer.

Farmers, ranchers, and forest landowners who experienced discrimination by USDA in its farm loan programs prior to January 1, 2021, and/or are currently debtors with assigned or assumed USDA farm loan debt that was the subject of USDA discrimination that occurred prior to January 1, 2021, are eligible for this program.

Under the planned timeline, applications will be reviewed in November and December, with payments reaching recipients soon thereafter. Importantly, applicants should know that the application process is not on a first come, first served, basis. All applications received or postmarked before the January 13, 2024, deadline will be considered.

To support producers throughout the application process, USDA is ensuring that organizations with extensive experience conducting outreach to farm organizations are able to support individuals who may be eligible for the program. These groups include [AgrAbility](#), the [Farmer Veteran Coalition](#), [Farmers' Legal Action Group](#), [Federation of Southern Cooperatives](#), [Intertribal Agriculture Council](#), [Land Loss Prevention Program](#), [National Young Farmers Coalition](#), and [Rural Coalition](#).

In standing up this program, USDA has become aware of some lawyers and groups spreading misleading information about the discrimination assistance process, pressuring people to sign retainer agreements, and asking people to fill out forms with private and sensitive information. The official application process and filling out an application is **free** and does not require a lawyer.

For more information, please visit 22007apply.gov. If you want to get weekly updates on the program's events and progress, there's a button there to subscribe to a weekly newsletter.

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