

For: State and County Offices

**Accepting and Rejecting Signup 26 Offers**

Approved by: Acting Deputy Administrator, Farm Programs



**1 Overview**

**A Background**

All eligible CRP offers received during signup 26 were evaluated based on the summary score of 5 environmental factors and cost. 4.1 million acres were offered. CRP-1's resulting from these acceptable records will enroll 2.0 million acres, which will be effective for program year 2004 or 2005. The national average cost per acre for enrolling this acreage is \$56.53 per acre.

Acceptable acres included:

- 1.4 million acres located in conservation priority areas
- an average EI of 17
- 1,553,502 acres with an average EI of 8 or greater
- 341,556 acres of rare and declining habitat
- 35,492 acres of longleaf pine
- 225,948 acres of trees.

The maximum possible EBI score is 545 of which 395 points were for the 5 environmental factors and 150 points were for the cost factor.

<p><b>Disposal Date</b></p> <p>February 1, 2004</p>	<p><b>Distribution</b></p> <p>State Offices; State Offices relay to County Offices and NRCS State Offices</p>
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## Notice CRP-443

### 1 Overview (Continued)

#### A Background (Continued)

As a result of this selection, approximately 1.6 million acres will expire from contracts on September 30, 2003. Approximately .7 million acres will continue under new contracts. Producers on these acres may need:

- technical assistance on preparing expiring CRP acreage for crop production
- information about:
  - conservation compliance requirements
  - early land preparation policies
  - enrolling acreage in DCP after CRP-1 expires.

#### B Purpose

This notice provides:

- instructions for accessing a list of acceptable and rejected offers, by county, for each eligible offer transmitted for signup 26
- a list of deadlines for completing certain activities about acreage offered during signup 26
- additional guidance on policies about:
  - acreage revisions
  - withdrawing offers
  - erroneous SRR's
  - succession-in-interest
  - signature requirements for Native Americans
  - maximum payment rate revisions
  - establishing CRP practices
  - 25 percent cropland limitation waivers
  - CRP and DCP.

#### C Exhibit Summary

Exhibit 1 is a timetable for completing tasks related to enrolling acreage offered during signup 26.

## Notice CRP-443

### 2 Offer Selection Overview

#### A Selection Process

All eligible signup 26 offers successfully transmitted to KC by COB August 8, 2003, have been processed.

County Offices shall handle **eligible** signup 26 offers **not** successfully transmitted to KC by COB August 8, 2003, as omitted offers and calculate the EBI score using the "new" or "modify" option in AGSS software. Procedure for processing omitted offers will be issued in a future notice.

**Note:** Do **not** use existing AGSS software to process omissions until an updated version of AGSS is installed on the PC running AGSS software. Updated software is expected to be released by September 2, 2003.

Omitted offers were timely-filed offers for which **all** eligibility requirements were met but were not transmitted to KC by COB August 8, 2003.

**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 170, and 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 170, and Exhibit 19. The score for N6 was calculated using 150 points for cost. This cost factor is comprised of the sum of 3 subfactors.

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### 2 Offer Selection Overview (Continued)

#### A Selection Process (Continued)

Subfactor N6a is awarded points according to the formula,  $N6a = (1 - (\text{per acre offer rate}/185)) \times 125$ . This subfactor is rounded to the nearest whole number using normal rules of rounding. Therefore, the maximum points available for subfactor N6a is 125.

Subfactor N6b is awarded 10 points if the producer either declined cost-share assistance or all practices offered are ineligible for cost share. Subfactor N6b is awarded 0 points if the transmitted offer record, CRP-2, item 8, indicated “**YES**” that cost-share assistance is requested.

Subfactor N6c is awarded 1 point for every **whole dollar** the producer offered below the calculated maximum payment rate, not to exceed 15 points.

**Example:** If the calculated maximum payment rate for an offer is \$50.75 per acre and the producer offered a rental rate of \$40 per acre, the offer would be awarded 10 points for subfactor N6c.

The score for the N6 factor is calculated using the formula,  $N6 = (N6a + N6b + N6c)$ .

**Example:** The cost factor (N6) calculation for an offer of \$40 per acre that requested cost-share assistance with a calculated maximum payment rate of \$50.75 is:

$$\begin{aligned} N6 &= (1 - (40/185)) \times 125 + 0 + 10 \\ N6 &= 108. \end{aligned}$$

**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 8.

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### 2 Offer Selection Overview (Continued)

#### B National EBI Cutoff Score

Offers with an EBI score greater than or equal to 269 points were determined basically acceptable. All other offers were rejected.

**Exception:** In several counties, the total number of acres determined acceptable plus the acres currently enrolled in CRP scheduled to expire after September 30, 2003, and WRP would have exceeded the county cropland limitation applicable to that county.

The offers determined acceptable in these counties, when combined with the existing CRP and WRP acreage, were limited to the authorized cropland limitation 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 cutoff level.

### 3 Accessing and Reviewing Offer Data Reports

#### A Accessing Offer Data Reports

Acceptable and rejected offer reports, and related total county cropland reports, will be posted on the Intranet and not included as exhibits to this notice. These reports will be available at CEPD's "State Office CRP Information Center" Intranet site at <http://dc.ffasintranet.usda.gov/DAFP/cepdsto.htm>. County Offices may access the following reports by selecting Option 6:

- Report 1, Acceptable and Rejected Offers
- Report 2, Additional Report Listing Offers in Counties Which Exceeded the Total County Cropland
- Report 3, Fourth Cycle Mainframe Validation Report (post-offer selection).

## Notice CRP-443

### 3 Accessing and Reviewing Offer Data Reports (Continued)

#### B Reviewing Offer Data Reports

Before notifying producers about the results of the offer selection, County Offices shall compare the offer data in Report 1, Acceptable and Rejected Offers, for each record with the corresponding CRP-1 and CRP-2 data to ensure that all:

- eligible offers transmitted by the County Office are listed in Report 1
- the data on each offer record listed in Report 1 is correct.

**Important:** Do **not** notify producers of offer acceptance or rejection if the offer is listed on the 4<sup>th</sup> cycle validation report until the ranking data errors are identified and resolved according to erroneous/omitted offer provisions that will be issued in a future notice.

### 4 Errors, Omissions, and Appeals

#### A Software

AGSS software will be modified, and issued in a future AGSS patch, to calculate and display EBI subfactor N6a and the "Total EBI Score for Acceptance/Rejection" including cost. The new "Total EBI Score for Acceptance/Rejection" display will be used to determine if the offer is acceptable.

**Note:** Do **not** use existing AGSS software to update offers because of errors, omissions, appeals, or corrections until updated AGSS software is installed on the PC running AGSS software. Updated software is expected to be released by soon.

#### B Procedure

Procedure for erroneous and omitted offers and offers handled through the appeals process will be issued in a future notice. Acreage allocations for appeals will be included in that notice.

**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. Either CRP-1 or CRP-2 alone does **not** constitute an offer.

## 5 Policies About Acceptable Offers

### A Acreage Revisions

Producers with certain acceptable offers are required to pay for measurement service to determine the actual acreage being enrolled in the program. Certain acreage adjustments are permitted to revise the estimated acreage on the producer's CRP-2 to the official or measured acreage before approving CRP-1. If acreage adjustments must be made, the revised offer must be modified in the AGSS software and ported (transmitted) to the System/36. Software will be modified to allow this revision and released in the future.

**Notes:** The boundary of the acreage offered and the acreage enrolled shall **not** change. See 2-CRP, paragraph 253.

Offers with the total acreage determined by the CRP GIS tool are not required to have additional measurement service.

In situations where timely measurement service is not possible, County Offices shall notify the producer that contract approval is pending measurement service. All measurement service is required to be completed as soon as possible, but no later than September 30, 2003.

### B Withdrawing Acceptable Offers

Producers have 15 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 15 calendar days or chooses not to continue the offer, County Offices shall assess liquidated damages according to 2-CRP, paragraph 356. Waivers of liquidated damages are only authorized according to 2-CRP, paragraph 357.

**Note:** The producer is 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 202.

5 Policies About Acceptable Offers (Continued)

C Correcting SRR Errors

For acceptable offers, errors detected in SRR's, soil map acreages, or other errors in calculations used to determine the maximum payment rates for individual offers shall be corrected by the County Office. Producers shall 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 AGSS software and ported to the System/36. The software will be issued in the future.

- withdraw the offer without assessment of liquidated damages.

If an erroneous SRR for the county was posted, the County Office shall:

- immediately correct the rate
- **not** retroactively apply the correction.

**Note:** The correct rate will apply for acreage offered for either continuous signup or any subsequent general signup after the error was detected.

D Succession-in-Interest Policy

Succession-in-interest rights do **not** apply to CRP offers to participate, except for:

- immediate family members of the producer that submitted the offer
- a person, or entity, taking title to the land offered when the producer that submitted the offer dies.

**Important:** No modifications to the original offer are authorized. A successor shall **not** modify or revise the original offer.

**Note:** See 2-CRP, paragraph 200.

5 Policies About Acceptable Offers (Continued)

D Succession-in-Interest Policy (Continued)

If the offer was submitted from multiple producers, and 1 of the producers die, the remaining producers can continue the offer and the person or persons acquiring the interest of the deceased may replace the deceased's interest.

**Notes:** All other eligibility requirements shall apply to the successor.

No modifications to the original offer are authorized. Successor **cannot** modify or revise the original offer.

Immediate family members include parents, children, siblings, grandparents, adopted children, and spouse.

See 2-CRP, paragraph 200, for succession-in-interest to offers.

When acreage offered for CRP is sold after an offer is submitted and before CRP-1 is approved, the offer becomes void and shall be terminated, unless the:

- new owner is an immediate family member of the producer who submitted the offer
- person who submitted the offer is the operator who will continue to operate the property after ownership transfers.

**Note:** Liquidated damages do not apply when the offer is void because the acreage is sold.

E Signature Requirements for Native Americans

The signature requirements in 2-CRP, paragraph 198, provide that the requirements for obtaining signatures apply, unless:

- a trustee of BIA representing the Native Americans owning the land signs on their behalf

**Note:** All CRP-1's signed by the BIA representative for Native Americans owning the land shall be reviewed by RA. COC shall **not** approve CRP-1 until RA determines that the required signatures have been obtained.

- a Native American has a restrictive 5-year BIA farm lease that has been extended according to BIA provisions.

It is not necessary to have Native Americans sign CRP-1 when BIA representative signs on their behalf.

## 6 Policy About Rejected Offers

### A Changing CRP-2 Data on Rejected Offers

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

## 7 Establishing or Modifying CRP Practices and Other Conservation Measures

### A Policy

Planting timespans for each practice are included in 2-CRP, Exhibit 9.

Producers that offered to thin tree stands to enhance wildlife cover must complete the thinning within the first 3 years of CRP-1 effective date. See 2-CRP, Exhibit 19.

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 shall 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 237 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 shall be notified that starting a practice before final approval of CRP-1 is at the producer's own risk.

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

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

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

**D Other Information About Conservation Plans**

NRCS or the TSP has the technical responsibility to develop conservation plans. All conservation plans must be developed according to 2-CRP, Part 10, and Exhibit 9.

**Note:** Service forester shall provide a tree planting and/or tree thinning plan for those practices that FS has technical responsibility to be included in the conservation plan.

**Reminder:** Conservation plans must include mid-contract management activities, and managed haying or grazing provisions, as applicable.

**8 County Cropland Limitation**

**A Applying County Cropland Limit**

All county cropland limitation calculations and waivers are based on the **administrative** location of the acreage. For counties that have met or exceeded the authorized county cropland limitation based on **administrative** location, offers for land that is **physically** located in another county may be processed only if the county where the land is physically located has **not** reached or exceeded the county cropland limitation and the EBI score for the offer is equal to or greater than the EBI cutoff score for that county.

**Example:** Orange County, Indiana, has met or exceeded the cropland limitation for that county. Mary Producer offered land that is **administratively** located in Orange County, but is **physically** located in Washington County, Indiana. Mary Producer's offer could be accepted if:

- Washington County has not reached or exceeded its cropland limitation
- accepting the offer would not cause Washington County's cropland limitation to be exceeded
- the EBI score is equal to or greater than the EBI cutoff score for Washington County.

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**8 County Cropland Limitation (Continued)**

**A Applying County Cropland Limit (Continued)**

The county cropland limitation is applied to each applicable separate subcounty 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	
	Maine	Houlton	Minnesota	East Polk
		Aroostook		West Polk
Maine	Fort Kent	Minnesota	North Saint Louis	
	Aroostook		South Saint Louis	
	Fort Kent	Ohio	East Lucas	
			West Lucas	

**B Waivers of 25 Percent Cropland Limitation**

Acceptable offers, identified in Report 1, Acceptable and Rejected Offers, when combined with acreage under WRP easement, will not cause CRP and WRP enrollment to exceed the authorized percent of cropland in any county.

For CRP signup 26, Notice CRP-429, provided that STC's may submit requests for waivers of the 25 percent cropland limitation to DAFP if all requirements of 2-CRP (Rev. 3) paragraph 255 (paragraph 69 in 2-CRP (Rev. 4)), are met and STC recommends approval. **STC's have no authority to approve a waiver of the 25 percent cropland limitation.**

**All requests for waivers of the 25 percent cropland limitation for CRP or WRP must be submitted to DAFP.**

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**8 County Cropland Limitation (Continued)**

**B Waivers of 25 Percent Cropland Limitation (Continued)**

For county cropland situations where there are multiple offers at the same EBI score, select the offers with the least expensive annual rental rate per acre. Approval of offers must not exceed the approved county cropland limitation.

**Example:** Decatur County, Indiana, has 250 acres remaining until it would exceed the approved county cropland limitation. There are 5 offers, all with the same EBI, that total 300 acres. The offers would be ranked by the per acre rental rate and selected in the following order.

<b>Offer</b>	<b>Acres on Offer</b>	<b>Remaining Acres</b>
		250.0
Offer A - \$59 per acre	95.0	155.0
Offer B - \$64 per acre	125.0	30.0
Offer C - \$74 per acre	55.0	
Offer D - \$78 per acre	20.0	
Offer E - \$79 per acre	5.0	

Accept offers A and B. Insufficient acreage would be available to accept offers C, D, and E.

**9 CRP and DCP**

**A Policy**

Before notifying any producer that an offer was determined acceptable, the County Office shall ensure that the farm's total DCP and CRP acreage, excluding marginal pastureland, does not exceed the farm's cropland. DCP acreage may need to be reduced because of CRP participation. Farms with CAB's released from CRP must have sufficient cropland to enroll in DCP. See 1-DCP.

## Notice CRP-443

### 10 Action

#### A County Office Processing of Acceptable and Rejected Offers

To process acceptable and rejected offers, County Offices shall:

- set workload priorities and plan office activities to devote all available resources to CRP
- access and review the offer data according to paragraph 3
- conduct an eligibility review according to 2-CRP, paragraph 253
- immediately notify producers of their acceptable and rejected offers, according to this notice using CRP-23 and CRP-26

**Notes:** See 2-CRP, Exhibit 12, for examples of CRP-23 and CRP-26.

Include the fact sheet about the continuous signup provisions with CRP-26.

See subparagraph C for additional procedure for rejected offers.

- upon request, release all general information used to calculate payment rates and EBI scores.

**Note:** This general information requirement does not include information about individual offers or producers that cannot be released according to 2-INFO.

#### B County Office Action for Preparing CRP-1 for Approval

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

- review 2-CRP, Part 11, for activities to complete before approving CRP-1
- ensure that practices accepted under continuous signup provisions, offered during signup 26, are recorded as signup 27 contracts
- **not** combine accepted offers for multiple tracts on the same CRP-1.

**Note:** Separate CRP-1's must be completed:

- if separate CRP-2's are completed
- for practices with different lifespans.

**Important:** Practice lifespan requirements provide that lifespans will equal the CRP-1 period for all contracts. Practices of different lengths require separate CRP-1's.

## Notice CRP-443

### 10 Action (Continued)

#### C County Office Action for Rejected Offers

County Offices, with NRCS assistance, shall 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 DCP, if applicable.

#### D State Office Action

State Offices shall:

- set workload priorities and plan office activities to devote all available resources to CRP
- according to paragraph 3, provide Report 1, Acceptable and Rejected Offers; Report 2, Additional Report Listing Offers in Counties Which Exceeded the Total County Cropland; and Report 3, Fourth Cycle Mainframe Validation Report, to any County Offices that do not have or are unable to access the Intranet
- ensure that all applicable County Offices:
  - receive a copy of this notice
  - properly follow the processes contained 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 the reason to the Director, CEPD, Attn: Beverly Preston, by noon eastern time on September 3, 2003.

After the Secretary's signup 26 announcement, additional information will be posted and may be obtained from the FSA home page on the Internet at <http://www.fsa.usda.gov/dafp/cepd/crpinfo.htm>.

**Key Completion Dates**

Key dates in processing signup 26 offers are identified in this table.

<b>Action</b>	<b>Completion Date</b>
County Offices shall review offers in Report 1, Acceptable and Rejected Offers, for erroneous and omitted records	Immediately
County Offices shall begin notifying producers with acceptable and rejected offers.	Immediately upon completing actions required in subparagraph 10 A
Conservation plans must be completed and approved.	September 26, 2003
CRP-1's must be approved and entered into System/36.	September 30, 2003