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New Mexico FSA State Newsletter - April 2024

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Message from the State Executive Director



Hello Friends,

It is that time of Spring when the weather is warming up across the state. We have plenty of important information to share with you regarding our programs.

Happy Earth Day! Today we observe and celebrate our support for environmental protection and raise awareness for the need to protect our world. Earth Day is a reminder of the importance of environment conservation and sustainability to encourage a healthier planet and a bright future.

Starting April 23, USDA will be holding free webinars for beginning Farmer and Ranchers. This series focuses on military veterans, transitioning service members, and military spouses on how to work with the USDA to prepare for a career in agriculture. For more information and registration for this event, please visit this link: <u>USDA Beginning Farmer and Rancher</u> <u>Veterans Webinar Series</u>.

The Agricultural Foreign Investment Disclosure Act (AFIDA) requires foreign investors who buy, sell or hold an interest in U.S. agricultural land to report their holdings and transactions to the USDA. Foreign investors must file AFIDA Report Form FSA-153 with the FSA county office in the county where the land is located.

A new <u>online Livestock Indemnity Program (LIP) Decision Tool and farm loan</u> <u>resources</u> available to agricultural producers and cooperators who help producers access USDA disaster assistance, farm loans and other federal farm programs. The new LIP tool and the farm loan informational video resources were developed in partnership with FarmRaise and USDA's Farm Service Agency (FSA). These tools are now available at www.farmraise.com/usda-fsa.

General Conservation Reserve Program Sign Up 62 ended on Ma**rch 29, 2024**. All offers that were submitted are currently be ranked by the National Office. As soon as results are released, participants will be notified.

The 2024 Dairy Margin Coverage (DMC) election period started Feb.28 and will end on April 29. **As a reminder the DMC program does not have any late file provisions**. If a producer has not signed their 2024 contract and paid their \$100 admin fee, they will not be eligible for 2024 DMC coverage. Please make sure to contact your local County Office as soon as possible to ensure you enroll by the deadline, Monday, April 29.

We are excited to inform you that FSA has launched a National Receipts and Receivables System (NRRS) –Public Web Application. This application provides options that allow customers to pay outstanding FSA program debts and bills online. The application is available 24/7. Customers may use the following payment methods through this application:

- Debit Card
- ACH Debit
- Credit Card Only allowed on program fee related bill (i.e DMC premium/admin fee, FLP credit report check fee)

In order to access the application, you will need a login.gov (a.k.a. USDA eAuthentication). If you do not have an account, please click the following link to sign up, <u>Access Your</u> farmers.gov Account | Farmers.gov.

In the near future, customers will be able to access the NRRS public website from Farmers.gov where customers will have the Pay My Bill/Debt link. Notification and demand letters will be updated to include an online payment option.

Please check out the new application by clicking the following link, <u>https://apps.fsa.usda.gov/usda_scc_gateway/nrrs/app/accounts.do</u>

Stay tuned to future newsletters for updates.

As stated in last month's newsletter, our county office staff is working on a concerted effort to ensure your farm records are accurate and they cannot do that without your help. In the next several months, you may be receiving notification from our offices to verify farm records under your name. Any time there are changes to your farm, including, but not limited to ownership, operatorship, shares, it is of the utmost importance that you notify your local County FSA Office. Farm records are the foundation of acreage reports, program payments. Please work with our staff to ensure your records are up to date. Our farm and eligibility records are also used by our sister agencies, when you participate in their programs.

A routine reminder, <u>www.farmers.gov</u> is your one stop shop. Create an account to stay up to date with programs, manage your records, and so much more.

Thank you,

Jonas Moya State Executive Director

OFFICE CLOSURE

- Memorial Day May 27
- Juneteenth National Independence Day June 19
- Independence Day July 4
- Labor Day September 2

IMPORTANT DATES (Please check with your local office for other deadlines that may apply to your particular situation) <u>Service Center Locator</u>

- Dairy Marketing Contract (DMC)
 - April 29, Deadline to enroll, NO LATE FILED PROVISIONS
- Emergency Relief Program (ERP)
 - o Ongoing: No Deadline
- Acreage Certification Reporting
 - May 15: Spring Barley, Onions, Pecans (trees), Potatoes (Curry, Lea and Roosevelt Counties Only), Spring Wheat

- July 15: All other crops, Perennial Forage, Potatoes (All New Mexico Counties, except Curry, Lea, and Roosevelt)
- July 31: Hemp
- o August: Beans

Dairy Producers Can Enroll for 2024 Dairy Margin Coverage Through April 29

Starting Feb. 28, dairy producers will be able to enroll for 2024 Dairy Margin Coverage (DMC), an important safety net program offered through the U.S. Department of Agriculture (USDA) that provides producers with price support to help offset milk and feed price differences. This year's DMC signup begins Feb. 28, 2024, and ends April 29, 2024. For those who sign up for 2024 DMC coverage, payments may begin as soon as March 4, 2024, for any payments that triggered in January 2024.

USDA's Farm Service Agency (FSA) has revised the regulations for DMC to allow eligible dairy operations to make a one-time adjustment to established production history. This adjustment will be accomplished by combining previously established supplemental production history with DMC production history for those dairy operations that participated in Supplemental Dairy Margin Coverage during a prior coverage year. DMC has also been authorized through calendar year 2024. Congress passed a 2018 Farm Bill extension requiring these regulatory changes to the program.

DMC is a voluntary risk management program that offers protection to dairy producers when the difference between the all-milk price and the average feed price (the margin) falls below a certain dollar amount selected by the producer. In 2023, Dairy Margin Coverage payments triggered in 11 months including two months, June and July, where the margin fell below the catastrophic level of \$4.00 per hundredweight, a first for Dairy Margin Coverage or its predecessor Margin Protection Program.

2024 DMC Coverage and Premium Fees FSA has revised DMC regulations to extend coverage for calendar year 2024, which is retroactive to Jan. 1, 2024, and to provide an adjustment to the production history for dairy operations with less than 5 million pounds of production. In previous years, smaller dairy operations could establish a supplemental production history and receive Supplemental Dairy Margin Coverage. For 2024, dairy producers can establish one adjusted base production history through DMC for each participating dairy operation to better reflect the operation's current production.

For 2024 DMC enrollment, dairy operations that established supplemental production history through Supplemental Dairy Margin Coverage for coverage years 2021 through 2023, will combine the supplemental production history with established production history for one adjusted base production history.

For dairy operations enrolled in 2023 DMC under a multi-year lock-in contract, lock-in eligibility will be extended until Dec. 31, 2024. In addition, dairy operations enrolled in multi-year lock-in contracts are eligible for the discounted DMC premium rate during the 2024 coverage year. To

confirm 2024 DMC lock-in coverage or opt out in favor of an annual contract for 2024, dairy operations having lock-in contracts must enroll during the 2024 DMC enrollment period.

DMC offers different levels of coverage, even an option that is free to producers, minus a \$100 administrative fee. The administrative fee is waived for dairy producers who are considered limited resource, beginning, socially disadvantaged or a military veteran. To determine the appropriate level of DMC coverage for a specific dairy operation, producers can use the <u>online dairy decision tool</u>.

DMC Payments DMC payments are calculated using updated feed and premium hay costs, making the program more reflective of actual dairy producer expenses. These updated feed calculations use 100% premium alfalfa hay.

More Information USDA also offers other risk management tools for dairy producers, including the <u>Dairy Revenue Protection (DRP)</u> plan that protects against a decline in milk revenue (yield and price) and the <u>Livestock Gross Margin (LGM)</u> plan, which provides protection against the loss of the market value of milk minus the feed costs. Both DRP and LGM livestock insurance policies are offered through the Risk Management Agency. Producers should contact their local <u>crop insurance agent</u> for more information.

For more information on DMC, visit the <u>DMC webpage</u> or contact your local <u>USDA Service</u> <u>Center</u>.

Annual Review of Payment Eligibility for New Crop Year

FSA and NRCS program applicants for benefits are required to submit a completed CCC-902 (Farming Operation Plan) and CCC-941 Average Gross Income (AGI) Certification and Consent to Disclosure of Tax Information for FSA to determine the applicant's payment eligibility and establish the maximum payment limitation applicable to the program applicant.

Participants are not required to annually submit new CCC-902s for payment eligibility and payment limitation purposes unless a change in the farming operation occurs that may affect the previous determination of record. A valid CCC-902 filed by the participant is considered to be a continuous certification used for all payment eligibility and payment limitation determinations applicable for the program benefits requested.

Participants are responsible for ensuring that all CCC-902 and CCC-941 and related forms on file in the county office are updated, current, and correct. Participants are required to timely notify the county office of any changes in the farming operation that may affect the previous determination of record by filing a new or updated CCC-902 as applicable.

Changes that may require a NEW determination include, but are not limited to, a change of:

- Shares of a contract, which may reflect:
 - A land lease from cash rent to share rent

- A land lease from share rent to cash rent (subject to the cash rent tenant rule
- A modification of a variable/fixed bushel-rent arrangement
- The size of the producer's farming operation by the addition or reduction of cropland that may affect the application of a cropland factor
- The structure of the farming operation, including any change to a member's share
- The contribution of farm inputs of capital, land, equipment, active personal labor, and/or active personal management
- Farming interests not previously disclosed on CCC-902 including the farming interests of a spouse or minor child
- Certifications of average AGI are required to be filed annually for participation in an annual USDA program. For multi-year conservation contracts and NRCS easements, a certification of AGI must be filed prior to approval of the contract or easement and is applicable for the duration of the contract period.

Participants are encouraged to file or review these forms within the deadlines established for each applicable program for which program benefits are being requested.

Obtaining Payments Due to Deceased Producers

In order to claim a Farm Service Agency (FSA) payment on behalf of a deceased producer, all program conditions for the payment must have been met before the applicable producer's date of death.

If a producer earned an FSA payment prior to his or her death, the following is the order of precedence for the representatives of the producer:

- administrator or executor of the estate
- the surviving spouse
- surviving sons and daughters, including adopted children
- surviving father and mother
- surviving brothers and sisters
- heirs of the deceased person who would be entitled to payment according to the State law

For FSA to release the payment, the legal representative of the deceased producer must file a form FSA-325 to claim the payment for themselves or an estate. The county office will verify that the application, contract, loan agreement, or other similar form requesting payment issuance, was signed by the applicable deadline by the deceased or a person legally authorized to act on their behalf at that time of application.

If the application, contract or loan agreement form was signed by someone other than the deceased participant, FSA will determine whether the person submitting the form has the legal authority to submit the form.

Payments will be issued to the respective representative's name using the deceased program participant's tax identification number. Payments made to representatives are subject to offset regulations for debts owed by the deceased.

FSA is not responsible for advising persons in obtaining legal advice on how to obtain program benefits that may be due to a participant who has died, disappeared or who has been declared incompetent.

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 eAuthentication</u> (<u>"eAuth"</u>) account or a Login.gov account. 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-bystep 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.

Communication Is Key in Lending

Farm Service Agency (FSA) is committed to providing our farm loan borrowers the tools necessary to be successful. FSA staff will provide guidance and counsel from the loan application process through the borrower's graduation to commercial credit. While it is FSA's commitment to advise borrowers as they identify goals and evaluate progress, it is crucial for borrowers to communicate with their farm loan staff when changes occur. It is the borrower's responsibility to alert FSA to any of the following:

- Any proposed or significant changes in the farming operation
- Any significant changes to family income or expenses
- The development of problem situations
- Any losses or proposed significant changes in security

If a farm loan borrower can't make payments to suppliers, other creditors, or FSA on time, contact your farm loan staff immediately to discuss loan servicing options.

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To find contact information for your local office go to www.fsa.usda.gov/NM