



# **FARM BILL 2008**

## **Public Meeting**

### **Hillsborough, FL**

**March 10th, 2009**

*Helping People Help the Land*



## General Eligibility

- ✓ Is your land currently being used to produce an Ag commodity or livestock?
- ✓ Did you produce and/or sell \$1000 of Ag products in 2 of the last 5 years?
- ✓ Do you own or have proof that you have control of the land for the length of the contract?
- ✓ Have you updated your farm records with the Farm Service Agency?





## Eligibility (cont'd)

- ✓ Are you willing to apply conservation practices according to NRCS standards and specifications?
- ✓ Do you have an adjusted gross income (AGI) of \$1.0 million or less for the preceding 2 out of 5 years OR at least 66.6% of your income comes from average adjusted farm income?
- ✓ Are you able to finance the cost of installation until the practice reimbursement is authorized?
- ✓ If your application is funded, are willing to allow US Fish and Wildlife Service to be informed about the project location to determine possible effects on T&E species?





## Eligibility (cont'd)

- ✓ For animal waste systems, are you willing to develop and implement a Comprehensive Nutrient Mgt Plan (CNMP)
- ✓ For irrigation, do you have proof of irrigation for the last 2 out of 5 years?
- ✓ Are you willing to install a practice within the first 12 months of the contract?
- ✓ Are you aware of the Cost Recovery and Liquidated Damages provisions if the contract is terminated?





## Payment Schedule/Cost List

- **Payments are based on a state-wide cost list developed from average price quotes obtained from throughout the state and from previous installed practice billings.**
- **Reimbursements are based on this state-wide average cost list**
- **To receive payment, practice MUST be applied according to NRCS practice standards and specifications**
- **The amount of payment is based on the practice applied and the percent share the participant qualified for**





## Ranking Process

- Applications are taken and placed in a competitive funding account based on the applicant objectives
- Applications are ranked based on the criteria determined for that particular funding account. These include national, state and local resource concerns
- A numeric value is determined based on the questions answered
- Applications are then funded based on the numeric value scored and available funding within the funding account





## Payment rates

**Historically underserved producers, including Indian tribes, may receive the applicable payment rate and an additional rate that is not less than 25 percent above the applicable rate, provided that this increase does not exceed 90 percent of the estimated incurred costs associated with the conservation practice. Maximum cost-share rate for any participant is 90%.**





**Eligibility for increased payments is expanded to include socially disadvantaged farmers and ranchers in addition to previously authorized beginning and limited resource farmers and ranchers.**

**Allows for these producers to receive advance payment up to 30 percent for the purposes of purchasing materials and services**

- Note: A “reasonable” time for utilization of these will determined by the State Conservationist.**





**Historically underserved producer** means an eligible person or legal entity who is a beginning farmer or rancher, socially disadvantaged farmer or rancher, or limited resource farmer or rancher. Cost shares rates for this category is 90%.





**New or Beginning Farmer** - has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity





***Socially disadvantaged farmer or rancher***

means a farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities. These groups include African Americans, American Indians or Alaskan natives, Hispanics, and Asians or Pacific Islanders. This requirement applies to all members of an entity





### Limited Resource Farmer –

must meet criteria as outlined on the NRCS Florida webpage. Family income cannot exceed 50% of county median income level. No acreage limit but income subject to verification to insure eligibility. Must have at least \$1000 or more of ag products produced and sold within the last year, or would have been sold for 2 of last 5 years or IRS Schedule F showing profit or loss from farm operations. This requirement applies to all members of an entity

The Limited Resource Farmer Producer Tool can be found at  
<http://www.lrftool.sc.egov.usda.gov/>





*Liquidated Damages” means a sum of money stipulated in the cost-share agreement that the participant agrees to pay NRCS if the participant fails to adequately complete the terms of the cost-share agreement. The sum represents an estimate of the technical assistance expenses incurred to service the agreement, and reflects the difficulties of proof of loss and the inconvenience or non-feasibility of otherwise obtaining an adequate remedy.*





# Sign-up Deadline

Batching Period ends  
*Friday March 13, 2009*

Applications received after this date will be held  
for next batching period





## Signing Up

Contact your local *Natural Resources Conservation Service* office as soon as possible for latest information and making application

Contact your local *Farm Service Agency* to insure “Person Eligibility” ASAP

**BEFORE MARCH 13<sup>th</sup>!**





# PROGRAMS

**WHIP** – Wildlife Habitat Incentive  
Program

**EQIP** – Environmental Quality Incentive  
Program

**GRP** – Grasslands Reserve Program

**WRP** – Wetlands Reserve Program

**FRPP** – Farm and Ranch Land Protection  
Program





## EQIP Purposes

- provide flexible assistance to producers to install and maintain conservation practices that sustain food and fiber production while -





# Environmental Quality Incentives Program (EQIP)

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## EQIP Purposes (cont.)

enhancing soil, water, and related natural resources, including grazing land, forestland, wetland, wildlife, conserving energy; - and





## EQIP Purpose (cont.)

assisting producers to make beneficial changes to production systems (including conservation practices related to organic production) on agricultural or forested land.





## EQIP Changes

Forest management and conservation practices related to organic production have been given stronger emphasis

Conservation activities now authorize the development of comprehensive nutrient management plans (CNMP) and other plans as determined by the Secretary

The CNMP, Organic Farming, and Forest Mgt plans **MUST** be developed prior to installation of the first practice. This installation **MUST** occur within the first 12 months of the contract period or participant may face liquidated damages/penalties





## EQIP Changes (cont'd)

For water conservation or irrigation efficiency practices, NRCS may give priority to practices that reduce the water use in the operation of a producer who agrees not to use any associated savings to bring new land under irrigation production.





## Funding/Ranking

Applications will be competitively ranked within the funding account chosen by the applicant

Applications can only be submitted for one funding account





## Example

Someone wanting to plant trees may apply under the “Area 3 General Acct” which includes all general land-uses and applicable practices

**OR**

The application can be made under the statewide Forestry account and compete with other forestry-related applications





## EQIP Changes (cont'd)

### Organic Farming

Opportunities for additional conservation assistance to organic producers agreeing to develop and carry out organic system plans.

Payments for organic production may not exceed in aggregate \$20,000 per year or \$80,000 during the life of the farm bill for installing conservation practices.





## EQIP Changes (cont'd)

Payment limitation are reduced from \$450,000 to \$300,000 for the length of the Farm Bill.

Payments received for technical assistance shall not be included in this limitation.





## New Definitions

**Estimated income foregone** – means an estimate of the net income loss associated with the adoption of a conservation practice, including from a change in land use or land taken out of production or the opportunity cost associated with the adoption of a conservation practice.





## EQIP - Definitions

***Forest management plan*** means a site-specific plan that is prepared by a professional resource manager, in consultation with the participant, and is approved by the State Conservationist.





## EQIP - Definitions

*Integrated Pest Management* means a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks.





## EQIP - Definitions

*National Organic Program* means the national program, administered by the Agricultural Marketing Service, which regulates the standards for any farm, wild crop harvesting, or handling operation that wants to sell an agricultural product as organically produced





## EQIP - Definitions

*Organic System Plan* means a management plan for organic production or for an organic handling operation that has been agreed to by the producer or handler and certifying agent. The Organic System Plan includes all written plans that govern all aspects of agricultural production or handling.





## EQIP - Definitions

*Nonindustrial private forest land* means rural land that has existing tree cover or is suitable for growing trees; and is owned by any nonindustrial private individual, group, association, corporation, Indian Tribe, or other private legal entity that has definitive decision-making authority over the land.





## EQIP - Definitions

*Payment* means financial assistance provided to the participant based on the estimated costs incurred in performing or implementing conservation practices, including costs for: planning, design, materials, equipment, installation, labor, maintenance, management, or training, as well as the estimated income foregone by the producer for designated conservation practices.





## EQIP New Definitions

*Resource Concern* means a specific natural resource problem that represents a significant concern in a State or region, and is likely to be addressed successfully through the implementation of the conservation activities by producers.





## Additional Plan Requirements

- Implement a comprehensive nutrient management plan when the EQIP contract includes an animal waste management facility;
- Implement a forest management plan when the EQIP plan of operations addresses nonindustrial private forest land.
- Organic farming requires a plan from a certified OF planner





## Conservation practice operation and maintenance (O&M)

- The contract will incorporate the O&M agreement that addresses the operation and maintenance of the conservation practice applied under the contract.
- Note: This agreement is part of the existing program appendix.





## Payment rates

- may be up to 90 percent of the application costs, *based on the state approved payment schedule*
- may include up to 100 percent of the estimated income foregone; or
- include both of the above where a producer incurs cost in implementing a conservation practice and foregoes income related to that practice implementation.





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# WILDLIFE HABITAT INCENTIVES PROGRAM (WHIP)





# WHIP

## Program Purpose:

The purpose of WHIP is to help participants develop fish and wildlife habitat on private agricultural land, nonindustrial private forest land, and Tribal lands.





## National Priorities

Promote the restoration of declining or important native fish and wildlife habitats

Protect, restore, develop, or enhance fish and wildlife habitat to benefit at-risk species

Reduce the impacts of invasive species on fish and wildlife habitats; and

Protect, restore, develop or enhance declining or important aquatic wildlife species habitats





## WHIP Statutory Changes

**Eligible Land: Must be suitable for wildlife habitat development**

- **Agricultural land**
- **Nonindustrial private forest land**
- **Tribal land**

**(Note – Public lands are NOT eligible)**

**Allows for enrollment of other types of habitat including wildlife habitat developed on pivot corners and irregular areas.**





## Eligible Practices

Prescribed Burning

Permanent Wildlife Food Plots

Tree Planting

Other approved practices as prescribed in the Wildlife Plan of Operation, usually developed by FWC





## WHIP Statutory Changes

Payments made to a person or legal entity, directly or indirectly, under the program may not exceed, in the aggregate, \$50,000 per year. **Florida will limit annual contract payment amounts to \$35,000.** Payments are based on a state-wide payment schedule





## **WHIP Eligibility**

**Must meet Food Security Act HEL and Wetland Provisions**

**Acreage Limits – Minimum 10 acres**

**Must meet “Person Eligibility” with Farm Service Agency**

**Must develop Wildlife Plan in cooperation with Florida Fish and Wildlife Commission**

**Must be in compliance with any other USDA-administered contracts such as EQIP, CRP, WRP, etc**





## WHIP Definitions

**“Nonindustrial private forest land”** means rural land, as determined by the Secretary, that has existing tree cover or is suitable for growing trees; and is owned by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity that has decision-making authority over the land.





## WHIP Definitions

**“WHIP Plan of Operations (WPO)”** means the document that identifies the location and timing of conservation practices that the participant agrees to implement on eligible land in order to develop fish and wildlife habitat and provide environmental benefits. The WPO is a part of the WHIP cost-share agreement.





## WHIP Significant Rule Changes

Cost share agreements can be for a time period with a **minimum duration of one year** after the completion of conservation practices identified in the WPO but not more than 10 years. This means that a contract could be as short as a few days plus the required 1 year O&M period.

Creates an annual payment limitation:

Payments made or attributed to a participant, directly or indirectly, may not exceed, in the aggregate, \$50,000 per year (**\$35,000 in FL – maximum annual contract payment amount**)





## WHIP Significant Rule Changes

### Environmental Credits for Conservation Improvements

USDA recognizes that environmental benefits will be achieved by implementing conservation practices funded through WHIP, and that environmental credits may be gained as a result of implementing activities compatible with the purposes of a WHIP cost-share agreement.





## WHIP Significant Rule Changes

### Environmental Credits for Conservation Improvements continued

NRCS asserts no direct or indirect interest on any such credits. However, NRCS retains the authority to ensure that the requirements for WHIP funded improvements are met and maintained. Where activities required under an environmental credit agreement may affect land covered under a WHIP cost-share agreement, participants are highly encouraged to request a compatibility assessment from NRCS prior to entering into such agreements.





# Grassland Reserve Program (GRP)

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## GRP Purposes

- assists landowners and operators to protect restore, and enhance grassland, including rangeland, pastureland, shrubland, and certain other lands; and





## GRP Purposes

- program emphasizes support for grazing operations; enhancement of plant and animal biodiversity; and protection of grassland and land containing shrubs and forbs under threat of conversion.





## GRP Statutory Changes

Priority enrollment to land previously enrolled in CRP if the land is eligible land, is of high ecological value, and is under significant threat of conversion to uses other than grazing; and

Provide CRP participants with eligible expiring CRP acres an opportunity to enroll in GRP for up to 12 months before the CRP contract expiration date.

- Note: CRP priority enrollment is limited to enrollment in easements and 20-year rental contracts.





## GRP Statutory Changes

Expand land eligibility criteria to include land that has been historically dominated by grassland, forbs, or shrubland, when it contains historical or archaeological resources, or when it would address issues raised by State, regional, and national priorities;

Require participants with rental contracts to suspend any existing cropland base and allotment history for the land under another program; and





## Program Changes

Removes the minimum acreage enrollment requirement;

Removes the 30-year rental agreement and 30-year easement enrollment option;

Priority to expiring CRP; NTE 10 percent of GRP Enrollment;

Easements – 60 percent of total funding

Rental Agreements – 40 percent of total funding





# Program Changes

## Payment Limitations

- **An annual \$50,000 payment limitation per person or legal entity for rental contracts payments**
- **An annual \$50,000 payment limitation per person or legal entity for restoration agreements payments**
  - **50% cost-share for restoration agreements**

Limits rental contract options to 10,15, and 20-years





# Program Changes

## Easement Valuation Changes

- **Similar to WRP, but deduct grazing value**
- **Appraisal or Area Wide Market Survey**
- **Geographic Area Rate Cap (GARC)**
- **Landowner's offer**

Requires a grazing management plan





## Ranking Criteria

Priority given to “natural” sites such as sand pine scrub, longleaf pine-turkey oak, etc with pasture and cropland lower on the priority list

Conversion pressure – proximity to developments, urban/industrial pressures

Ecological diversity

Infestations of Invasive-Exotic Species potential

Existing or planned grazing operations





# Program Participation

Applicant must be in compliance with Food Security Act requirements in regards to Highly Erodible Land and Wetlands provisions

Must meet “Person” eligibility through Farm Service agency





# Farm and Ranch Lands Protection Program

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## FRPP Purpose

2008 Farm Bill - Protect agricultural use and related conservation values by limiting non-agricultural uses of the land





## FRPP Eligible Lands – Included Land Uses

2008 Farm Bill - cropland, rangeland, grassland, pasture land, forestland (that contributes to the economic viability of an agricultural operation or serves as a buffer) and incidental land that are part of an agricultural operation





## FRPP Eligible Landowners

Eligible landowners must certify that they do not exceed the Adjusted Gross Income limitation eligibility requirements and are in compliance with Wetland Conservation and Highly Erodible Land provisions of the Farm Bill before the cooperative agreement is signed.

Cooperating Entities are specifically defined as not meeting the definition of a landowner.





## FRPP Eligible Entities

2002 Farm Bill included eligible entities are State, Tribal and local governments and non-government organizations that meet certain Internal Revenue Service Code categories.

2008 Farm Bill Adds Cooperating Entities that are churches, hospitals, and schools (a specific Internal Revenue Service Code category).





## FRPP Contributions

2008 Farm Bill and Rule – FRPP can contribute no more than 50% of Average Fair Market Value (AFMV), cooperating entity must contribute the balance of the cost. Cooperating entity may use a landowner donation as part of their contribution. Cooperating entity must pay a minimum of 25% of the purchase price (AFMV minus landowner donation).





## FRPP Process

NRCS will use an application process that:

- allows cooperating entities to submit applications continuously;
- allows NRCS to assess the eligibility of land, landowners, and entities; and
- to evaluate and score parcels continuously.





## FRPP Process

The State Conservationist announces when ranking will be conducted with at least 60 days of anticipation. At the announced date NRCS ranks parcels at the state level and proceed with funding based on FRPP national and state ranking criteria.





## FRPP Process

- The cooperative entity conducts appraisal, survey, and title search; NRCS state program manager OR OGC reviews the title commitment.





## FRPP Process – FY2009+

State program managers evaluate the eligibility of land, landowners (AGI, WC, HEL), and parcels continuously and score parcels continuously. Hazardous materials record searches and field visits are conducted on each parcel. Each landowner is interviewed to clarify FRPP policy on funding requirements





## FRPP Process – FY2009+

State program manager ranks parcels and selects parcels for funding.

NRCS and cooperating entities develop cooperative agreements before national deadline (usually June 30). All parcels in agreements must be eligible and pass Hazmat Records Search and Field Review.





## FRPP National Ranking Factors

1. Percent of prime, unique, and important farmland in the parcel to be protected
2. Percent of cropland, pastureland, grassland, and rangeland in the parcel to be protected
3. Ratio of the total acres of land in the parcel to be protected to average farm size in the county according to the most recent USDA Census of Agriculture





## FRPP National Ranking Factors

4. Decrease in the percentage of acreage of farm and ranch land in the county in which the parcel is located between the last two USDA Censuses of Agriculture;
5. Percent population growth in the county as documented by the United States Census
6. Population density (population per square mile) as documented by the most recent United States Census





## FRPP National Ranking Factors

7. Proximity of the parcel to other protected land, such as military installations, land owned in fee title by the United States or a State or local government, or by an entity whose purpose is to protect agricultural use and related conservation values, or land that is already subject to an easement or deed restriction that limits the conversion of the land to nonagricultural use;
8. Proximity of the parcel to other agricultural operations and infrastructure.





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