

For: County Offices

Change in Native Grass Seed and Steel Cost-Share Rates

Approved by: State Executive Director



1 Overview

A Background

County office information reflects that the cost of native grass seed and native grass seed with forbs and legumes have decreased since the issuance of CRP cost-share prices in August 2003. Procedure in 2-CRP, subparagraph 454 F requires the county committee to reduce the cost-share rate when the average cost of performance decreases so the rate is materially greater than the established state or national level (50%). District Directors have instructed CEDs and COCs to notify the State Office when cost-share rates are significantly more or less for a component than the 50% level.

The price of steel has increased in recent months affecting some cost-share components.

B Purpose

This notice revises the cost-share rate for native grass seed, native grass seed with forbs and legumes per PLS pound, and steel components.

2 County Office Action

A Native Grass Cost-Share Rate

Based on cost reports from counties, the State Committee has reduced the cost-share rate for native grass seed, component NG1, to \$2.50 per PLS pound. The cost-share rate for native grasses with forbs and legumes, component NG4A, has been reduced to \$3.00 per PLS pound. The rates are effective as of May 19, 2004. Any AD-245 issued, for either of these components after this date, shall reflect the new rate.

Disposal Date:
7-01-05

Distribution:
County Offices

06-03-04

2 County Office Action (continued)

B Steel Rates

The increase in steel rates has affected some cost-share components. The following component codes reflect an increase in cost-share rates.

Component	Component Code	Unit	Cost-Share Rate
Barrel and/or Riser – Steel Pipe	SP1	DIFT	\$.91
Four-Wire Barbed Fence	FEN4	LF	\$.50

C Rates on Existing AD-245s

AD-245s, issued prior to May 19, 2004, for components NG1, NG4A, SP1, and FEN4, are approved for the previous rate before the change. Producers will earn the flat rate payment, stated on the AD-245, not to exceed 100 percent of the actual cost.

D Review of Cost-Share Rates

County Committees shall continue to monitor cost-share rates for components. When a significant change occurs, allowing producers to receive a significant amount more or less than the 50% cost-share level, the COC shall inform the State Office of the component, suggested rate adjusted and documentation.

E Handbook Amendment

A forthcoming amendment to 2-CRP will reflect the updated cost-share rates.