

For: State and County Offices

Suspending Grassland Reserve Program (GRP) Contract Approvals Beginning October 1, 2008

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

Section 1603 of the Food, Conservation, and Energy Act of 2008 (2008 Act) amended the provisions governing payment limitations from payment limitation/eligibility determinations based on a “person” to payment limitation based on direct attribution of payments.

Section 1604 of the 2008 Act amended the average adjusted gross income (AGI) provisions and, for conservation, changed the threshold above which persons or entities would not be eligible. **A person or entity will not be eligible for GRP payments if their average adjusted nonfarm income exceeds \$1 million, unless at least 66.66 percent of their average AGI is average adjusted farm income.**

For GRP, these new provisions were effective beginning **October 1, 2008**.

County Software Transmittal No. 650 and AS/400 Transmittal No. 97 were released to County Offices on September 19, 2008. After installation, these transmittals completed subsidiary files rollover to program year 2009. Notices PL-177 and PL-180 provide information on changes to subsidiary file flags after rollover occurred. After rollover is completed, all eligibility flags will read 2009 as the current year for all eligibility fields.

Disposal Date	Distribution
April 1, 2009	State Offices; State Offices relay to County Offices and NRCS State Offices

Notice GRP-16

1 Overview (Continued)

B Purpose

This notice provides policy for suspending GRP contract approvals beginning October 1, 2008, until a new form is developed.

Note: The form will generally describe the direct attribution and average AGI limitations, and provide further action that could result after the regulation is published for those provisions.

A forthcoming notice will be issued about contract approval using the new payment limitation and AGI provisions.

C GRP Authority to Approve GRP Contracts Effective October 1, 2008

Effective October 1, 2008:

- GRP contracts shall **not** be approved
- **offers** for enrollment in GRP shall continue to be accepted.

2 Action

A County Office Action

County Offices shall read and follow the provisions of this notice.

B State Office Action

State Offices shall ensure that County Offices follow the provisions of this notice.