

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency
Washington, DC 20250

Notice CRP-596

For: State and County Offices

Updating CRP Rental Rates for 2008

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Soil rental rates (SRR's) are the basis for calculating maximum payment rates provided to producers annually for each acre enrolled in CRP. SRR's **must** be regularly reviewed and updated, as necessary, to ensure that SRR's reflect current dryland agricultural cash rents.

2-CRP provides for county SRR reviews whenever COC's determine a review is necessary. State Technical Committees work with COC recommendations and consult with State Rental Rate Review Teams and NRCS when conducting SRR reviews.

B Purpose

This notice provides the process that **all** county-average rental rates and, consequently, **all** SRR's, will be reviewed and updated as necessary to ensure that all SRR's are reviewed and updated as needed at least once in 2008. The Land Value Survey Questionnaire (Report Control No. EIP-51R) (LVS) plays an integral role in the process.

C SRR Requirements in 2-CRP

For all cropland, 2-CRP requires that SRR's:

- be established based on each unique soil type, according to NRCS's "soil map unit" within an NRCS Soil Survey Area within a county for all cropped soils types, including hay crops, as currently published in soil surveys by NRCS and listed in the applicable Field Office Technical Guide

Note: The exact soil map unit symbols published with NRCS soil surveys **must** be used for CRP SRR posting to support proper technical determinations including CRP's TERRA GIS tool and Soil Rental Rate Mapping Tool use.

Disposal Date	Distribution
August 1, 2008 5-21-08	State Offices; State Offices relay to County Offices

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1 Overview (Continued)

C SRR Requirements in 2-CRP (Continued)

- reflect average cash rental rates per acre of dryland cropland for the production of predominant annually tilled crops during the most recent 3 years
- be used for all maximum payment rate calculations for all signups using CRP-2 and CRP-2C, **except** where using MPLRR's or IRR's is required.

D Conference Calls

Conference calls will be held **May 29, 2008**, to discuss this notice. State Offices are assigned to a particular call. State Offices will be notified, by e-mail, the conference call telephone number and participant password code to access the conference call.

The conference call schedule is as follows.

Time (EST)	State Offices
10:00 - 10:30 a.m.	Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Puerto Rico, Rhode Island, Vermont, Virgin Islands, and Virginia
10:30 - 11:00 a.m.	Alabama, Indiana, Florida, Georgia, Kentucky, Michigan, Mississippi, North Carolina, Ohio, South Carolina, Tennessee, and West Virginia
3:00 - 3:30 p.m.	Arkansas, Illinois, Iowa, Kansas, Louisiana, Minnesota, Missouri, Nebraska, North Dakota, Oklahoma, South Dakota, Texas, and Wisconsin
3:30 - 4:00 p.m.	Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming

2 Phase I - Updating LVS

A County Office Action

LVS data **must** accurately reflect “typical” rents in a county for those crop years. LVS rents should reflect the average rents across **all** county land suitable for agriculture, resulting in an acreage-weighted county-average for suitable acres.

COC's in each county shall work with the County Office LVS contact to:

- confirm that dryland, irrigated, and pasture rents reported in 2007 LVS accurately reflect those crop years
- provide estimates of typical county dryland, irrigated, and pasture rents for 2008; these should be considered to be provisional 2008 LVS rents and are being collected on a timely basis **without** using the web application.

County Office LVS contacts shall report any revisions to 2007 and provisional 2008 LVS rents that are recommended by COC's to the State Office by **June 30, 2008**.

2 Phase I - Updating LVS (Continued)

B State Office Action

STC's shall work with the State Office LVS contact to review changes to 2007 and provisional 2008 LVS rents recommended by County Offices. STC's shall revise 2007 and provisional 2008 LVS rents, as necessary, to ensure that:

- 2007 and provisional 2008 LVS rents accurately reflect market conditions for the relevant crop years
- there is general geographic consistency within each State.

State Office LVS contacts shall provide an XLS spreadsheet to Rich Iovanna at the National Office, by e-mail to **rich.iovanna@wdc.usda.gov**, that lists revised 2007 and provisional 2008 LVS rents for their State, by **July 7, 2008**.

Notes: The file naming convention of the spreadsheet shall be as follows:

2008SRR[State FIPS code].xls.

Example: The Alabama State Office would send the file **2008SRR01.xls**.

The National Office will provide State Office LVS contacts an XLS spreadsheet template to ensure that the field uses a format consistent with Exhibit 1.

C National Office Action

The National Office will:

- send the State Office LVS contact a template file for the spreadsheet by **May 23, 2008**
- use the completed spreadsheets to update the LVS database to reflect any revisions to the 2007 LVS rents and add the provisional 2008 LVS rents
- generate a set of **adjusted** 2007 and 2008 LVS dryland rents based primarily on reported 2007 and 2008 LVS dryland cash rents, as informed by the reported cash value of share rents and reported irrigated rents (net of irrigation costs) where dryland cash rents are **not** common, adjusted as necessary, to:
 - minimize remaining discrepancies across county and State borders
 - ensure that they are consistent with other available relevant information (such as State surveys conducted by NASS State Offices and/or the State Cooperative Extension Service).

3 Phase II - 2008 County Average Rental Rate Review and Update

A National Office Action

The National Office shall calculate 2008 acreage-weighted county-average SRR's from the average of adjusted 2006, 2007, and 2008 LVS rents and provide them to State Offices by July 14, 2008.

Note: The adjusted 2006 LVS rents will be inferred from the current acreage-weighted county-average SRR's developed during the 2007 review process.

B State Office Action

State Offices shall review the 3 years of adjusted LVS rents and the resulting 2008 acreage-weighted county-average SRR's and submit to the National Office any information previously unavailable/unknown that could, at the National Office's discretion, lead to further LVS rent adjustments and recalculation of the 2008 acreage-weighted county-average SRR's. These shall be provided to Rich Iovanna by e-mail to **rich.iovanna@wdc.usda.gov** by July 21, 2008.

4 Phase III - Soil Specific Rental Rate Update

A National Office Action

The National Office shall:

- calculate soil-specific 2008 SRR's using the following formula:

$$\frac{(2008 \text{ acreage-weighted county-average SRR} \div \text{current acreage-weighted county-average SRR}) \times \text{current soil-specific SRR}}{1} = 2008 \text{ soil-specific SRR}$$

Note: SRR's will be capped at \$300 per acre.

- post the 2008 acreage-weighted county-average and soil-specific SRR's on the CRP Soils Data Management System at <https://indianocean.sc.egov.usda.gov/soilDbMgnt/SoilWelcome.do>.

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5 Task Deadlines

A Deadlines

Offices shall complete tasks by the following deadlines.

Phase	Task	Deadline
I	National Office sends a spreadsheet template to State Offices.	May 23
	County Offices submit 2007 LVS rent revisions and provisional 2008 rents to the State Office.	June 30
	State Offices submit 2007 LVS rent revisions and provisional 2008 rents to the National Office.	July 7
II	National Office calculates adjusted LVS rents and 2008 acreage-weighted county-average SRR's and sends them to State Offices.	July 14
	State Offices submit any new information that could influence the estimation of 2008 acreage-weighted county-average SRR's to the National Office.	July 21
III	National Office recalculates 2008 soil-specific SRR's and posts 2008 soil-specific SRR's and acreage-weighted county-average SRR's to https://indianocean.sc.egov.usda.gov/soilDbMgnt/SoilWelcome.do .	July 31

Example XLS Spreadsheet

The following is an example of the spreadsheet.

State FIPS	County FIPS	2007 LVS Irrigated Rent	2007 LVS Dryland Rent	2007 LVS Pasture Rent	2008 LVS Irrigated Rent	2008 LVS Dryland Rent	2008 LVS Pasture Rent
99	001	100	90	80	105	95	85
99	003	110	100	90	115	105	95
99	005	80	70	60	85	75	65
Etc...							