



February 2014

NEWSLETTER



NM FSA State Newsletter

New Mexico FSA Office

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Hours

Monday - Friday
8:00 am - 4:30 pm

NM FSA State Office Staff:

Brenda Archuleta, Acting
State Executive Director

Mary Ann Romero
Farm Loan Chief

State FSA Committee

James Bostwick
Chairperson

Larry Burnett
Member

Eddie Diaz
Member

Molly Manzanares
Member

FSA ADVISES PRODUCERS TO ANTICIPATE PAYMENT REDUCTIONS DUE TO MANDATED SEQUESTER

USDA's Farm Service Agency (FSA) is reminding farmers and ranchers who participate in FSA programs to plan accordingly in FY2014 for automatic spending reductions known as sequestration. The Budget Control Act of 2011 (BCA) mandates that federal agencies implement automatic, annual reductions to discretionary and mandatory spending limits. For mandatory programs, the sequestration rate for FY2014 is 7.2%. Accordingly, FSA is implementing sequestration for the following programs:

Dairy Indemnity Payment Program	Noninsured Crop Disaster Assistance Program
Marketing Assistance Loans	Tobacco Transition Payment Program
Loan Deficiency Payments	2013 Direct and Counter-Cyclical Payments
Sugar Loans	2013 Average Crop Revenue Election Program
2011 and 2012 Supplemental Revenue Assistance Program	Storage, handling; and Economic Adjustment Assistance for upland cotton

Conservation Reserve Program payments are specifically exempt by statute from sequestration, thus these payments will not be reduced.

These sequester percentages reflect current law estimates; however with the continuing budget uncertainty, Congress still may adjust the exact percentage reduction. Today's announcement intends to help producers plan for the impact of sequestration cuts in FY2014.

At this time, FSA is required to implement the sequester reductions. Due to the expiration of the Farm Bill on September 30, 2013, FSA does not have the flexibility to cover these payment reductions in the same manner as in FY13. FSA will provide notification as early as practicable on the specific payment reductions.

USDA REMINDS PRODUCERS OF JANUARY 31, 2014 SALES CLOSING DATE FOR NONINSURABLE CROPS

NAP provides financial assistance to producers of noninsurable crops when low yields/grazing loss, loss of inventory or prevented planting occur due to natural disasters including drought, freeze, hail, excessive moisture, excessive wind or hurricanes.

The following have NAP application closing dates of:

- March 15, 2014: Beans, Dry Peas, Corn, Cotton, Guar, Millet, Potatoes, Sorghum, Soybeans, Squash, Sunflowers, Tomatoes
- April 15, 2014: Basil, Beets, Broccoli, Cantaloupe, Cauliflower, Cilantro, Eggplant, Gours, Honeydew, Okra, Pumpkins, Strawberries, Turnips, Watermelon

In order to meet eligibility requirements for NAP, crops must be noninsurable, commercially produced agricultural commodity crops for which the catastrophic risk protection level of crop insurance is not available.

In the event of a natural disaster, NAP covers the amount of loss greater than 50 percent of the expected production based on the approved yield and reported acreage.

Limited resource farmers may request a waiver of the service fee at the time the application for coverage is filed. Producers must recertify their limited resource status for each year that a waiver is requested.

2014 ACREAGE REPORTING

Producers who file accurate and timely reports for all crops and land uses, including failed acreage can prevent the potential loss of FSA program benefits. Please pay close attention to the acreage reporting dates below, as some dates have changed for 2014.

In order to comply with FSA program eligibility requirements, all producers are encouraged to visit their County FSA office to file an accurate crop certification report by the applicable deadline.

The following acreage reporting dates are:

January 15	Apples
March 15	Pistachios
May 15	Spring Barley, Onions, Pecans, Potatoes, Spring Wheat
July 15	All Other Crops
August 15	Beans
November 15	Apiculture, PRF, Perennial Forage (all grasses, Alfalfa, Mixed Forage, etc.)
December 15	Fall-Seeded Small Grain

The following exceptions apply to the above acreage reporting dates:

- If the crop has not been planted by the above acreage reporting date, then the acreage must be reported no later than 15 calendar days after planting is completed.
- If a producer acquires additional acreage after the above acreage reporting date, then the acreage must be reported no later than 30 calendar days after purchase or acquiring the lease. Appropriate documentation must be provided to the county office.
- If a perennial forage crop is reported with the intended use of "cover only," "green manure," "left standing," or "seed," then the acreage must be reported by July 15.

After September 15, 2013, late-file fees will be assessed for 2013 and 2014 late-file acreage reports.

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.

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, heat, severe storms, flooding, and mudslides using the new, streamlined Disaster Designation process. Under this designation, producers with operations in any primary or contiguous county are eligible to apply for low interest emergency loans.

Emergency loans help producers recover from production and physical losses due to drought, flooding, serve storms, 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.

FARM STORAGE FACILITY LOAN PROGRAM

The Farm Storage Facility Loan Program (FSFL) 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 seven (7), ten (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

LAND CONTRACT GUARANTEES

The Land Contract (LC) Guarantee Program is a valuable tool to transfer farm real estate to the next generation of farmers and ranchers. Guarantees will be offered to the owner of a farm who wishes to sell real estate through a LC to a Beginning farmers or Socially Disadvantaged farmer or rancher. The guarantee reduces the financial risk to the seller.

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.

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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.

MICROLOAN PROGRAM

The Farm Service Agency (FSA) developed the Microloan program to better serve the unique financial operating needs of beginning and the smallest of family farm operations.

The program operates 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.

BEGINNING FARMER LOANS

FSA assists beginning farmers 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.

FSA ANNOUNCES THE RESUMPTION OF 2013 CROP COMMODITY LOAN DISBURSEMENTS

The Farm Service Agency has resumed processing and disbursement of 2013 crop commodity loans. Crop year 2013 commodity loan making was suspended October 1, 2013, to make changes necessary to accommodate the automatic funding reductions known as sequester.

The commodity loan programs provide interim financing to producers for agricultural commodities stored after harvest and then sold throughout the year. Producers requesting 2013 crop commodity loans on their harvested commodities now will have a 5.1 percent reduction to the loan amount upon its disbursement, due to the sequestration. Commodity loans issued by marketing associations and loan servicing agents are also subject to the sequestration reduction.

During the period that loan-making was suspended, producers were still able to submit loan applications to their county FSA offices, marketing associations and loan servicing agents. The processing and disbursement of these applications will begin immediately.

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.

Youth Loan Eligibility Requirements:

- Be a citizen of the United States (which includes Puerto Rico, the Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands) or a legal resident alien
- Comply with FSA's general eligibility requirements
- Reside in a rural area, city or town with a population of 50,000 or fewer people
- Be unable to get a loan from other sources
- Conduct a modest income-producing agricultural project in a supervised program of work as outlined above

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	(575) 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) 865-4643