

For: State and County Offices

Accepting and Rejecting Signup 49 Offers

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

All eligible CRP offers received during signup 49 were evaluated based on the summary score of 5 environmental factors and cost. There were over 1.8 million acres offered. CRP-1's resulting from these acceptable records will enroll about 411,000 acres that will be effective on October 1, 2016, for program year 2017. The national average cost per acre for enrolling this acreage is \$74 per acre.

The maximum possible environmental benefits index (EBI) score was 545. The following points were given:

- 395 for the 5 environmental factors
- 150 for the cost factor.

Offers with an EBI score of 292 or greater were determined basically acceptable.

Note: See subparagraph 2 B for exception.

Disposal Date	Distribution
October 1, 2016	State Offices; State Offices relay to County Offices, NRCS State Offices, and Forest Service

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1 Overview (Continued)

A Background (Continued)

As a result of this selection, certain acres will expire from contracts on September 30, 2016. Producers on these acres may need:

- technical assistance preparing expiring CRP acreage for crop production
- information about:
 - conservation compliance requirements
 - early land preparation policies.

B Purpose

This notice provides:

- instructions for accessing a list of acceptable and rejected offers, by county, for each offer submitted for signup 49
- a list of deadlines for completing certain activities about acreage offered during signup 49
- additional guidance on policies about:
 - acreage revisions
 - withdrawing offers
 - erroneous SRR's
 - succession-in-interest
 - signature requirements
 - maximum payment rate revisions
 - establishing CRP practices
 - 25 percent cropland limitation waivers
 - CRP and ARC/PLC
- key completion dates (Exhibit 1)
- counties at or near the 25 percent county cropland limitation (Exhibit 2).

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2 Offer Selection Overview

A Selection Process

All eligible signup 49 offers submitted using the Conservation Online System (COLS) by COB March 18, 2016, have been processed.

County Offices must handle **eligible** signup 49 offers **not** successfully submitted using COLS by COB March 18, 2016, as omitted offers.

Omitted offers are timely-filed offers for which **all** eligibility requirements were met but were not submitted using COLS by COB March 18, 2016.

Important: Late-filed offers are **not** omitted offers. Both CRP-1 and CRP-2 must be completed and signed by an eligible producer and received in the County Office by the end of signup to constitute an offer. CRP-1 or CRP-2 alone does **not** constitute an offer.

All offers were ranked using the national ranking plan according to:

- 2-CRP, paragraph 293
- the national EBI using the formula: $EBI = N1 + N2 + N3 + N4 + N5 + N6$.

The maximum possible EBI score is 545 points, which was developed using:

- 395 points maximum for environmental factors N1 through N5
- 150 points maximum for cost factor N6.

Scoring parameters for N1 through N5 are in 2-CRP, paragraph 293 and Exhibit 26. The score for N6 was calculated using 150 points for cost. This cost factor is comprised of the sum of 2 subfactors.

Subfactor N6a is awarded points according to the formula: $N6a = (1 - (\text{per acre offer rate}/220)) \times 125$. This subfactor is rounded to the nearest whole number using normal rules of rounding. Therefore, the maximum points available for subfactor N6a are 125.

Subfactor N6b is awarded points for every **whole percentage** the producer offered below the calculated maximum payment rate, not to exceed 25 points.

Example: If the calculated maximum payment rate for an offer is \$75 per acre and the producer offered a rental rate of \$68 per acre, the offer would be awarded 18 points for subfactor N6b.

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2 Offer Selection Overview (Continued)

A Selection Process (Continued)

The score for the N6 factor is calculated using the formula: $N6 = (N6a + N6b)$.

Example: The cost factor (N6) calculation for an offer of \$68 per acre with a calculated maximum payment rate of \$75 is:

$$N6 = (1 - (68/220)) \times 125 + 18$$
$$N6 = 104.$$

Note: The rental rate per acre offered is the value from CRP-2, item 9.

For counties impacted by the county cropland limitation, see paragraph 7.

For counties impacted by the County Office reduced cropland limitation, see subparagraph B.

B National EBI Cutoff Score

Offers with an EBI score greater than or equal to the national EBI cutoff level of 292 points were determined basically acceptable. All other offers were rejected.

Exception: In several counties, the total number of cropland acres determined acceptable plus the cropland acres currently enrolled in CRP scheduled to expire after September 30, 2016, and WRP cropland would have exceeded the applicable total county cropland limitation for general signup. The applicable total county cropland limitation for general signup may be 22 percent to 25 percent, or greater than 25 percent if a waiver to exceed this level was approved for a county before signup started.

The offers determined acceptable in these counties, when combined with the existing cropland CRP as of October 1, 2016, and WRP cropland acreage, were limited to the applicable total county cropland limit for that county. As a result, some additional offers were rejected. The effective EBI cutoff level in these counties will be higher than the national 292 cutoff level.

Note: See subparagraph 7 B for information on local preference.

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3 Accessing and Reviewing Offer Ranking Reports

A Accessing Offer Ranking Reports

Offer ranking reports are on the Conservation and Environmental Programs SharePoint. County Offices shall access the reports according to the following:

- on the Intranet at <https://sharepoint.fsa.usda.net/states/cepd/crp/g49/SitePages/Home.aspx>
- CLICK “Acceptable/Rejected Reports”
- download the appropriate State Excel workbook
- view the appropriate county sheet within the State Excel workbook.

Notes: The offer ranking report includes a “Status” column which indicates whether the offer was determined acceptable or rejected. Offers may be rejected if the offer is less than the EBI cutoff score or if the county for which the offered land is physically located has reached or exceeds the total county cropland limit or the general signum limit.

Waivers to exceed the 25 percent county cropland limit were applied to the offer ranking report.

B CP32 Offers

CP32 expiring acreage was eligible to be offered during SU49 as CP3A according to Notice CRP-800. These submitted offers were matched with original offer soils and rental rates and then scored for N2, N3, and N5 subfactors. The following criteria was applied:

- N1A only 10 or 20 pts
- N1B 0 pts
- N4 40 pts
- N5D 10 pts.

These offers were scored manually to ensure complete EBI scores. They were then ranked with all SU 49 submitted offers using the national determined EBI cutoff score or the county specific EBI for counties impacted by the county cropland limitation (see subparagraph 2 B).

C Reviewing Offer Ranking Reports

Before notifying producers of the results of the offer selection, County Offices must compare the offer data in the offer ranking report for each offer listed with the corresponding CRP-1 and CRP-2 data to ensure:

- all eligible offers submitted by the County Office are listed in the report
- the data on each offer record listed in the report is correct.

Offers with incorrect ranking factors, conservation practices, soils, rental rates, or other data which could affect EBI scores shall be handled as erroneous offers according to paragraph 4.

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4 Errors, Omissions, and Appeals

A Software

COLS software was disabled after March 18, 2016, to accommodate national offer ranking analysis. The software will be reopened no later than May 13, 2016, for processing errors, omissions, and appeals. At this time, COLS will calculate and display EBI subfactor N6a and the total EBI must be used to determine whether corrected or newly entered offers are acceptable.

Exception: Errors, omissions, and appeals for CP32, Expired Hardwood Trees on Marginal Pastureland offers must be submitted to the National Office for ranking. Submit CRP-1 and CRP-2 for each offer by e-mail to jean.agapoff@ca.usda.gov.

B Procedure

Erroneous and omitted offers must be processed according to 2-CRP, paragraph 339. Offers not successfully submitted using COLS by COB March 18, 2016, are considered omitted offers. The COLS user guide provides procedure for automated processing of erroneous and omitted offers. See 1-APP for handling appeals.

Important: Late-filed offers are **not** omitted offers. Producers listed on any signup 49 register are not considered late-filed offers. Both CRP-1 and CRP-2 must be completed and signed by an eligible producer and received in the County Office by the end of signup to constitute an offer. CRP-1 or CRP-2 alone does **not** constitute an offer.

5 Policies About Acceptable and Rejected Offers

A Acreage Revisions and Measurement Service

Producers with certain acceptable offers are required to pay for measurement service to determine the actual acreage being enrolled. If TERRA was not used to determine acreage for the submitted offer or an in-field measurement service is requested by the producer measurement service must be performed by the County Office and paid for by the participant according to 2-CRP, subparagraph 401 B and 2-CP.

If acreage adjustments to the offer result from the measurement service, the revised offer must be modified in COLS software according to subparagraph 4 B.

Note: The boundary of the acreage offered must **not** change.

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5 Policies About Acceptable and Rejected Offers (Continued)

B Withdrawing Acceptable Offers

Producers have 30 calendar days from the date of CRP-23 to notify the County Office about whether to continue with the offer to participate. Partial withdrawals are **not** acceptable. If a producer fails to respond in 30 calendar days or chooses not to continue the offer, County Offices shall assess liquidated damages according to 2-CRP, paragraph 577. Waivers of liquidated damages are only authorized according to 2-CRP, paragraph 578.

Note: Producers are not required to notify the County Office in writing. The County Office shall note the producer's response in the CRP folder. See 2-CRP, paragraph 341.

C Correcting SRR Errors

For acceptable offers, errors detected in Map Unit Symbols (MUSYM's), MUSYM acreages, SRR determinations, or other errors in calculations used to determine the maximum payment rates for individual offers, must be corrected by the County Office. Producers must be notified of the error and be provided an opportunity to:

- revise the CRP offer based on the corrected payment rate calculation, if the maximum payment rate changed

Note: The revision must be completed in the COLS software. Changes in maximum payment rates may also affect N6a and N6b cost factors and thus final EBI scores.

- withdraw the offer without assessment of liquidated damages.

Note: A list of corrections made by the National Office is available on the Intranet at <https://fsa.sc.gov.usda/states/cepd/crp/gs49/default.aspx>. Corrections to calculations by the National Office before ranking do not require reprinting of the offer and additional signatures unless specifically directed by the National Office.

D Succession-in-Interest Policy

Refer to 2-CRP, paragraph 338 for succession-in-interest policy for offers.

E Signature Requirements

See 2-CRP, paragraph 335 for requirements on obtaining signatures.

F Changing CRP-2 Data on Rejected Offers

Producers must **not** be allowed to change any CRP-2 data, including the rental rate per acre offered or the practice offered, after the offer is determined rejected.

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6 Establishing or Modifying CRP Practices and Other Conservation Measures

A Policy

Planting time spans for each practice are included in 2-CRP, Exhibit 11.

Producers that offered to thin tree stands to enhance wildlife cover must complete the thinning within the first 3 years of the CRP-1 effective date. See 2-CRP, Exhibit 26.

Certain producers agreed to conservation measures that maximized EBI points. All conservation plans must provide for practices and management measures consistent with:

- the offer
- standards and specifications for the practice.

Example: To obtain 50 points under EBI subfactor N1a, the producer offered to establish CP2 with a mixed stand of native grasses, forbs, shrubs, and legumes best suited for wildlife in the area. The conservation plan must reflect the producer's agreement, such as a mixed stand of native grasses, forbs, shrubs, and legumes.

B Timing for New Acreage

2-CRP, subparagraph 426 B provides that producers may begin establishing approved practices:

- after submitting the offer to the County Office
- when notified that CRP-1 has been approved.

Producers must be notified that starting a practice before final approval of CRP-1 is at the producer's own risk.

Important: Cost shares must **not** be paid unless CRP-1 is approved and the cover meets the standards and specifications of the practice.

C Timing for Reoffered CRP Acreage

After the new CRP-1 is approved, producers who offered existing CRP acreage may immediately begin establishing approved practices without being in violation of the existing CRP-1. Participants may remove the existing cover if required in the conservation plan. However, the prohibition against commercial use continues to apply. Therefore, haying, grazing, and any other commercial use of the cover is prohibited unless otherwise authorized by DAFP.

Producers must be notified that starting a practice before final approval of CRP-1 is at the producer's own risk.

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6 Establishing or Modifying CRP Practices and Other Conservation Measures (Continued)

D Other Information About Conservation Plans

NRCS or TSP has the technical responsibility to develop conservation plans. Nationally, NRCS has agreed to complete all conservation plans by September 9, 2016. All conservation plans must be developed according to 2-CRP, Part 11 and Exhibit 11.

Note: State Forester on behalf of the Forest Service must provide a tree planting and/or tree thinning plan for those practices that Forest Service has technical responsibility to be included in the conservation plan.

7 County Cropland Limitation

A Applying County Cropland Limit

The National Office has applied the county cropland limitation based on the physical location of the acreage offered. The ranking reports in paragraph 3 will reflect which offers have been rejected because of the county cropland limitation or the general signup limitation.

The county cropland limitation is applied to each applicable separate sub-County Office based on the cropland in the subcounty area. The following counties are divided into 2 or more subcounty areas.

State	Subcounty	State	Subcounty
Iowa	East Pottawattamie	Minnesota	East Otter Tail
	West Pottawattamie		West Otter Tail
			East Polk
			West Polk
Maine	Houlton		North Saint Louis
	Aroostook		South Saint Louis
	Fort Kent	Ohio	East Lucas
			West Lucas

B Local Preference

Exhibit 2 provides a list of counties at or near the 25 percent county cropland limitation.

Any county listed in Exhibit 2 will not have omitted offers ranked by the COLS software. For tie breaking, the National Office will rank offers with identical EBI scores in the following order:

- local preference
- ascending rent
- ascending offer acreage.

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8 CRP and DCP Cropland Policy

A Sufficient DCP Cropland

Before notifying any producer that an offer was determined acceptable, the County Office must ensure that the offered CRP acreage, excluding marginal pastureland, does not exceed the farm's effective DCP cropland minus base acres (including generic base acres). Base acres may need to be reduced because of participation in CRP.

B Restoration of Base Acres

When base acres are restored from CRP (expired, voluntarily terminated, or early released only), a farm must have sufficient effective DCP cropland to accommodate the restoration of those base acres. Enrollment in ARCPLC is not allowed when the sum of the base acres (including generic base acres) exceeds the effective DCP cropland.

C ARCPLC Election of Restored Base Acres

If the restoration of base acres results in the addition of a covered commodity's base acres where base acres did not exist before the election, a manual CCC-857 must be completed within 30 calendar days of the restoration. See 1-ARCPLC, paragraph 42.

Note: The election must be completed before loading the restored base acres into FRMS and MIDAS as software requires the entry of an election when base acres are added to a farm.

9 Action

A Processing Acceptable and Rejected Offers

To process acceptable and rejected offers, County Offices must:

- set workload priorities and plan office activities to devote all available resources to CRP
- access and review the offer data according to paragraph 3 and 2-CRP, paragraph 401
- for all offers which are not erroneous, after all data and eligibility reviews, immediately notify producers of their acceptable and rejected offers according to this notice using CRP-23 and CRP-26 (2-CRP, Exhibit 5)

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9 Action (Continued)

A Processing Acceptable and Rejected Offers (Continued)

- Decisions issued through use of CRP-26 shall include appeal rights to COC according to 1-APP.

Notes: As a cost savings measure, County Offices should consider notifying producers through e-mail by scanning and emailing CRP-23's and CRP-26's with return receipt. If return receipt is not received by the County Office within 15 calendar days, County Offices should contact producers or mail CRP-23 and CRP-26's to producers. The original scanned notification form shall be retained with the offer.

When scanning and e-mailing CRP-26 to producers, include the web address for the fact sheet about the continuous signup located at http://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2015/crp_continuous_sign_up_november_2015.pdf.

When mailing CRP-26, include the fact sheet about continuous signup provisions.

See subparagraph C for additional procedure for rejected offers.

- notify producers of contract approval using CRP-24 (2-CRP, Exhibit 5)
- upon request, release all general information used to calculate payment rates and EBI scores. Do **not** release information about individual offers or producers restricted by policy in 2-INFO.

B Preparing CRP-1 for Approval

To prepare CRP-1 for approval, County Offices must:

- review 2-CRP, Part 12 for activities to complete before approving CRP-1
- ensure that practices accepted under continuous signup provisions, offered during signup 49 are recorded as signup 48 contracts.

C Assisting Producers With Rejected Offers

County Offices, with NRCS assistance, must assist producers whose offers were not determined acceptable with:

- technical assistance for bringing acreage back into production
- conservation compliance provisions
- understanding how their offer could have been adjusted to be more competitive
- information about enrolling in ARC/PLC, if applicable.

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9 Action (Continued)

D State Office Action

State Offices must:

- set workload priorities and plan office activities to devote all available resources to CRP
- ensure that all applicable County Offices:
 - review and properly follow the processes in this notice
 - begin notification to producers immediately upon completing required actions as provided in this notice.

Note: Report County Offices that have not begun notification to producers according to subparagraph A and provide the reason to the Director, CEPD, Attn: Beverly Preston, by:

- e-mail to **beverly.preston@wdc.usda.gov**
- noon e.t. May 11, 2016.

After the Secretary's signup 49 announcement, additional summary information will be posted and may be obtained from the CEPD SharePoint on the Intranet located at **<https://fsa.sc.egov.usda.gov/states/cepd/crp/g49/default.aspx>**.

Key Completion Dates

Key dates in processing signup 49 offers are identified in the following table.

Action	Completion Date
County Offices must review offers on the ranking reports, and conduct eligibility and data reviews according to subparagraph 3 B and 2-CRP, paragraph 401, to detect any erroneous and omitted records.	Immediately
County Offices must begin notifying producers with acceptable and rejected offers.	Immediately upon completing actions required in subparagraph 8 A.
Conservation plans must be completed and approved.	September 9, 2016
CRP-1's must be approved and entered in COLS.	September 16, 2016

Counties at or Near the 25 Percent County Cropland Limitation

The following counties are at or near the 25 percent county cropland limitation.

State	County
Mississippi	Oktibbeha
New Mexico	Curry
Oregon	Gilliam
Texas	Andrews
Texas	Motley
Washington	Walla Walla