

For: State and County Offices

Accepting and Rejecting Signup 39 Offers

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

All eligible CRP offers received during signup 39 were evaluated based on the summary score of 5 environmental factors and cost. There were 4.8 million acres offered. CRP-1's resulting from these acceptable records will enroll 4.3 million acres, which will be effective on October 1, 2010, for program year 2011. The national average cost per acre for enrolling this acreage is \$46.08 per acre.

Acceptable acres included the following:

- an average EI of 14.5
- 3.5 million acres with an average EI of 8 or greater
- 380,000 acres of rare and declining habitat
- 168,009 acres of trees - all tree categories.

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

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

As a result of this selection, certain acres will expire from contracts on September 30, 2010. 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.

Disposal Date	Distribution
March 1, 2011	State Offices; State Offices relay to County Offices and NRCS State Offices

Notice CRP-675

1 Overview (Continued)

B Purpose

This notice provides:

- instructions for accessing a list of acceptable and rejected offers, by county, for each eligible offer submitted for signup 39
- a list of deadlines for completing certain activities about acreage offered during signup 39
- 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 DCP
- Exhibit 1, Key Completion Dates
- Exhibit 2, CRP-23-1, Notice Regarding Acceptable CRP
- Exhibit 3, CRP-24-1, Notice of Contract Approval.

2 Offer Selection Overview

A Selection Process

All eligible signup 39 offers submitted using Conservation Online System (COLS) by COB September 8, 2010, have been processed.

County Offices must handle **eligible** signup 39 offers **not** successfully submitted using COLS by COB September 8, 2010, as omitted offers. Procedure for processing omitted offers will be issued in a future notice.

Omitted offers were timely-filed offers for which **all** eligibility requirements were met but were not submitted using COLS by COB September 8, 2010.

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.

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2 Offer Selection Overview (Continued)

A Selection Process (Continued)

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 is 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.

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 8.

For counties impacted by the County Office reduced cropland limitation, see subparagraph 2 B.

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2 Offer Selection Overview (Continued)

B National EBI Cutoff Score

Offers with an EBI score greater than or equal to the national EBI cutoff level of **200** points were determined basically acceptable. All other offers were rejected.

Exception: In several counties, the total number of cropland acres determined acceptable plus the acres currently enrolled in CRP scheduled to expire after September 30, 2010, 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 CRP as of October 1, 2010, 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 **200** cutoff level.

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://fsa.sc.egov.usda.gov/states/cepd/default.aspx>
- CLICK “General Signup 39 Information”
- CLICK “Accepted/Rejected Reports”
- download appropriate State Excel Workbook
- view appropriate county sheet within State Excel Workbook.

Notes: The offer ranking reports will include a column called “Status” which will indicate if the offer has been accepted 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 signup limit.

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

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3 Accessing and Reviewing Offer Ranking Reports (Continued)

B Reviewing Offer Ranking Reports

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

- 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.

4 Errors, Omissions, and Appeals

A Software

COLS software was disabled after September 8, 2010, to accommodate national offer ranking analysis. The software has been reopened for processing of errors, omissions, and appeals. At this time, COLS will calculate and display EBI subfactor N6a and the total EBI must be used to determine if corrected or newly entered offers are acceptable.

Note: Rollover requirements of Notice CM-672 will **not** impact this activity.

B Procedure

Erroneous and omitted offers must be processed according to 2-CRP, paragraph 339. Offers not successfully submitted using COLS by COB September 8, 2010, are considered omitted offers. The COLS user guide will be updated and issued no later than September 15, 2010, to provide the automated processing of erroneous and omitted offers. See 1-APP for handling appeals.

Important: Late-filed offers are **not** omitted offers. Producers listed on the 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. Either CRP-1 or CRP-2 alone does **not** constitute an offer.

Notice CRP-675

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 COLS software. Software will be modified to allow this revision and released in the future.

Notes: The boundary of the acreage offered must **not** change. See 2-CRP, paragraph 401.

Offers with the total acreage determined by TERRA are not required to have additional measurement service for in-office field measuring tasks. Charges for any required on-site field work for staking, field measuring, and related tasks must be assessed according to 2-CP.

In situations where timely measurement service is not possible, County Offices must notify the producer that any changes to the acreage enrolled because of measurement service will require a change to the CRP contract. All measurement service is required to be completed as soon as possible, but no later than November 30, 2010.

B Withdrawing Acceptable Offers

Notice CRP-672 authorized, but did not require, using interim conservation plans. Producers have 2 options regarding acceptable CRP offers.

Option 1 is consistent with the policy in 2-CRP about contract approval and developing conservation plans. Producers will have 5 calendar days from the date of CRP-23-1 to notify the County Office whether or not they want to continue with the offer so that NRCS or TSP may begin conservation plan development. Conservation plans would have to be completed before contract approval. Contracts must be approved by COB September 30, 2010. If offices do not hear from the producer within 5 calendar days, the offer will be rejected and liquidated damages assessed.

Option 2 provides that the offer is approved by September 30, 2010, and a final conservation plan would be developed by December 31, 2010. The producer enters into an interim conservation plan and obtains all necessary signatures by September 17, 2010. Contracts are approved by COB September 30, 2010. If the producer does not agree with the final conservation plan or all necessary signatures are not obtained for the plan by December 31, 2010, the contract will be terminated. If producers have already completed an interim conservation plan, then the producer has already committed to option 2. Notify producers of acceptable offer using CRP-23-1.

Note: CED's may waive the September 17, 2010, deadline on a case-by-case basis according to subparagraph E.

See Exhibit 2 for an example of CRP-23-1.

Notice CRP-675

5 Policies About Acceptable Offers (Continued)

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 and transmitted to the System 36. Changes in maximum payment rates can also affect N6a and N6b cost factors and thus final EBI scores.

- withdraw the offer without assessment of liquidated damages.

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 must **not** modify or revise the original offer.

Note: See 2-CRP, paragraph 338 for succession-in-interest policy.

Notice CRP-675

5 Policies About Acceptable Offers (Continued)

E Signature Requirements

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

Notice CRP-672 provided that signatures must be obtained by COB September 17, 2010. CED's may authorize accepting signatures, on a case-by-case basis, after the September 17, 2010, deadline provided that CRP-1 is approved by COB September 30, 2010.

6 Policy About Rejected Offers

A Changing CRP-2 Data on Rejected Offers

Producers must **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 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.

Notice CRP-675

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

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 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 must 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 TSP has the technical responsibility to develop conservation plans. All conservation plans must be developed according to 2-CRP, Part 11 and Exhibit 11.

Note: Forest Service forester 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.

8 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 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
			East Polk
	Maine		Houlton
Aroostook			North Saint Louis
Fort Kent			South Saint Louis
	Ohio	East Lucas	
West Lucas			

9 CRP and DCP

A Policy

Before notifying any producer that an offer was determined acceptable, the County Office must ensure that the farm’s total DCP cropland 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 DCP cropland to enroll in DCP. See 1-DCP.

Notice CRP-675

10 Action

A County Office Processing of 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
- conduct an offer data review, and conduct an eligibility review according to 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-23-1 in Exhibit 2 and CRP-26 in 2-CRP, Exhibit 5

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

See subparagraph C for additional procedure for rejected offers.

- notify producers of contract approval using CRP-24-1 in Exhibit 3
- 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.

Notice CRP-675

10 Action (Continued)

B County Office Action for 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 39, are recorded as signup 38 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.

C County Office Action for 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 DCP, if applicable.

Notice CRP-675

10 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:
 - 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 e.t. September 16, 2010.

After the Secretary's sign-up 39 announcement, additional summary 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 39 offers are identified in the following.

Action	Completion Date
County Offices must review offers on the ranking reports, and conduct the eligibility and data reviews according to subparagraph 3 B and 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 10 A.
Interim conservation plans must be completed and approved.	September 30, 2010.
CRP-1's must be approved and entered into System 36.	September 30, 2010.
Final conservation plans must be completed and approved.	December 31, 2010

Example of CRP-23-1, Notice Regarding Acceptable CRP

The following is an example of CRP-23-1.

	United States Department of Agriculture	Farm and Foreign Agricultural Services	Farm Service Agency
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NOTICE REGARDING ACCEPTABLE CRP OFFERS

Date: (MM-DD-YYYY) _____

Dear: _____

This notice is to inform you that your offer on tract _____ under the Conservation Reserve Program (CRP) has been determined acceptable by the National Office.

Your CRP contract must be approved before the scheduled effective date of October 1, 2010. A conservation plan must be developed before contract approval. Due to the relatively short time before the scheduled contract effective date, we have developed two options. Option 1 is consistent with long-standing policy to develop a final conservation plan with NRCS; however, it is unlikely that a contract could be approved by October 1, 2010, under this option. Option 2 is to develop and sign an interim conservation plan that was available during the general signup period. If you are using an interim plan, the final conservation plan will need to be developed with NRCS after contract approval and before December 31, 2010. A copy of the interim plan is enclosed.

Under Option 2, the offer would be approved by September 30, 2010, and a final conservation plan would be developed by December 31, 2010. If a final conservation plan would not be developed by December 31, 2010, or if you did not agree with the final conservation plan, we would terminate the contract without the assessment of liquidated damages.

The following paragraphs describe in greater detail the provisions related to the two options.

Option 1: The Natural Resources Conservation Service (NRCS) or Technical Service Provider (TSP) must develop a plan, approved by the Conservation District, and signed by all signatories on the CRP contract offer to participate in the CRP. So that we may continue to process your offer, you should continue to work with NRCS or TSP to obtain the required plan on the acreage which is subject to the offer. Your offer cannot be approved by the County Committee without an approved conservation plan.

You have 5 calendar days from the date of this letter to notify this office of whether you want your offer approved to participate in the CRP so that NRCS or TSP may begin plan development. If we do not hear from you within the 5-day period, we will reject your offer and assess liquidated damages. Liquidated damages will also be assessed if you decide not to participate. Damages will equal 25 percent of your offer rate times the number of acres offered for CRP.

Option 2: You may enter into an interim conservation plan and obtain all necessary signatures by September 17, 2010. We will have sufficient time to make the necessary contract approval by September 30, 2010. A final conservation plan must be developed by December 31, 2010. If you do not agree with the final conservation plan or all necessary signatures are not obtained by December 31, 2010, we will terminate the contract. However, liquidated damages will not apply. If you have already completed an interim conservation plan, you have committed to Option 2. If an interim conservation plan and all necessary signatures cannot be obtained by September 17, 2010, a waiver may be possible. Please contact this office as soon as possible.

The same acreage cannot be enrolled under CRP and Direct and Counter-Cyclical Program (DCP). The total of the CRP and DCP acres on a farm cannot exceed the total eligible land for the program on the farm. The owner of the land offered for CRP may be required to reduce all or a portion of DCP acreage before CRP-1 will be approved. Please contact the _____ County FSA Office for more information.

Sincerely,

County Executive Director

CRP-23-1 (09-14-10)


An Equal Opportunity Provider and Employer

Example of CRP-24-1, Notice of Contract Approval

The following is an example of CRP-24-1.



United States Department of Agriculture

Farm and Foreign Agricultural Services

Farm Service Agency

NOTICE OF CONTRACT APPROVAL

Date (MM-DD-YYYY) _____

Dear: _____

You made an offer to place land in the Conservation Reserve Program (CRP) and you also signed an interim conservation plan and obtained all necessary signatures so that we could streamline offer approval if the offer was determined otherwise acceptable.

We have been informed of your offer's acceptability and it has been approved by the _____ County Committee.

As a reminder, please ensure that a final conservation plan is obtained for this contract by December 31, 2010. If we do not receive a final conservation plan that has been properly signed by January 1, 2011, we will terminate your contract. However, in this situation, liquidated damages will not apply.

The same acreage cannot be enrolled under CRP and Direct and Counter-Cyclical Program (DCP). The total of the CRP and DCP acres on a farm cannot exceed the total eligible land for the program on the farm. The owner of the land offered for CRP may be required to reduce all or a portion of DCP acreage before CRP-1 will be approved. Please contact the _____ County FSA Office for more information.

Enclosed are your signed copies of the CRP contract and attachments. The effective date of the CRP contract is _____.

Practices to be carried out under this CRP contract may be started with the understanding that cost-share payments will not be made if the practice is not included in the final conservation plan.

Sincerely,

County Executive Director

Enclosures

CRP-24-1 (09-14-10)



An Equal Opportunity Provider and Employer