

For: State and County Offices

Revised SRR's for 2011

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

SRR's for dryland cropland provide the basis for maximum payment rate calculations used to determine annual rental payments for CRP. SRR's **must** be:

- established and maintained to conform to current dryland cropland rental payments
- set at market levels to ensure that program:
 - operations do not distort local rental markets
 - costs are minimized
 - goals and objectives are achieved.

SRR's must make CRP competitive with other programs and more economically viable for producers.

SRR's are calculated by the National Office and consist of 2 components:

- county average rental rate for dryland cropland
- grouped soil productivity factor.

County average rental rates will be reviewed and updated as necessary by State and County Offices. Updates must be based on information that either the National Office provides to State and County Offices, or that State and County Offices collect and submit to the National Office.

Grouped soil productivity factors will be determined based on a statistical model that uses the National Commodity Crops Productivity Index (NCCPI) developed by NRCS. STC's and COC's may **not** propose alternative grouped soil productivity factors.

<p>Disposal Date</p> <p>January 1, 2012</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices and NRCS State Offices</p>
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1 Overview (Continued)

B Purpose

This notice:

- announces that the National Office will update and post SRR's based on average county rental rates for dryland cropland and grouped soil productivity factors
- provides policy for STC's and COC's to update county average rental rates
- announces that the National Office will provide county average rental rates based on NASS survey estimates for use by STC's and COC's in making updates
- provides that STC's or COC's may **not** propose an alternative means of establishing the grouped soil productivity factors.

2 Updated Soil Rental Rates

A Calculating the Soil Rental Rate

2011 SRR's will be based on:

- average county rental rate for dryland cropland
- grouped soil productivity factor.

The SRR calculation is derived by multiplying the average county rental rate by the grouped soil productivity factor. The following table provides an example.

State	County	Average Rate	Map Unit Symbol	Prod. Group	Prod. Factor	SRR
Michigan	Clinton	\$100	ADC1	1	1.1	\$110
Michigan	Clinton	\$100	ADC2	1	1.1	\$110
Michigan	Clinton	\$100	ADC3	1	1.1	\$110
Michigan	Clinton	\$100	CR1	2	0.9	\$90
Michigan	Clinton	\$100	PVa	3	1.0	\$100
Michigan	Clinton	\$100	PVb	3	1.0	\$100
Michigan	Clinton	\$100	PVc	3	1.0	\$100

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2 Updated Soil Rental Rates (Continued)

B Average County Rental Rate for Dryland Cropland

State and County Offices may:

- keep county average cash rental rates as they currently are
- adopt the 2010 NASS survey based rate posted by the National Office
- propose an alternative rate when it satisfies certain conditions.

The National Office will post these rates for review by COB January 3, 2011, on CEPD's Sharepoint web site located at <https://fsa.sc.egov.usda.gov/states/cepd/crp/g41/default.aspx>.

Each State Office shall download its spreadsheet, which includes columns for current County average SRR's and 2010 NASS survey based rates, as well as a blank updated rate column for the State Office to complete.

C Grouped Soil Productivity Factor

The grouped soil productivity factor is calculated based on a statistical model that uses NRCS's NCCPI. Additional information about NCCPI may be found by clicking on the link labeled "National Commodity Crops Productivity Index (NCCPI) at https://www.ngdc.wvu.edu/soil_survey_atlas/subpage_3.

All soils within a county will be placed into 1 of up to 8 groups based on similar productivity factors.

D Posting SRR's

The National Office will post the updated SRR's by COB February 11, 2011. The SRR's will be published on CEPD's State and County Office Information Center (or Sharepoint site at <https://fsa.sc.egov.usda.gov/states/cepd/crp/g41/default.aspx>).

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3 Policy for State and County Office County Average Rental Rate Updates

A Policy for Review

STC's or COC's may select any of the following:

- keep current county average rental rates
- adopt the 2010 NASS survey-based rate posted by the National Office
- propose an alternative rate when it satisfies certain conditions.

A proposed alternative rate must be accompanied by a creditable analysis to establish that the current county average rental rates or 2010 NASS survey-based rates are inaccurate.

Notes: The credible analysis should be developed in collaboration with other USDA officials who have expertise in this issue and based on data from a sufficient number of farm owners and/or operators that were selected in an unbiased manner.

These data should either consist of actual dryland cash rents or information such as share lease data used to establish dryland cash rent equivalents where cash lease agreements and or dryland agriculture is uncommon.

B Submitting Information

County Offices must submit a request to update their county average rental rate to STC including the credible analysis date. STC must review each request to ensure completeness and accuracy.

STC must submit a completed spreadsheet of all county average rental rates including updated county average rental rates to DAFP through CEPD by January 21, 2011. County average rental rates must either be unchanged, updated using the 2010 NASS survey-based rates posted by the National Office, or updated using a proposed alternative approach. Where an alternative approach is used, supporting documentation, including credible analysis data, must accompany the submission. Submissions must be sent to Jean Agapoff at jean.agapoff@ca.usda.gov, and DAFP will evaluate each request on a case-by-case basis.

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3 Policy for State and County Office County Average Cash Rental Rate Updates (Continued)

C Start Date for Alternative Estimates

Notice CRP-661 provided that the National Office is responsible for updating all soils attributes currently managed in Soils Data Management System (SDMS). This includes adding soils, editing soils physical properties, editing SRR's, and voiding soils.

According to subparagraph 2 D, the National Office will update all soils information, including SRR's in SDMS on February 11, 2011.

4 Policy for State and County Office Review of Grouped Soil Productivity Factor

A Policy for Review of Grouped Soil Productivity Factor

STC, COC, or State and County Offices may **not** propose an alternative grouped soil productivity factor. FSA will use a statistical procedure based on the average county cash rental rate and NCCPI.

5 Action

A State Office Action

State Offices shall:

- follow the provisions of this notice
- ensure that County Offices follow the provisions of this notice.

B County Office Action

County Offices shall follow the provisions of this notice.