



NEWSLETTER



April 2013

New Mexico FSA Office

6200 Jefferson St.

Suite 211

Albuquerque, NM

Ph: 505-761-4900

Fax: 505-761-4934

www.fsa.usda.gov/nm

Hours

Monday - Friday

8:00 am - 4:30 pm

NM FSA State Office Staff:

Lawrence Rael

State Executive Director

Brenda Archuleta

Executive Officer

Mary Ann Romero

Farm Loan Chief

State FSA Committee

James Bostwick

Chairperson

Larry Burnett

Member

Eddie Diaz

Member

Molly Manzanares

Member

HISPANIC AND WOMEN FARMERS AND RANCHERS CLAIMS PROCESS EXTENDED

Agriculture Secretary Tom Vilsack has announced the extension of the voluntary claims process for Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades. All claims must now be filed by **May 1, 2013**.

If you, or someone you know, believe the United States Department of Agriculture (USDA) has improperly denied you farm loan benefits between 1981 and 2000 because you are Hispanic or female, you may be eligible to apply for compensation and should attend the scheduled public meeting.

Thursday, April 25, 2013 at 4:30 pm

Northern NM Community College

Joseph M. Montoya Administration Building-Room 132

921 Paseo De Oñate

Espanola, New Mexico 87532

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied his or her application for loan or loan servicing assistance for discriminatory reasons for certain time periods between 1981 and 2000. As announced in February 2011, the voluntary claims process will make available at least \$1.33 billion for cash awards and tax relief payments, plus up to \$160 million in farm debt relief, to eligible Hispanic and women farmers and ranchers. There are no filing fees to participate in the program.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Fax: (855) 626-8343

Email: claims@hwfr.org

Claims Period: September 24, 2012 – May 1, 2013.

Claim packages and other documentation may be mailed to Hispanic and Women Farmers and Ranchers Claims Administrator, PO Box 4540, Portland, OR 97208-4540. Claim packages and other documentation may also be emailed to claims@hwfr.org. Claimants may also fax claims packages and other documentation to (855) 626-8343. Completed forms and documentation must be received no later than 11:59 p.m. PDT on May 1, 2013.

DCP/ACRE SIGN-UP CONTINUES

The sign-up period for DCP and ACRE are still open. The DCP sign-up period will end on Aug. 2, 2013; and the ACRE sign-up period will end on June 3, 2013.

The 2013 DCP and ACRE program provisions are unchanged from 2012, except that all eligible participants in 2013 may choose to enroll in either DCP or ACRE for the 2013 crop year. This means that eligible producers who were enrolled in ACRE in 2012 may elect to enroll in DCP in 2013 or may re-enroll in ACRE in 2013. Likewise producers who were enrolled in DCP may opt for ACRE enrollment.

Contact the FSA county office for more information, or an appointment to enroll.

CRP SIGN-UP STARTS SOON

USDA will conduct a four-week general sign-up for the Conservation Reserve Program (CRP), beginning May 20 and ending on June 14. CRP protects the nation's natural resources through voluntary participation, while providing significant economic and environmental benefits to rural communities across the United States.

Contracts on 3.3 million acres of CRP are set to expire on Sept. 30, 2013. Producers with expiring contracts or producers with environmentally sensitive land are encouraged to evaluate their options under CRP.

For more information on CRP and other FSA programs, visit a local FSA service center or www.fsa.usda.gov.

APRIL 22ND EARTH DAY ON THE GROUND LEVEL—GLOBAL THEME: THE FACE OF CLIMATE CHANGE

Since its inception in 1970, the Earth Day phenomenon has led to enormous growth in understanding of the consequences we face if we do not take care of our natural resources. It has led to more action to protect our planet's land, water, air, wildlife, and us as human beings.

Here in America and around the world, environmental concerns are becoming a primary focus. Lawmakers and business leaders, consumers and producers, families and individuals, teachers and students... everyone has a vested interest in preserving the earth, so why not celebrate a day to honor all that we're doing for our planet at ground level.

Other actions also have established lasting benefits for our environment. On many of today's farms and ranches you might find insects used instead of pesticides to prevent plant destruction. You might see machinery and vehicles designed for reduced emissions or more use of cleaner biofuels. You might spot farmers practicing mitigation measures to reduce particulate matter (dust), and greater dependence on solar and wind energy to provide electricity for their farm homes, barns and sheds.

Whether organic or conventional, the products coming from today's farms and ranches have been grown and harvested with a greater awareness of the environment. And with the growing concern for climate change, many farmers and ranchers have redoubled their commitment to do no-till planting and other common-sense practices to care for their land.

Thankfully, America has resilient and resourceful farmers and ranchers who keep the earth healthy. So, Earth Day is a good day to celebrate. It's a good day to value our contributions as farmers and ranchers; a good day to be thankful, too, for each of our planetary resources that make things grow.

For more information about the Earth Day initiative, visit: www.earthday.org

DCP AND ACRE FRUITS AND VEGETABLES (FAV) EXEMPTION

Producers enrolled in the Direct and Counter-Cyclical Program (DCP) or the Average Crop Revenue Election (ACRE) program can plant any crop on base acres except for fruits, vegetables and wild rice other than mung beans and pulse crops.

Fruits and Vegetables (FAVs) and wild rice can only be planted if the commodity is destroyed without benefit before harvest unless one of the following exceptions applies:

- In a double-cropping practice with covered commodities or peanuts in any region designated as having a history of double-cropping covered commodities or peanuts with fruits, vegetables, or wild rice
- On a farm with a history of planting FAV's or wild rice, except that direct and counter-cyclical payments shall be reduced by an acre for each acre of base acreage planted to a fruit, vegetable, or wild rice
- If the producer has an established history of planting a specific fruit, specific vegetable, or wild rice. If you meet this exception, please check with your county office for additional requirements.

Failure to comply with FAV and wild rice provisions is a CCC-509 violation that could result in termination or a reduction in direct, counter-cyclical and ACRE program payments. Compliance and payment reductions will be determined on wild rice and all FAVs planted on base acres, with the following exemptions:

- FAVs that are designated as and meet the definition of a home garden
- FAVs planted and reported with an intended use and the producer pays a fee to cover the cost of a farm visit to verify that the crop has not been harvested as FAV cover only, foraging, green manure, grazing, left standing or silage.
- Mung beans and pulse crops

The intentions must be declared when the acreage report is filed. These exemptions can't be used to negate CCC-509 violations or payment reductions.

NONINSURED CROP DISASTER ASSISTANCE PROGRAM (NAP)

The noninsured crop disaster assistance program (NAP) is a federally funded program that helps producers reduce their risk when growing food and fiber crops, specialty crops and crops for livestock feed. These benefits are only available for crops for which the catastrophic level of crop insurance is not available. Application for coverage must be filed by the applicable crop's application closing date.

Production records for all crops must be reported to FSA no later than the acreage reporting date for the crop for the following year. FSA requires that any production reported in a loss year be verifiable according to Agency specifications. NAP Losses must be reported within 15 days of the date the loss became apparent.

Please note the following 2013 NAP application closing dates and crops:

April 15	
Basil	Gourds
Beets	Honey dew
Broccoli	Okra
Cantaloupe	Pumpkins
Cauliflower	Strawberries
Cilantro	Turnips
Eggplant	Watermelon

FSA MOVES TO ELECTRONIC CHECK PROCESSING

FSA is moving towards an electronic method for processing check payments from customers. All paper checks submitted for payment, either in person or through the mail, will be converted into an Electronic Funds Transfer (EFT) using Over the Counter Channel (OTCnet), a web-based application.

The electronic transfer of funds could occur within 24 hours. FSA will hold the paper check for up to 14 calendar days to ensure that the transaction was successfully processed and then the check will be shredded. The producer will not receive the paper check back from FSA.

All counties will be transitioned into OTCnet by April 30, 2013.

FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan Program (FSFLP) allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and handling facilities.

The new maximum principal amount of a loan through FSFL is \$500,000. Participants are now required to provide a down payment of 15 percent, with CCC providing a loan for the remaining 85 percent of the net cost of the eligible storage facility and permanent drying and handling equipment. Additional security is required for poured-cement open-bunker silos, renewable biomass facilities, cold storage facilities, hay barns and for all loans exceeding \$50,000. New loan terms of 7, 10 or 12 years are available depending on the amount of the loan. Interest rates for each term rate may be different and are based on the rate which CCC borrows from the Treasury Department.

Payments are available in the form of a partial disbursement and the remaining final disbursement. The partial disbursement will be available after a portion of the construction has been completed. The final fund disbursement will be made when all construction is completed. The maximum amount of the partial disbursement will be 50 percent of the projected and approved total loan amount.

The following commodities are eligible for farm storage facility loans:

Corn, grain sorghum, rice, soybeans, oats, peanuts, wheat, barley or minor oilseeds harvested as whole grain

- Corn, grain sorghum, wheat, oats or barley harvested as other-than-whole grain
- Pulse crops - lentils, small chickpeas, dry beans and dry peas
- Hay
- Renewable biomass
- Fruits (including nuts) and vegetables - cold storage facilities
- Honey

For more information about FSFL please visit your FSA county office or www.fsa.usda.gov.

FARM RECORD CHANGES

June 1, 2013 is the deadline to provide changes to your farm records at the local FSA office for the current crop year. If you are changing your operation entity type, adding or dropping cropland or farms, or adding entities to your operation, contact the FSA county office by June 1.

MAINTAINING THE QUALITY OF LOANED GRAIN

Bins are ideally designed to hold a level volume of grain. When bins are overfilled and grain is heaped up, airflow is hindered and the chance of spoilage increases.

Producers who take out marketing assistance loans and use the farm-stored grain as collateral should remember that they are responsible for maintaining the quality of the grain through the term of the loan.

2011 SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM APPLICATIONS

The Farm Service Agency (FSA) will continue to accept SURE applications for 2011 crop losses through June 7, 2013. Under the 2008 Farm Bill, SURE authorizes assistance to farmers and ranchers who suffered crop losses caused by natural disasters occurring through Sept. 30, 2011.

To meet program eligibility requirements, producers must have obtained a policy or plan of insurance through the Federal Crop Insurance Corporation or obtained Noninsured Crop Disaster Assistance Program (NAP) coverage for all economically significant crops. Eligible farmers and ranchers who meet the definition of a socially disadvantaged, limited resource or beginning farmer or rancher do not have to meet this requirement. Forage crops intended for grazing are not eligible for SURE benefits.

ADJUSTED GROSS INCOME

USDA and the Internal Revenue Service have established an electronic information exchange process for verifying compliance with the adjusted gross income (AGI) provisions for farm programs. Written consent is required from each producer or payment recipient for the tax review process. No actual tax data will be included in the report that IRS sends to FSA.

This ensures that payments are not issued to producers whose AGI exceeds certain limits. The limits set in the 2008 Farm Bill are \$500,000 nonfarm average AGI for commodity and disaster programs; \$750,000 farm average AGI for direct payments; and \$1 million nonfarm average AGI for conservation programs.

Participants in CCC programs subject to average AGI rules must submit form CCC-933 to their local FSA Office to avoid interruption of program benefits. This form may be obtained from local FSA and NRCS offices or online at: <http://forms.sc.egov.usda.gov/eforms/mainervlet>.

UNAUTHORIZED DISPOSITION OF GRAIN

If loan grain has been disposed of through feeding, selling or any other form of disposal without prior written authorization from the county office staff, it is considered unauthorized disposition. The financial penalties for unauthorized dispositions are severe and a producer's name will be placed on a loan violation list for a two-year period. Always call before you haul any grain under loan.

FINAL AVAILABILITY DATES FOR MARKETING ASSISTANCE LOANS & LOAN DEFICIENCY PAYMENTS

- May 31 -Corn, Cotton, Grain Sorghum, Rice, Soybeans, Dry Peas, Lentils, Mustard Seed, Safflower Seed, Small Chickpeas, Sunflower Seed

MICROLOAN PROGRAM

The Farm Service Agency (FSA) developed the Microloan (ML) program to better serve the unique financial operating needs of beginning, niche and the smallest of family farm operations. The program will operate similar to the Operating Loan program but will include reduced requirements for managerial experience and loan security, as well as reduced paperwork.

Eligible applicants may obtain a microloan for up to \$35,000. The repayment term may vary and will not exceed seven years. Annual operating loans are normally repaid within 12 months or when the agricultural commodities produced are sold. Interest rates will be the same as the regular Direct Operating Loan rates.

LOANS FOR THE SOCIALLY DISADVANTAGED

FSA has a number of loan programs available to assist applicants to begin or continue in agriculture production. Loans are available for operating type loans and/or purchase or improve farms or ranches. While all qualified producers are eligible to apply for these loan programs, the FSA has provided priority funding for members of socially disadvantaged applicants.

A socially disadvantaged applicant is one of a group whose members have been subjected to racial, ethnic or gender prejudice because of his or her identity as members of the group without regard to his or her individual qualities.

For purposes of this program, socially disadvantaged groups are women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders. FSA loans are only available to applicants who meet all the eligibility requirements and are unable to obtain the needed credit elsewhere.

MARKETING ASSISTANCE LOANS (MAL)

Short-term financing is available by obtaining low interest commodity loans for eligible harvested production. A nine-month Marketing Assistance Loan provides financing that allows producers to store production for later marketing. The crop may be stored on the farm or in the warehouse.

Loans are available for producers who share in the risk of producing the eligible commodity and maintain beneficial interest in the crop through the duration of the loan. Beneficial interest means retaining the ability to make decisions about the commodity, responsibility for loss because of damage to the commodity and title to the commodity. Once beneficial interest in a commodity is lost, it is ineligible for a loan, even if you regain beneficial interest.

FSA GovDELIVERY

The USDA Farm Service Agency offices have moved to a paperless news distribution system.

Producers are asked to enroll in the new GovDelivery system, which provides notices, newsletters and electronic reminders instead of a hard copy through the mail.

Producers can now subscribe to receive free email updates by going to www.fsa.usda.gov/subscribe.

GUARANTEED LOAN PROGRAM

The Farm Service Agency loan limit for the Guaranteed Loan Program has increased to \$1,302,000. The limit is adjusted annually based on data compiled by the National Agricultural Statistics Service.

The lending limit increases every year according to an inflation index. The maximum combined guaranteed and direct farm loan indebtedness has increased to \$1,602,000.

As a reminder, the one-time loan origination fee charged on FSA guaranteed farm ownership and operating loans is 1.5 percent of the guaranteed portion of the loan.

Producers should contact their local FSA County Offices with questions about farm loans.

RURAL YOUTH LOANS

The Farm Service Agency makes loans to rural youths to establish and operate income-producing projects in connection with 4-H Clubs, FFA and other agricultural groups. Projects must be planned and operated with the help of the organization advisor, produce sufficient income to repay the loan and provide the youth with practical business and educational experience. The maximum loan amount is \$5000.

BEGINNING FARMER LOANS

FSA assists beginning farmers and or members of socially disadvantaged groups to finance agricultural enterprises. Under these designated farm loan programs, FSA can provide financing to eligible applicants through either direct or guaranteed loans. FSA defines a beginning farmer as a person who:

- Has operated a farm for not more than 10 years
- Will materially and substantially participate in the operation of the farm
- Agrees to participate in a loan assessment, borrower training and financial management program sponsored by FSA
- Does not own a farm in excess of 30 percent of the county's median size.

Additional program information, loan applications, and other materials are available at your local USDA Service Center.

LAND CONTRACT (LC) GUARANTEES

LC Program is a valuable tool to transfer farm real estate to the next generation of farm-ers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning or socially disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

FSA offers two types of guarantees:

- Prompt Payment Guarantee - A guarantee up to the amount of three amortized annual installments plus the cost of any related real estate taxes and insurance.
- Standard Guarantee - A guarantee of 90 percent of the outstanding principal balance under the land contract.

The guarantee period is 10 years and the contract payments must be amortized for a minimum of 20 years. The purchase price of the farm cannot exceed the lesser of \$500,000 or the market value of the property.

MANY NEW MEXICO COUNTIES ARE ELIGIBLE FOR EMERGENCY LOANS

Many New Mexico Counties have been declared a primary and/or contiguous disaster area due to drought and heat using the new, streamlined Secretarial Disaster Designation process. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

The streamlined disaster designation process issues a drought disaster declaration when a county has experienced a drought intensity value of at least a D2 (severe drought) level for eight consecutive weeks based on the U.S. Drought Monitor during the crop year.

Emergency loans help producers recover from production and physical losses due to drought, flooding and other natural disasters or quarantine.

Producers have eight months from the date of the declaration to apply for emergency loan assistance. FSA will consider each loan application on its own merits, taking into account the extent of losses, security available and repayment ability. Producers can borrow up to 100 percent of actual production or physical losses, to a maximum amount of \$500,000.

Producers with operations in counties that did not receive a disaster designation could be eligible for emergency loan assistance if they suffered at least a 30 percent loss in crop production or a physical loss to livestock, livestock products, real estate or chattel property.

For more information about emergency loans, please contact your local FSA office or visit www.fsa.usda.gov.

FOREIGN BUYERS NOTIFICATION

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires all foreign owners of U.S. agricultural land to report their holdings to the Secretary of Agriculture. The Farm Service Agency administers this program for USDA.

All individuals who are not U.S. citizens, and have purchased or sold agricultural land in the county are required to report the transaction to FSA within 90 days of the closing. Failure to submit the AFIDA form (FSA-153) could result in civil penalties of up to 25 percent of the fair market value of the property. County government offices, realtors, attorneys and others involved in real estate transactions are reminded to notify foreign investors of these reporting requirements.

Selected Interest Rates for April 2013	
90-Day Treasury Bill	.125%
Farm Operating Loans — Direct	1.375%
Farm Ownership Loans — Direct	3.50%
Farm Ownership Loans — Direct Down Payment, Beginning Farmer or Rancher	1.50%
Emergency Loans	2.375%
Farm Storage Facility Loans (7 years)	1.375%
Sugar Storage Facility Loans	2.50%
Commodity Loans 1996-Present	1.125%



IRS 1099 CHANGES

In past years, IRS Form 1099-G was issued to show all program payments received from the Farm Service Agency, regardless of the amount. For calendar year 2012, the 1099-G reporting will change.

IRS Form 1099-G (Report of Payments to Producers) will only be issued to producers whose reportable payments total \$600 or more for the calendar year. Additionally, if the producer has at least \$600 in reportable payments received from multiple FSA offices, only one Form 1099-G will be issued. Producers subject to voluntary withholding or backup (involuntary) withholding will receive the appropriate IRS form, even if combined payments are less than \$600.

The same changes will apply to producers and vendors who normally receive IRS Form 1099-MISC from FSA.

Any producer who receives less than \$600 in combined payments should consult a tax advisor to determine if these payments must be reported on their tax return.

FARM SAFETY

Flowing grain in a storage bin or gravity-flow wagon can be fatal. It takes less than five seconds for a person caught in flowing grain to be trapped.

The mechanical aspects of grain handling equipment, also presents a real danger. Augers, power take offs, and other moving parts can grab people or clothing.

These hazards, along with pinch points and missing shields, are dangerous enough for adults; not to mention children. It is always advisable to keep children a safe distance from operating farm equipment. Always use extra caution when backing or maneuvering farm machinery. FSA wants all farmers to have a productive crop year, and that begins with putting safety first.

HAY NET

Producers are encouraged to use Hay Net on the FSA website (<http://www.fsa.usda.gov/haynet>). This online service allows producers with hay and those who need hay to post ads so they can make connections. Hay Net is a popular site for farmers and ranchers who have an emergency need. Individual ads can be posted free of charge by producers who complete a simple online registration form the first time they use

County FSA Office	Phone Number
Chaves	(575) 622-8745
Colfax	(575) 445-9471
Curry	(575) 762-4769
De Baca	(575) 355-2448
Dona Ana	(575) 522 8775
Eddy	(575) 887-3506
Guadalupe	(575) 472-5402
Harding	(575) 485-2294
Hidalgo	(575) 542-3241
Lea	(575) 396-5857
Luna-Grant	(575) 546-9291
McKinley	(505) 722-9060

County FSA Office	Phone Number
Otero-Lincoln	(575) 437-3100
Quay	(575) 461-3612
Rio Arriba	(505) 753-3508
Roosevelt	(686) 356-6629
San Juan	(505) 334-3090
San Miguel-Mora	(505) 425-7812
Sierra	(575) 894-2563
Socorro-Catron	(575) 835-1710
Taos	(575) 758-3863
Torrance-Santa Fe	(505) 384-2272
Union	(575) 374-9461
Valencia-Cibola-Bernalillo-Sandoval	(505) 365-4643