

February 2013

New Mexico FSA Office

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Hours

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

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State FSA Committee

James Bostwick
Chairperson

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Member

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Member

Molly Manzanares
Member

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Member

USDA URGES PRODUCERS TO COMPLETE AND RETURN THE 2012 CENSUS OF AGRICULTURE

The USDA National Agricultural Statistics Service (NASS) mailed the 2012 Census of Agriculture during the last week of December and is asking for the help of farmers and ranchers in collecting accurate data.

The Census of Agriculture is conducted once every five years and captures a count of all U.S. farms, ranches and those who operate them. Everyone who receives a Census form is required to return the Census form, even if they no longer farm or have never been involved in agriculture.

Results of the Census are used by USDA, university research and extension, state and local officials, agribusinesses, farm organizations and commodity groups to make important policy and business decisions that impact people across the nation.

Producers can also complete the Census online at www.agcensus.usda.gov after receiving the Census form through the mail. Information reported by producers is confidential. The results of the Census show the strength and diversity of U.S. agriculture.

Your answers to the Census can help grow our farm future, shape farm programs and boost services for you, your community and your industry.

For questions or help completing the Census, contact NASS at (888) 424-7828.

NEW 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.

The microloan program can be used for such expenses as annual crop inputs, marketing and distribution expenses, purchase of livestock and equipment, and minor farm improvements such as wells and coolers.

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.

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.

FSA, like many other organizations, is trying to work smarter and be more efficient. Moving to electronic notifications via email helps conserve resources and save taxpayer dollars.

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

Dates to Remember	
Feb 18	Washington's Birthday, Federal Offices Closed
March 25	Hispanic and women farmers and ranchers claims deadline March 25, 2013.

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.

DCP/ACRE 2013 SIGN-UP

The Direct and Counter-Cyclical Payment Program (DCP) and the Average Crop Revenue Election (ACRE) Program are being offered for the 2013 crop year under the 2008 Farm Bill Extension.

DCP and ACRE sign-up for 2013 crops will begin on February 19, 2013. The DCP sign-up period will end on August 2, 2013 and ACRE sign-up will end on June 3, 2013.

The only program change from 2012 to 2013 is 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 (and vice versa). There will not be 2013 advance payments. Payments will be issued in October and figured at 85%.

MILC PROGRAM EXTENDED

As a result of the 2008 Farm Bill Extension, all Milk Income Loss Contracts are automatically extended to September 30, 2013. Eligible producers do not have to re-enroll in MILC.

MILC payments are triggered when the Boston Class I milk price falls below \$16.94 per hundredweight, after adjustment for the cost of dairy feed rations. MILC payments are calculated each month using the latest milk price and feed cost.

The payment rate for September 2012 is approximately \$0.59 per hundredweight. The payment rate for October 2012 marketing is approximately \$0.02 per hundredweight. The payment rate for November 2012 marketing is zero.

Before the October MILC payment can be issued, dairy farmers must complete a new Average Adjusted Gross Income (AGI) form for 2013. The new form, CCC-933 Average Adjusted Gross Income (AGI) Certification and Consent to Disclosure of Tax Information, must be completed by producers before they can receive payments for a variety of programs administered by FSA and USDA's Natural Resources Conservation Service. Producers may obtain CCC-933 at their local USDA Service Center.

Dairy operations may select a production start month other than October 2012. Producers who want to select a production start month other than October 2012 must visit their local FSA office between Feb. 1 and Feb. 28, 2013, also known as a relief period.

FSA will provide producers with information on program requirements, updates and signups as the information becomes available. For more information on MILC, contact a local FSA county office or visit the FSA website at www.fsa.usda.gov.

Non-Insurable 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.*

All applications for NAP payment must be signed by the subsequent crop year's acreage reporting date in order to be considered timely. There are no late-file provisions for NAP applications for payment.

The following crops have a NAP application closing date of March 15, 2013 and April 15th, 2013:

March 15		April 15	
Beans	Squash	Basil	Gourds
Dry Peas	Sunflowers	Beets	Honey dew
Corn	Tomatoes	Broccoli	Okra
Millet		Cantaloupe	Pumpkins
Potatoes		Cauliflower	Strawberries
Sorghum		Cilantro	Turnips
Soybeans		Eggplant	Watermelon

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.

MIDAS is the Farm Service Agency's initiative to "Modernize and Innovate the Delivery of Agricultural Systems". The heart of the MIDAS initiative is to improve the delivery of FSA farm program benefits and services through the re-engineering of farm program business processes and the adoption of enhanced and modernized information technology. MIDAS will modernize the delivery of farm programs and services.

NEW AGI FORM FOR 2013

Under the 2008 Farm Bill extension, all payment eligibility and payment limitation provisions were extended, including AGI limitations for the 2013 crop year, program year and fiscal year.

All rules and requirements effective for 2012 program payments and benefits are applicable to eligible recipients of 2013 program payment and benefits. This includes the requirements of actively engaged in farming, cash-rent tenant, substantive change, minor child, and spousal provisions. Payments will continue to be limited by direct attribution to person and legal entity. All average AGI limitations for commodity, price support, disaster assistance, and conservation programs are also continued for 2013 including the \$1 million average AGI limitation for 2013 direct payments.

The average AGI for 2013 payment eligibility purposes will be based on the average of AGI amounts for the 3-year period of 2009, 2010, and 2011. Producers will be required to complete a new AGI compliance certification and written consent for disclosure for 2013 using form CCC-933, which is a new form for 2013 only. The CCC-933 must be completed by the person or legal entity earning USDA benefits either directly or indirectly in the 2013 program. Producers who fail to provide the certification and consent must refund all applicable program payments received from FSA and NRCS.

2011 SUPPLEMENTAL REVENUE ASSISTANCE PROGRAM APPLICATIONS

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.

During 2011, All New Mexico counties in State received a Secretarial Disaster Designation, whether primary or contiguous, and producers are eligible to apply for SURE benefits if they experienced at least a 10 percent production loss that affects one crop of economic significance.

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.

ACTIVELY ENGAGED

To be eligible for payments and benefits under specified programs, all program participants, either individuals or legal entities, must provide significant contributions to the farming operation to be considered as "actively engaged in farming." Contributions can consist of capital, land, and/or equipment, as well as active personal labor and/or active personal management. The management contribution must be critical to the profitability of the farming operation and the contributions must be at risk.

Each partner, stockholder or member with an ownership interest must contribute active personal labor and/or active personal management to the farming operation on a regular basis. The contribution must be identifiable and documentable; as well as separate and distinct from the contributions made by any other partner, stockholder or member. If any partner, stockholder or member with an ownership interest fails to meet this requirement, program payments will be reduced by the corresponding share held by that partner, stockholder or member. There is an exception allowed for legal entities, such as corporations, if total direct payments received both directly and indirectly, by the legal entity and its members do not exceed \$40,000

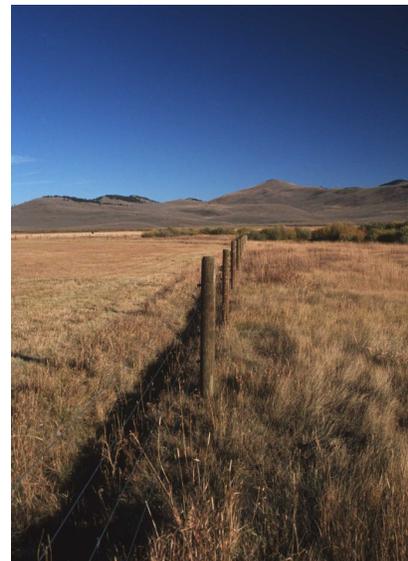
NEW MEXICO IS ELIGIBLE FOR EMERGENCY LOANS

Many New Mexico counties have been declared a primary/contiguous disaster 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. The current emergency loan interest rate is **2.25 percent**.

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



MARKETING ASSISTANCE LOANS (MALs)

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.

FINAL AVAILABILITY DATES FOR MARKETING ASSISTANCE LOANS & LOAN DEFICIENCY PAYMENTS

- March 31-Honey, Oats, Wheat, Barley, Canola, Crambe, Flaxseed, Rapeseed, Sesame Seed
- May 31 -Corn, Cotton, Grain Sorghum, Rice, Soybeans, Dry Peas, Lentils, Mustard Seed, Safflower Seed, Small Chickpeas, Sunflower Seed

FARM STORAGE FACILITY LOAN PROGRAM

FSFLP allows producers of eligible commodities to obtain low-interest financing to build or upgrade farm storage and 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 \$100,000. 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.

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 FSFLP:

- 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

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.

DIRECT AND GUARANTEED LOANS:

The Farm Service Agency is committed to providing family farmers with loans to meet their farm credit needs. If you are having difficulty obtaining the financing you need for your farm, or regularly borrow from FSA, direct and guaranteed loans are currently available.

FSA's 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.

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
- Be 10 years to 20 years of age
- 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 ag income-producing project in a supervised program of work as outlined above
- Demonstrate capability of planning, managing and operating the project under guidance and assistance from a project advisor. The project supervisor must recommend the project and the loan, along with providing adequate supervision.

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.

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.

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.

LAND CONTRACT (LC) GUARANTEES

The Land Contract (LC) Guarantee 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.

FSA SIGNATURE POLICY

Using the correct signature when doing business with FSA can save time and prevent a delay in program benefits. The following are FSA signature guidelines:

- Spouses may sign documents on behalf of each other for FSA and CCC programs in which either has an interest, unless written notification denying a spouse this authority has been provided to the county office
- Spouses shall not sign on behalf of each other as an authorized signatory for partnerships, joint ventures, corporations, or other similar entities

HISPANIC AND WOMEN FARMER AND RANCHER CLAIMS PROCESS

USDA has announced that Hispanic and women farmers and ranchers who allege discrimination by the USDA in past decades can file claims between Sept. 24, 2012 and March 25, 2013.

The process offers a voluntary alternative to litigation for each Hispanic or female farmer and rancher who can prove that USDA denied their applications 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.

New Mexico USDA, Farm Service Agency, Rural Development and Natural Resource Conservation Service will be providing current USDA program updates and information on the Hispanic and Women Farmers and Ranchers Claims Process. Below are the upcoming dates:

Northern New Mexico USDA Public Meeting

February 14, 2013
9:00 am

Historic Plaza Hotel
230 Plaza Park
Las Vegas, NM

Southern New Mexico USDA Public Meeting

February 26, 2013
9:00 am

NM Farm & Ranch
Heritage Museum
4100 Dripping Springs Rd.
Las Cruces, NM

For more information or if you are a person with disabilities who require accommodations to attend or participate in this meeting please contact Veronica Tribbet at (505) 761-4900 or Federal Relay Service at 1-866-377-8642.

Call center representatives can be reached at 1-888-508-4429. Claimants must register for a claims package (by calling the number or visiting the website) and the claims package will be mailed to claimants. All those interested in learning more or receiving information about the claims process and claims packages are encouraged to attend meetings in their communities about the claims process and contact the website or claims telephone number.

Website: www.farmerclaims.gov

Phone: 1-888-508-4429

Claims Period: Sept. 24, 2012 - March 25, 2013.

Independent legal services companies will administer the claims process and adjudicate the claims. Although there are no filing fees to participate and a lawyer is not required to participate in the claims process, people seeking legal advice may contact a lawyer or other legal services provider.

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