

Farm Service Agency

U.S. DEPARTMENT OF AGRICULTURE

New Mexico FSA State Newsletter - August 2024

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Message from the State Executive Director

Hello Friends,

We have a few updates to share with you. We hope everyone had a great Independence Day and look forward to assisting the great producers in our state.

Agriculture Secretary Tom Vilsack announced that USDA will invest \$400 million with at least 18 irrigation districts to help farmers continue commodity production while also conserving water across the West.

The USDA announced changes to the Farm Service Agency's Farm Loan Programs, effective Sept. 25, 2024 — changes that are intended to increase opportunities for

farmers and ranchers to be financially viable. These improvements, part of the *Enhancing Program Access and Delivery for Farm Loans* rule, demonstrate USDA's commitment to improving farm profitability through farm loans designed to provide important financing options used by producers to cover operating expenses and purchase land and equipment.

NM FSA would like to remind producers to provide their production information to the County Office and to remember to provide survey data to the National Agriculture Statistics Serves. It is important that producers understand that the information provided is completely confidential. This information provided is very important in administering federal and state programs associated with production, marketing and distribution of commodities. Agencies and producers rely on this information to make production and marketing decisions relating to planting crops, livestock grazing, and establishing yield and prices of agricultural commodities within Counties. FSA uses NASS data for these programs:

- County Loan Rates for Wheat, Feed Grains and Oilseeds
- Regional Loan Rates for Pulses
- Loan Repayment Rates
- Program Parameters for ARC and PLC
- Non-insured Crop Disaster Assistance Program (NAP)
- Livestock Disaster Assistance Programs
- Dairy Programs
- Conservation Reserve Program (CRP)
- County Committee Elections
- Beginning Farmer Ownership Loan Eligibility
- Guaranteed Loan Limit Adjustments
- Production Loss Calculations
- Funding Targets and Allocations
- Farm Business Planning
- Farm Appraisals

For additional information go to USDA-National Agricultural Statistics Service at https://www.nass.usda.gov

We are quickly approaching the end of the fiscal year, September 30. In FSA's world, that means the end of the crop year, program year, and shutdown of our farm and customer records systems. If you have any changes to your operation, financial institute, entity type, etc. that you would like effective for 2025, please reach out to your local FSA office. Our payment cycle for conservation and price support payments will begin in October and in order for the payments to be deposited timely, it is imperative that your farm and customer records, including banking information, are correct. Please visit your local FSA office to review your records.

FSA is here to serve you. Visit <u>farmers.gov</u> service center locator to obtain your local FSA County Office information.

Thank you,

Jonas Moya State Executive Director

OFFICE CLOSURE

- Labor Day September 2
- Columbus Day/Indigenous Peoples' Day October 14
- Veteran's Day November 11
- Thanksgiving Day November 28
- 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>

- Emergency Relief Program (ERP)
 - October 15, Final Date to submit Required & Optional Eligibility
 Forms
- Acreage Certification Reporting
 - August 15: Beans

For crops covered by NAP, the acreage reporting is the **earlier of** the acreage reporting date of 15 calendar days before harvest or the onsite of grazing.

- Conservation Reserve Program Transition Incentive Program (CRP-TIP)
 - August 15, Signup Ends
- 2025 Noninsured Crop Assistance Program (NAP) Application Closing Dates
 - August 30: Canola
 - o September 1: Aquaculture, Floriculture, Garlic, Onions, Sod Grass
 - September 30: Barely, Canola, Oats, Rye, Triticale, Wheat
 - November 20: Apples, Apricots, Cherries, Caneberries, Grapes,
 Nectarines, Peaches, Pears, Pistachios, Plums
 - o December 1: Grass, Honey, Lettuce
- Organic Certification Cost Share Program (OCCSP)
 - October 31: Signup Ends

USDA Expands Funding Opportunities for Specialty Crop Growers to Help Offset On-Farm Food Safety Expenses for 2024 and 2025

The U.S. Department of Agriculture (USDA) is expanding the Food Safety Certification for Specialty Crops (FSCSC) program to now include medium-sized businesses in addition to small businesses. Eligible specialty crop growers can apply for assistance for expenses related to obtaining or renewing a food safety certification. The program has also been expanded to include assistance for 2024 and 2025 expenses. Producers can apply for assistance on their calendar year 2024 expenses beginning July 1, 2024, through Jan. 31, 2025. For program year 2025, the application period will be Jan. 1, 2025, through Jan. 31, 2026.

Program Details

FSCSC assists specialty crop operations that incurred eligible on-farm food safety certification and expenses related to obtaining or renewing a food safety. FSCSC

covers a percentage of the specialty crop operation's cost of obtaining or renewing its certification, as well as a portion of related expenses.

Eligible FSCSC applicants must be a specialty crop operation; meet the definition of a small or medium-size business and have paid eligible expenses related to certification.

- A small business has an average annual monetary value of specialty crops sold by the applicant during the three-year period preceding the program year of no more than \$500,000.
- A medium size business has an average annual monetary value of specialty crops the applicant sold during the three-year period preceding the program year of at least \$500,001 but no more than \$1,000,000.

Specialty crop operations can receive the following cost assistance:

- 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 eligible cost category. Details about payment rates and limitations are available at farmers.gov/food-safety.

Applying for Assistance

Interested applicants have until Jan. 31, 2025, to apply for assistance for 2024 eligible expenses. FSA will issue payments as applications are processed and approved. For program year 2025, the application period will be January 1, 2025, through January 31, 2026. FSA will issue 50% of the calculated payment for program year 2025 following application approval, with the remaining amount to be paid after the application deadline. If calculated payments exceed the amount of available funding, payments will be prorated.

Specialty crop producers can apply by completing the <u>FSA-888-1</u>, Food Safety Certification for Specialty Crops Program (FSCSC) for Program Years 2024 and

2025 application. The application, along with the AD-2047, Customer Data Worksheet and SF-3881, ACH Vendor/Miscellaneous Payment Enrollment Form, if not already on file with FSA, can be submitted to the FSA office at any USDA Service Center nationwide by mail, fax, hand delivery or via electronic means. Alternatively, producers with an eAuthentication account can apply for FSCSC online. Producers interested in creating an eAuthentication account should visit farmers.gov/sign-in.

Specialty crop producers can also call 877-508-8364 to speak directly with a FSA employee ready to assist. Visit <u>farmers.gov/food-safety</u> for additional program details, eligibility information and forms needed to apply.

More Information

To learn more about FSA programs, producers can contact their local <u>USDA Service</u> <u>Center</u>. Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by <u>logging</u> <u>into their farmers.gov account</u>. Producers without an account can <u>sign up today</u>.

USDA Now Accepting Applications for Available Funds to Help Cover Organic Certification Costs

Through the Organic Certification Cost Share Program (OCCSP), USDA's Farm Service Agency (FSA) will cover up to 75% of organic certification costs at a maximum of \$750 per certification category. FSA is now accepting applications, and organic producers and handlers should apply for OCCSP by the Oct. 31, 2024, deadline for eligible expenses incurred from Oct. 1, 2023, to Sept. 30, 2024. FSA will issue payments as applications are received and approved.

OCCSP was part of a <u>broader organic announcement</u> made by Agriculture Secretary Tom Vilsack on May 15, 2024, which also included the Organic Market Development Grant program and Organic Transition Initiative.

Eligible Applicants, Expenses and Categories

OCCSP provides cost-share assistance to producers and handlers of organic agricultural commodities for expenses incurred obtaining or maintaining organic certification under USDA's <u>National Organic Program</u>. Eligible OCCSP applicants

include any certified organic producers or handlers who have paid organic certification fees to a USDA-accredited certifying agent.

Cost share assistance covers expenses including application fees, inspection costs, fees related to equivalency agreement and arrangement requirements, inspector travel expenses, user fees, sales assessments and postage. OCCSP pays a maximum of \$750 per certification category for crops, wild crops, livestock, processing/handling, and state organic program fees (California only).

How to Apply

To apply, producers and handlers should contact FSA at their local <u>USDA Service</u>

<u>Center</u> and be prepared to provide documentation of organic certification and eligible expenses. OCCSP applications can also be submitted through participating state departments of agriculture. For more information, visit the <u>OCCSP</u> webpage.

Opportunity for State Departments of Agriculture

FSA is also accepting applications from state departments of agriculture to administer OCCSP. FSA posted a <u>funding opportunity summary on grants.gov</u> and will electronically mail the Notice of Funding Opportunity to all eligible state departments of agriculture. Applications are due July 12, 2024.

If a state department of agriculture chooses to participate in OCCSP, both the state department of agriculture and FSA county offices in that state will accept OCCSP applications and make payments to eligible certified operations. Producers or handlers can receive OCCSP assistance from either FSA or the participating state department of agriculture but not both.

More Information

USDA offers other assistance for organic producers, including the <u>Organic Transition Initiative (OTI)</u>, which includes direct farmer assistance for organic production and processing and conservation. For more information on organic agriculture, visit <u>farmers.gov/organic</u>.

To learn more about FSA programs, producers can contact their local <u>USDA Service</u> <u>Center</u>. Producers can also prepare maps for acreage reporting as well as manage farm loans and view other farm records data and customer information by logging into their <u>farmers.gov account</u>. If you don't have an account, sign up today.

USDA Announces August 14 Application Deadline for Emergency Relief Program Assistance for Commodity and Specialty Crop Producers Impacted by 2022 Natural Disasters

The U.S. Department of Agriculture (USDA) today announced the deadline for commodity and specialty crop producers to apply for the Emergency Relief Program (ERP) for 2022 natural disaster losses is **Aug. 14, 2024**. USDA's Farm Service Agency (FSA) began accepting ERP 2022 applications in October 2023.

Background

Through the Disaster Relief Supplemental Appropriations Act, 2023 (P.L. 117-328) Congress allocated \$3.2 billion in funding to cover an estimated \$10 billion in uncovered crop losses.

ERP 2022 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.

ERP 2022 Application Process - Track 1

ERP 2022 Track 1 leverages existing federal crop insurance or Noninsured Crop Disaster Assistance Program (NAP) data as the basis for calculating payments for eligible crop producers who received indemnities through these risk management programs.

In fall 2023, FSA began issuing pre-filled ERP 2022 Track 1 application forms to producers who had crop insurance and NAP data already on file with USDA. Receipt of a pre-filled application is not confirmation that a producer is eligible to receive an ERP 2022 Track 1 payment.

ERP 2022 Application Process - Track 2

Track 2 is a revenue-based certification program designed to assist producers who suffered an eligible decrease in revenue resulting from 2022 calendar year disaster events when compared with revenue in a benchmark year using revenue information that is readily available from most tax records.

In cases where revenue does not reasonably reflect a normal year's revenue, Track 2 provides an alternative method for establishing revenue. Likewise, Track 2 affords

producers of crops that are used within an operation and do not generate revenue from the sale of the crop a method for establishing revenue for the purpose of applying for ERP 2022 benefits. Producers are not required to submit tax records to FSA unless requested by the County Committee if required for an FSA compliance spot check.

Although not required when applying for ERP 2022 Track 2, applicants might find the following documents useful to the process:

- Schedule F (Form 1040)
- Profit or Loss from Farming or similar tax documents for tax years 2018, 2019, 2022 and 2023.

Track 2 targets gaps in emergency relief assistance for eligible producers whose eligible losses were not covered by crop insurance or NAP, including revenue losses too small (shallow loss) to be covered by crop insurance.

It's important to note that disaster-impacted producers may be eligible for ERP 2022 assistance under one or both tracks (ERP 2022 Track 1 and Track 2). To avoid duplicative benefits, if a producer applies for both tracks, the Track 2 payment calculation will take into account any payments received through Track 1.

Additional Required Forms

For both ERP 2022 tracks, all producers must have certain required forms on file with FSA within 60 days of the Aug. 14 application deadline. If not already on file, producers can update, complete and submit required forms to FSA by Tuesday, Oct. 15, 2024.

Required forms:

- 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, for the 2022 program year.
 - Note: Currently, there is a Federal court injunction that prohibits USDA from "making or increasing payments, or providing any additional relief, based on its 'socially disadvantaged farmer or rancher' designation" under ERP 2022. This may impact certain payments.
- 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 ERP producer and applicable affiliates.

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 the status of their forms can contact their local FSA county office.

Future Insurance Coverage Requirements

All producers who receive ERP 2022 payments must purchase crop insurance, or NAP coverage where crop insurance is not available, in the next two available crop years as determined by the Secretary. Purchased coverage must be at the 60/100 coverage level or higher for insured crops or at the catastrophic coverage level or higher for NAP crops.

More Information

ERP 2022 eligibility details and payment calculation factor tables are available on FSA's <u>Emergency Relief webpage</u>, in the <u>ERP Track 1</u> and <u>ERP Track 2</u> fact sheets and through the FSA at your local <u>USDA Service Center</u>.

USDA Now Accepting Farm Loan Payments Online

The U.S. Department of Agriculture (USDA) announced today that most farm loan borrowers will soon be able to make payments to their direct loans online through the Pay My Loan feature on <u>farmers.gov</u> in early February. Pay My Loan is part of a broader effort by USDA's Farm Service Agency (FSA) to streamline its processes,

especially for producers who may have limited time during the planting or harvest seasons to visit a local FSA office; modernize and improve customer service; provide additional customer self-service tools; and expand credit access to assist more producers.

On average, local USDA Service Centers process more than 225,000 farm loan payments each year. Pay My Loan gives most borrowers an online repayment option and relieves them from needing to call, mail, or visit a Service Center to pay their loan installment. Farm loan payments can now be made at the borrower's convenience, on their schedule and outside of FSA office hours.

Pay My Loan also provides time savings for FSA's farm loan employees by minimizing manual payment processing activities. This new service for producers means that farm loan employees will have more time to focus on reviewing and processing new loans or servicing requests.

The Pay My Loan feature can be accessed at farmers.gov/loans. To use the payment feature, producers must establish a USDA customer account and a <u>USDA Level 2</u> <u>eAuthentication ("eAuth") account or a Login.gov account</u>. This initial release only allows individuals with loans to make online payments. For now, borrowers with jointly payable checks will need to continue to make loan payments through their local office.

FSA has a significant initiative underway to streamline and automate the Farm Loan Program customer-facing business process. For the over 26,000 producers who submit a direct loan application annually, FSA has made various improvements including:

- The <u>Online Loan Application</u>, an interactive, guided application that is paperless and provides helpful features including an electronic signature option, the ability to attach supporting documents such as tax returns, complete a balance sheet, and build a farm operating plan.
- The <u>Loan Assistance Tool</u> that provides customers with an interactive online, step-by-step guide to identifying the direct loan products that may be a fit for their business needs and to understanding the application process.
- A <u>simplified direct loan paper application</u>, which reduced loan applications by more than half, from 29 pages to 13 pages.

USDA Reminds Producers of Climate-Smart Opportunities Using Farm Loan Programs

The U.S. Department of Agriculture's Farm Service Agency (FSA) reminds agricultural producers that Farm Loan Programs can be used to support a variety of climate-smart agriculture practices, which build on many practices that farmers and ranchers already use, like cover cropping, nutrient management and conservation tillage.

Climate-smart agricultural practices generate significant environmental benefits by capturing and sequestering carbon, improving water management, restoring soil health and more. Farm loan funding complements other tools to help producers adopt climate-smart practices, such as FSA's <u>Conservation Reserve Program</u>, <u>cropinsurance options</u> that support conservation, and <u>conservation programs</u> offered by USDA's Natural Resources Conservation Service (NRCS).

FSA offers <u>multiple types of loans</u> to help farmers and ranchers start, expand or maintain a family agricultural operation. These loans can provide the capital needed to invest in climate-smart practices and equipment including the establishment of rotational grazing systems, precision agriculture equipment or machinery for conversion to no-till residue management. Additionally, for programs like Conservation Reserve Program and NRCS conservation programs where USDA and the producer share the implementation cost, a farm loan could be used for the producer's share, if consistent with the authorized loan purpose.

Some additional ways farm loans can be leveraged to invest in climate-smart agriculture practices or equipment include:

- Precision Agriculture Equipment Eligible producers could use a Term
 Operating Loan to purchase equipment like GPS globes, monitors, or strip
 till fertilizer equipment.
- Cover Crops Eligible producers could use an Annual Operating Loan for seed costs.
- **No/Reduced Till** Eligible producers could use a Term Operating Loan to purchase equipment.
- Livestock Facility Air Scrubber or Waste Treatment Eligible producers could use a Farm Ownership Loan for capital improvements to livestock facilities.

• **Cross Fencing** - Eligible producers could use an Annual or Term Operating Loan to purchase fencing and installation equipment.

Visit the <u>Climate-Smart Agriculture and Forestry webpage on farmers.gov</u> to learn more and see detailed examples of how an FSA farm loan can support climate-smart agriculture practices.

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