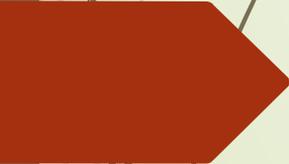




# Farm Bill Webinar 1

## Overview of 2014 Farm Bill



NRCS & FSA & RMA

Conservation Commission & Conservation Districts

October 31, 2014

# Welcome & Logistics

- ▶ Ray Ledgerwood – Moderator
- ▶ Jeff Harlow – NRCS
- ▶ Rod Hamilton – FSA
- ▶ Jo Lynne Seuffer – RMA
- ▶ Jenifer Coleson - NRCS

Join the audio at:

- ▶ (702) 489-0007
- ▶ access code: 156-966-722
- ▶ Join on the web at:  
[www.joingotowebinar.com](http://www.joingotowebinar.com)
- ▶ webinar ID: 980-414-280

# Logistics

- ▶ All muted lines except presenters
- ▶ Questions
  - ▶ via web – use dashboard on your computer
- ▶ Will get to as many questions as we can
- ▶ Presentation recorded
- ▶ Feedback welcome – kudos, comments, etc – email [ray.ledgerwood@scc.wa.gov](mailto:ray.ledgerwood@scc.wa.gov)



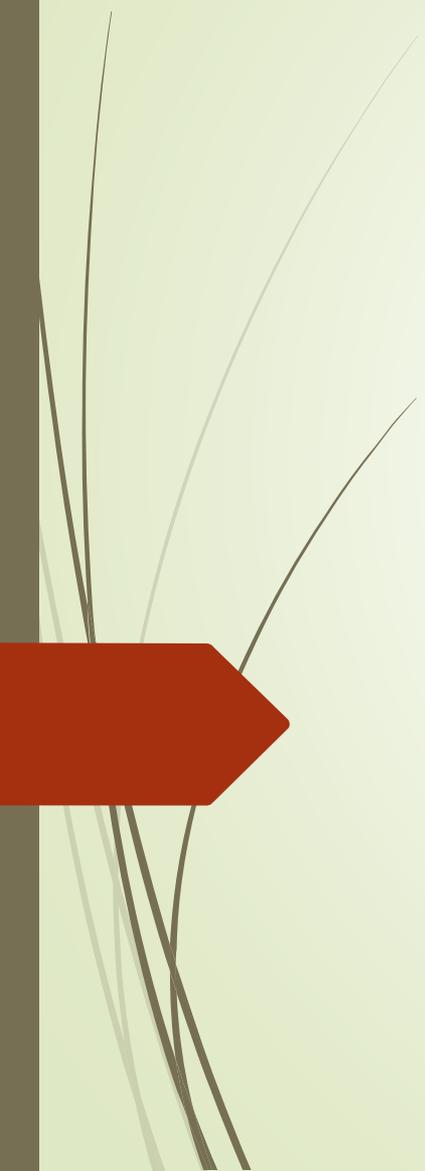
# Session Purpose

- ▶ The purpose of this webinar is for NRCS, FSA and RMA will provide an overview of respective agency changes to the 2014 Farm Bill.
- 



# Topics of Discussion

- ▶ **Changes to NRCS programs from 2008 to the 2014 Farm Bill**
  - ▶ Speaker: Jeff Harlow, ASTC-Programs
- ▶ **General EQIP sign-up**
  - ▶ Speaker: Jeff Harlow, ASTC-Programs
- ▶ **Changes to FSA programs from 2008-2014 Farm Bill**
  - ▶ Speaker: Rod Hamilton, FSA
- ▶ **Conservation Compliance**
  - ▶ Speakers: Jenifer Coleson, NRCS; Jo Lynne Seufer, RMA; Rod Hamilton, FSA
- ▶ **Question and Answer**



# Changes to NRCS programs from 2008 to the 2014 Farm Bill

Presented by Jeff Harlow



United States Department of Agriculture

**2014**

# **Farm Bill**

Jeff Harlow

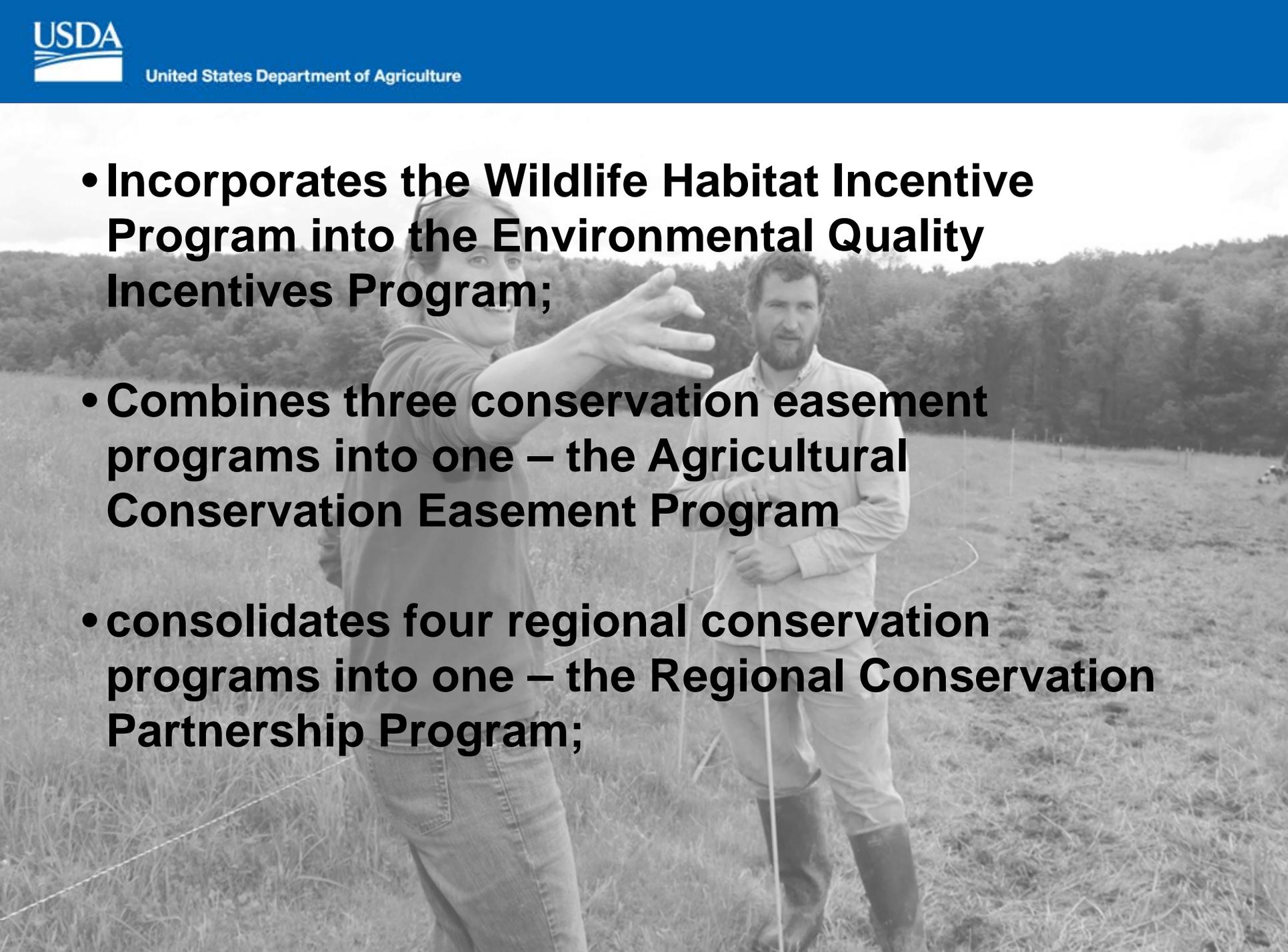
October 31, 2014

A large, semi-transparent, grey water drop graphic is positioned on the right side of the slide, partially overlapping the text of the Natural Resources Conservation Service.

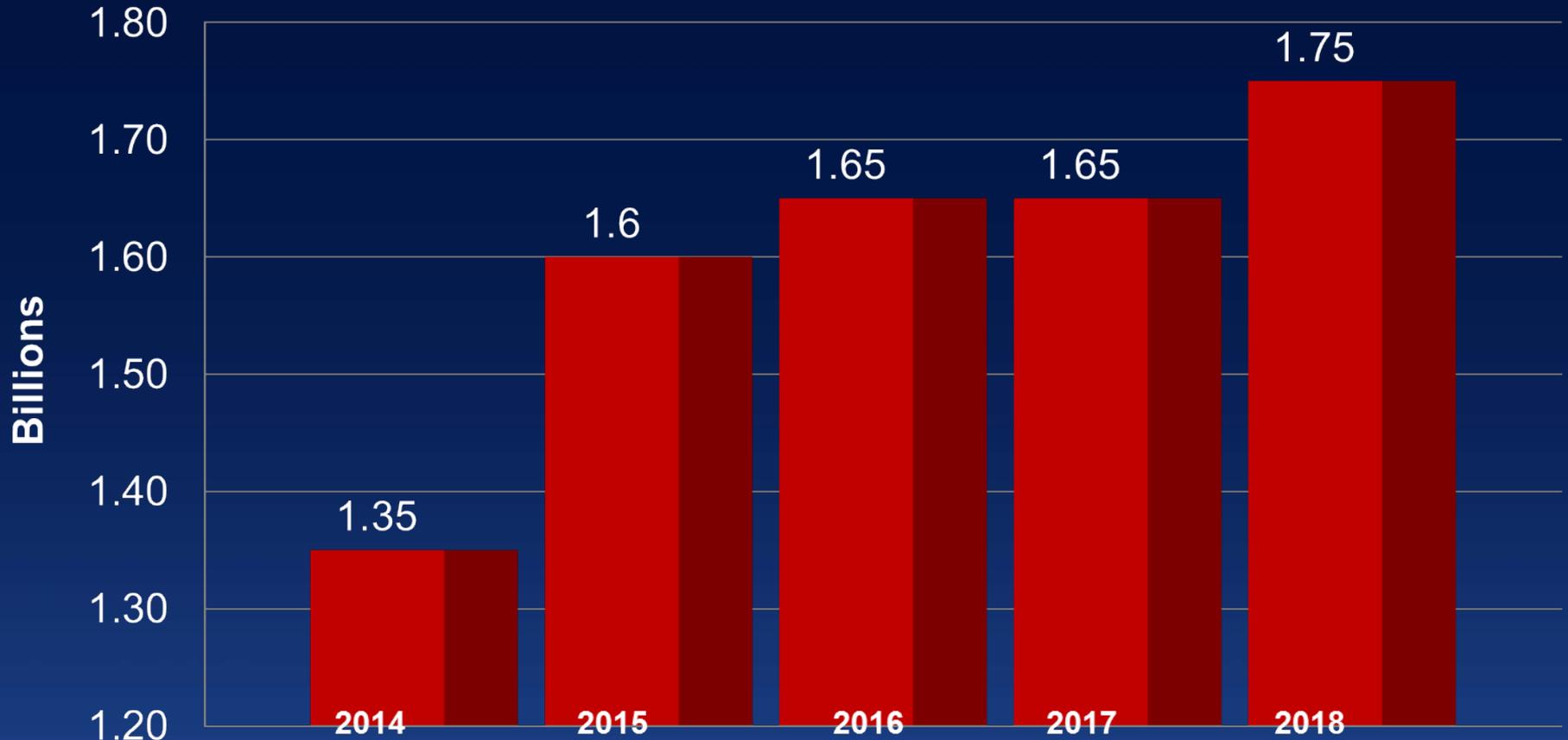
**Natural  
Resources  
Conservation  
Service**

- The 2014 Farm Bill streamlines and simplifies NRCS conservation programs and allows better targeting of conservation and priority resource concerns.

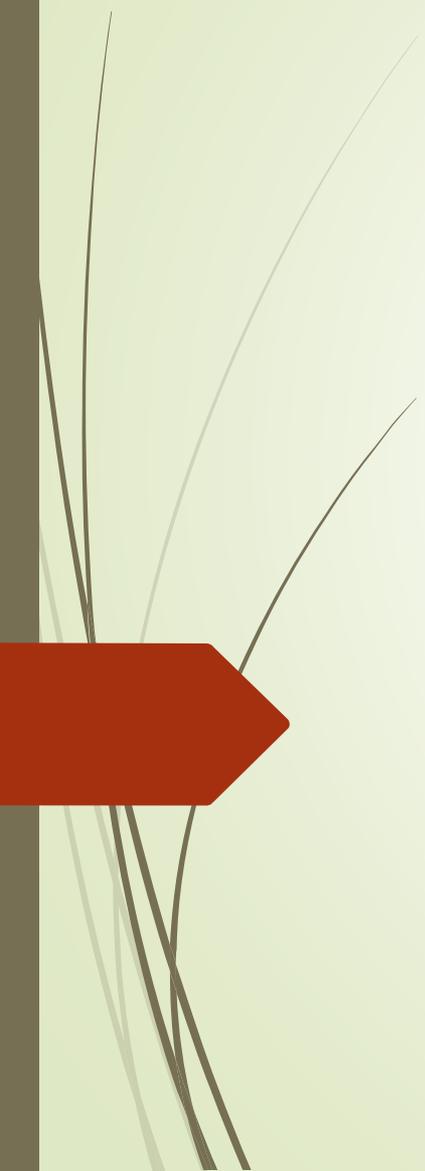
A focus on regional initiatives enables NRCS to maintain and strengthen existing regional initiatives while developing new priorities with partnership involvement

- 
- A grayscale photograph of a woman on the left and a man on the right standing in a field. The woman is pointing her right hand towards the man. The man is holding a long, thin object, possibly a tool or a stick. The background shows a line of trees under a cloudy sky.
- **Incorporates the Wildlife Habitat Incentive Program into the Environmental Quality Incentives Program;**
  - **Combines three conservation easement programs into one – the Agricultural Conservation Easement Program**
  - **consolidates four regional conservation programs into one – the Regional Conservation Partnership Program;**

## EQIP Funding Authority



- EQIP will continue to receive high levels of funding
- There will be less funding for easements and less funding for CStP



# General EQIP sign-up

Presented by Jeff Harlow



United States Department of Agriculture



**EQIP**





# Environmental Quality Incentives Program Changes

- The Wildlife Habitat Incentive Program is folded into EQIP, but WHIP's objectives are still included in EQIP
- At least 5 percent of funding will be for practices benefitting wildlife habitat
- Establishes priority for veterans who are beginning farmers or ranchers, or socially disadvantaged farmers or ranchers
- Eliminates requirement for contract to remain in place for 1 year after last practice implemented; retains requirement that contract term may not exceed 10 yrs



## **A few more details about EQIP:**

- Provides flexibility for repayment of advance payment if not expended within 90 days; veterans are eligible for such advance payments
- Replaces rolling 6-year payment limitation for FY 2014–2018
- Adds performance reporting requirement for CIG with reporting every 2 years
- EQIP Program payments will be limited to \$450,000 for all contracts entered into during FY 2014-2018. This change removes the payment limitation waivers by simply lifting the limitation to the maximum level.



United States Department of Agriculture



**CSP** 



# Conservation Stewardship Program Changes:

- CSP is reauthorized to enroll 10 million acres annually (FY14-18)
- Although the CSP enrollment level is down from the 12.7 million acre level of the 2008 Farm Bill, it remains a substantial contributor toward improving land stewardship across the country

Additional information about the CSP program will be provided at the webinar session scheduled for November 18 from 9-10:30.



United States Department of Agriculture

**ACEP**





# Agricultural Conservation Easement Program

- ACEP consolidates three conservation easement programs:
  - Wetlands Reserve Program
  - Grasslands Reserve Program
  - Farm and Ranch Lands Protection Program



- **ACEP has two components -- Wetlands and Agricultural Lands Easements.**
  - The wetlands component mirrors the WRP authorizing language
  - The agricultural land component is modeled after the FRPP

Additional information about the easement programs will be provided at the webinar session scheduled for November 21 from 9-10:30.



United States Department of Agriculture

**RCPP**



# Regional Conservation Partnership Program

- Promotes the implementation of conservation activities through agreements between partners and landowners.
- RCPP consolidates the provisions in the following three programs and initiative into one program:
  - The Agricultural Water Enhancement Program (AWEP)
  - The Chesapeake Bay Watershed Program (CBWP)
  - The Cooperative Conservation Partnership Initiative (CCPI)
  - The Great Lakes Basin Program (GLBP)



- Additional information about the RCPP programs will be provided at the webinar session scheduled for November 18 from 9-10:30.

# Beginning Farmers

**Expands EQIP authority to provide advanced payment to beginning farmers and ranchers and other historically underserved producer by–**

- **Increasing the amount of assistance available for advanced payment from 30 to 50 percent**
- **Providing flexibility regarding repayment of advanced payment if the funds are not expended within 90 days**





# Other Provisions

- AGI

- AGI may not exceed \$900,000 and does not distinguish between on-farm and off-farm income.

- 

## Watershed Rehabilitation

- Authorizes \$250 million in mandatory funds to remain available until expended for watershed rehabilitation
- Extends authority to appropriate \$85 million per year through 2018 (discretionary)



# 2015 EQIP Sign-up

- Sign-up cut-off date: November 21

## Requirements:

- Farm Tract Records
- FSA Eligibility
- 1200
- Duns/Sam if an entity



# 1200 Form

US DEPARTMENT OF AGRICULTURE  
NATURAL RESOURCES CONSERVATION SERVICE

NRCS-CPA-1200  
10/2014

## CONSERVATION PROGRAM APPLICATION

Name:	Application Number:
Address:	Application Date:
	County and State:
Email:	
Telephone:	Watershed:
	Subaccount:
Location (Legal Description or Farm and Tract Number):	

1. This is an application to participate in the:

<input type="checkbox"/> Agricultural Management Assistance (AMA)	<input checked="" type="checkbox"/> Environmental Quality Incentives Program (EQIP)
<input type="checkbox"/> Conservation Stewardship Program (CSP)	<input type="checkbox"/> Agriculture Conservation Easement Program (ACEP) - Wetland Reserve Easements (WRE)
<input type="checkbox"/> Regional Conservation Partnership Program (RCPP) <ul style="list-style-type: none"> <li><input type="checkbox"/> EQIP</li> <li><input type="checkbox"/> CSP</li> </ul>	<input type="checkbox"/> Regional Conservation Partnership Program (RCPP) <ul style="list-style-type: none"> <li><input type="checkbox"/> ACEP- (WRE)</li> <li><input type="checkbox"/> Healthy Forest Reserve Program (HFRP)</li> </ul>

2.  Yes  No Do you have farm records established with the appropriate USDA Service Center Agency?

*If no, you must establish them with the appropriate USDA Service Center Agency prior to submitting this application.*



# SAM/DUNS Fact Sheet



## Applicants using Employer Identification Number

### Introduction

If your business or organization plans to apply for conservation program or grant funding through USDA's Natural Resources Conservation Service (NRCS) and you use an **Employer Identification Number (EIN)**, also referred to as a Tax Identification Number (TIN), you will need to obtain a **Data Universal Numbering System (DUNS)** number and be registered with the **System for Award Management (SAM)**. The DUNS number is required for any federal contract application and applicants must register with SAM to receive payments. If you apply as an individual and use your social security number as your EIN, you **DO NOT** need to obtain a DUNS number or SAM.

### About the Data Universal Numbering System (DUNS)

A DUNS number is a unique nine-character identification number provided by the commercial company Dun & Bradstreet (D&B), a provider of business information reports. The information required to obtain a DUNS number includes the business/organization name, type, location, number of employees, and contact information. The federal government uses the DUNS number to maintain consistent name and address data about organizations/businesses. This helps maintain and organize applications and contracts across federal agencies.

### Who needs a DUNS Number & SAM

Business Type Code	Business Type	Tax ID Type	DUNS/SAM Required
0	Individual	SSN	No
2	General Partnership	EIN	Yes
3	Joint Venture	EIN	Yes
3	Joint Venture	SSN	No
4	Corporation or Limited Liability Company	EIN	Yes
4	Limited Liability Company	SSN	No
5	Limited Partnership	EIN	Yes
6	Estate	EIN	Yes
7	Trust-Revocable	SSN	No
7	Trust-Revocable	EIN	Yes
10	Churches, Charities, & Non-Profit Organizations	EIN	Yes
17	Trust-Irrevocable	EIN	Yes



# 2015 EQIP Funding:

- **EQIP Local Working Group Pool**
- **Organic Initiative**  
**EQIP High Tunnel Initiative**
- **EQIP Energy Initiative**
- **EQIP Sage Grouse Initiative**

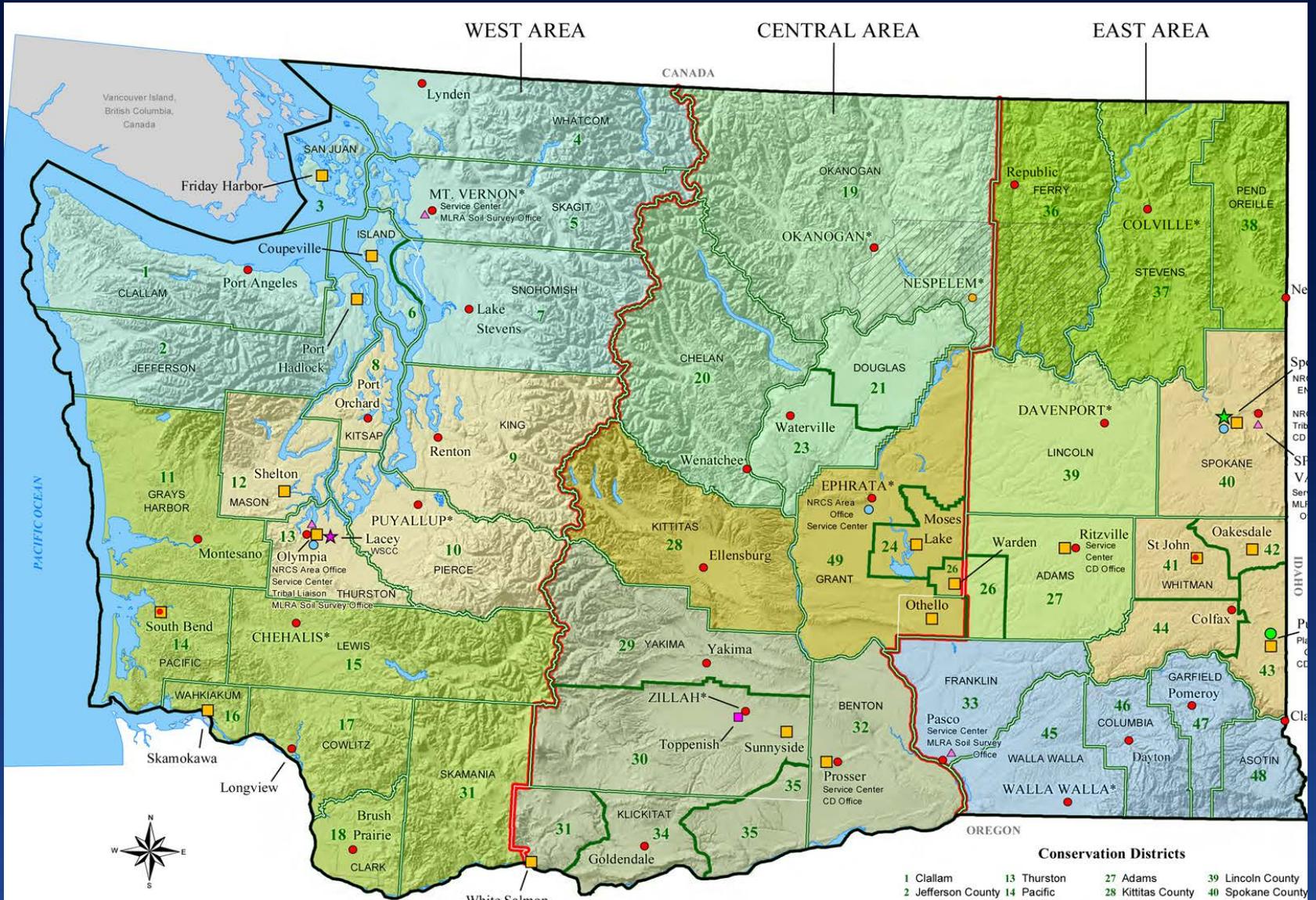


# Local Work Groups

- Practice lists
- Hold downs
- Conservation plan requirement
- Batch dates



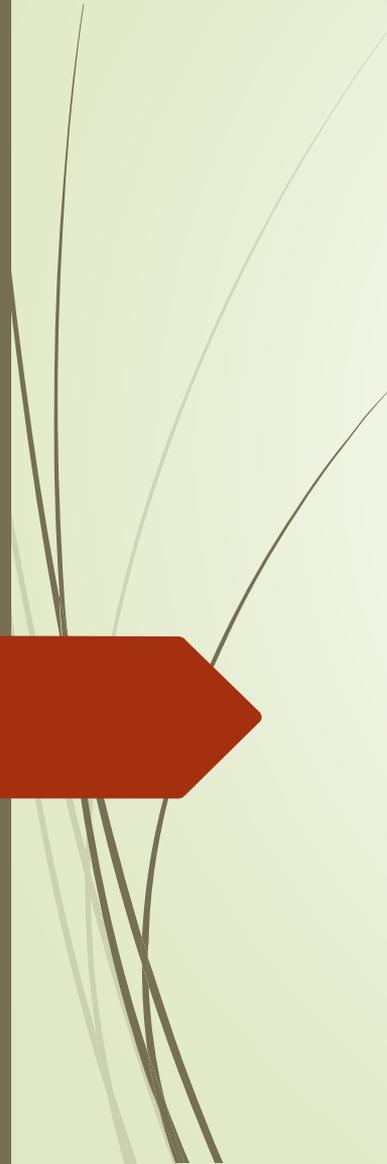
<b>Program</b>	<b>1st Application Batch Date (Appl. Cutoff)</b>	<b>Ranking and cost estimates completed</b>	<b>2nd Application Batch Date (Appl. Cutoff) If needed</b>	<b>100% Obligation Deadline</b>
<b>General EQIP (LWG)</b>	November 21, 2014	Set by LWG	Set by LWG	June 1, 2015
<b>BF, SD General State Pool</b>	November 21, 2014	December 19, 2014	January 16, 2015	June 1, 2015
<b>EQIP Tribal</b>	November 21, 2014	December 19, 2014	January 16, 2015	June 1, 2015
<b>EQIP CAPS - 102/104/106/108/110/114/118 /126/130/142/146</b>	November 21, 2014	December 19, 2014	January 16, 2015	June 1, 2015
<b>High Tunnels, Organic, Energy, Energy CAPS - 122/124/138</b>	November 21, 2014	December 19, 2014	January 16, 2015	June 1, 2015
<b>National Air Quality Initiative Benton, King, Pierce, Spokane, Thurston, Walla Walla, Yakima counties only</b>	November 21, 2014	December 19, 2014	January 16, 2015	June 1, 2015





United States Department of Agriculture

Learn more  
[www.nrcs.usda.gov/FarmBill](http://www.nrcs.usda.gov/FarmBill)



# Changes to FSA programs from 2008-2014 Farm Bill

Presented by Rod Hamilton



Farm Service Agency

2014

Farm Bill



# Agricultural Act 2014

## Farm Service Agency Program Changes

**Title I – Commodity Programs**

**Title II – Conservation Programs**

**Title V – Credit**

**Title IX - Energy**

**Title XII - Miscellaneous**

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title 1 – Commodity Programs

1. Repeals Direct Payments, Countercyclical Payments, and the Average Crop Revenue Election (ACRE) program.
2. Creates two new programs—Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC). Producers of covered commodities can choose to enroll in one of the two programs.

Farm Service Agency

**2014**  
**Farm Bill**



## Agricultural Act 2014

### Title 1 – Commodity Programs

3. Continues the marketing assistance loan program unchanged, except for an adjustment in the loan rate for upland cotton.
4. Revises payment limitations and adjusted gross income eligibility rules.



# Agricultural Act 2014

## Title 1 – Commodity Programs

5. Creates the Margin Protection Program (MPP) for dairy producers.
6. The Milk Income Loss Contract (MILC) Program is extended to remains in place until the MPP-Dairy is operational, but no later than September 1, 2014.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title 1 – Commodity Programs

7. The Livestock Indemnity Program (LIP), Livestock Forage Disaster Program (LFP), and Emergency Assistance for Livestock, Honeybees, and Farm-Raised Fish Program (ELAP) are now funded through the Commodity Credit Corporation (CCC) and made permanent.
8. The Tree Assistance Program (TAP) is reauthorized and made permanent.



# Agricultural Act 2014

## Title 1 – Commodity Programs

### Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC)

- ARC County Coverage (ARC-CO) = revenue loss coverage at the county level for eligible crops.
- ARC Individual Coverage (ARC-IC) = revenue loss coverage at the farm level for all acreage devoted to eligible crops across all of your farms enrolled in ARC-IC.
- Price Loss Coverage (PLC) = price loss coverage for eligible crops on a farm. It does not cover revenue losses.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title 1 – Commodity Programs

### Price Loss Coverage (PLC) and Agriculture Risk Coverage (ARC)

Bases - One-time decision to reallocate base acres on your farms.

Yields - Payments under the PLC program will be based on yields used for the previous counter-cyclical program or you may update your yields for the PLC program.



# Agricultural Act 2014

## Title 1 – Commodity Programs

### Payment Limitations

Payments are limited to \$125,000 for each individual actively engaged in farming, without specific limits for individual programs.



# Agricultural Act 2014

## Title 1 – Commodity Programs

### Adjusted Gross Income (AGI)

The limit on eligibility to receive farm program benefits no longer distinguishes between farm and nonfarm income.

Under the single AGI limit, any individual with an annual AGI above \$900,000 (including nonfarm income) is ineligible to receive farm program payments under commodity or conservation programs.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title 1 – Commodity Programs

### MPP-Dairy

Offers protection to dairy producers when the difference between the all-milk price and the average feed cost (the margin) falls below a certain dollar amount selected by the producer.



# Agricultural Act 2014

## Title 1 – Commodity Programs

### MPP-Dairy Options

- Base level is \$4.00 per hundredweight and 90 percent coverage of a producer's production history.
- Higher levels range between \$4.50 and \$8.00 per hundredweight in \$0.50 increments.



# Agricultural Act 2014

## Title I – Commodity Programs

### Livestock Indemnity Program (LIP)

- Made a permanent program
- Retroactive to Oct. 1, 2011
- LIP compensates livestock owners and contract growers for livestock deaths due to natural disasters.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title I – Commodity Programs

### Livestock Forage Disaster Program (LFP)

- Made a permanent program
- Retroactive to Oct. 1, 2011
- LFP compensates livestock producers who suffer grazing losses due to fire on Federally managed land and to drought conditions.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title I – Commodity Programs

### Emergency Assistance for Livestock, Honeybees and Farm-raised Fish (ELAP)

- Made a permanent program
- Retroactive to Oct. 1, 2011
- \$20,000,000 allocated each year out of Commodity Credit Corporation Funds (CCC)
- Provides financial relief to producers of livestock, honeybees, and farm-raised fish for losses due to adverse weather, or other conditions and are not covered under other programs.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title I – Commodity Programs

### Tree Assistance Program (TAP)

- Made a permanent program
- Retroactive to Oct. 1, 2011
- Provides financial assistance to salvage or replant tree crops, vines, and bushes lost or damaged due to adverse weather conditions.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title II – Conservation Programs

### The 2014 Farm Bill:

- Gradually reduces Conservation Reserve Program (CRP) cap from 32 million acres to 24 million acres by 2017.
- Reauthorizes and increases funding for the Conservation Reserve Program Transition Incentives Program.
- Waives, for beginning farmers, the 25-percent payment reduction for managed haying and grazing of CRP land.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title II – Conservation Programs

### The 2014 Farm Bill:

- Re-links crop insurance premium subsidies to Conservation Compliance (conservation of highly erodible land and wetlands) for the first time since 1996.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title V – Credit

The 2014 Farm Bill revises the Consolidated Farm and Rural Development Act, which authorizes FSA lending. Revisions to *operating loans* include:

- Expands the types of entities eligible,
- Eliminates term limits for the guaranteed operating program,
- Provides favorable interest rates for joint financing arrangements,
- Increases loan limits for microloans,
- Makes youth loans available in urban areas.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title V – Credit

The 2014 Farm Bill revises the Consolidated Farm and Rural Development Act, which authorizes FSA lending. Revisions to *farm ownership* loans include:

- Expands the types of entities eligible,
- Provides favorable interest rates for joint financing arrangements,
- Provides a larger percent guarantee on guaranteed conservation loans,
- Increases the loan limits for the down payment program,
- Authorizes a relending program to assist Native American producers buy fractionated interests of land.

Farm Service Agency

**2014**  
**Farm Bill**



# Agricultural Act 2014

## Title IX – Energy

**Biomass Crop Assistance Program (BCAP)** now allows enrollment of land under Conservation Reserve Program (CRP) or Agricultural Conservation Easement Program contracts that are set to expire in any given fiscal year.



## Agricultural Act 2014 Title XII – Miscellaneous

The Noninsured Crop Assistance Program (NAP) is expanded. Additional “buy-up” coverage above catastrophic loss levels will be allowed for commodities that otherwise would not have additional coverage available to them.



# Agricultural Act 2014

Questions?

[www.fsa.usda.gov/wa](http://www.fsa.usda.gov/wa)

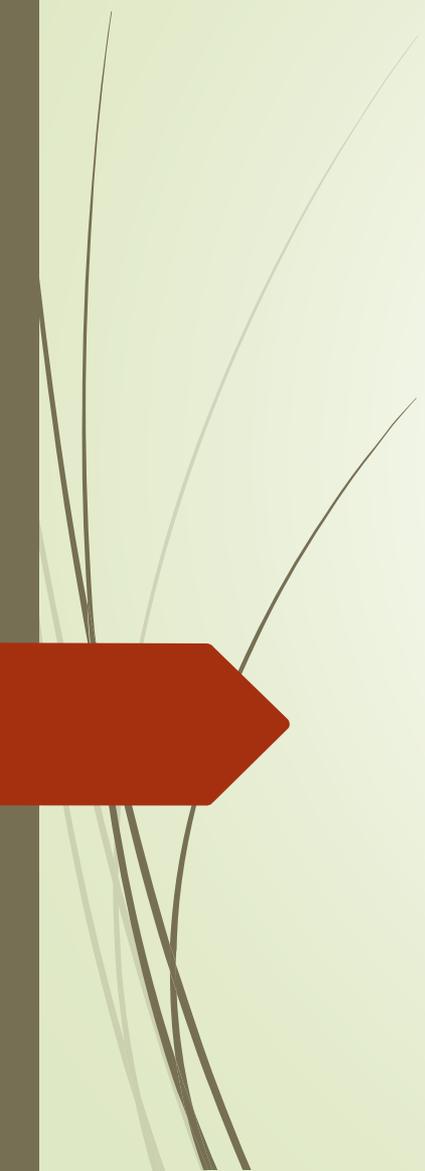
**Rod Hamilton**

**509-323-3015**

**[rod.hamilton@wa.usda.gov](mailto:rod.hamilton@wa.usda.gov)**

Farm Service Agency

**2014**  
**Farm Bill**



# Conservation Compliance

Presented by Jenifer Coleson, Jo Lynne Seufer, Rod  
Hamilton

# Conservation Compliance and the 2014 Farm Bill



# Agenda

---

- **Welcome and purpose.**
- **Review of conservation compliance.**
- **The New Farm Bill compliance requirements.**
- **Assisting participants in meeting the new requirements.**
- **Key dates to remember.**
- **How to get more information and assistance.**
- **Questions and Answers.**

# Background

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The Food Security Act was enacted on December 23, 1985. Title XII of this Act introduced 2 conservation provisions to address environmental concerns associated with soil erosion and wetland conversion:

- Highly Erodible Land (HEL) Conservation, or the “Sodbuster” provision
- Wetland Conservation, or “Swampbuster”

# Background

- *Purpose.* The purpose of the provisions are to remove certain incentives for persons to produce agricultural commodities on highly erodible land or converted wetland and to thereby—
  - (1) Reduce soil loss due to wind and water erosion;
  - (2) Protect the Nation's long-term capability to produce food and fiber;
  - (3) Reduce sedimentation and improve water quality; and
  - (4) Assist in preserving the values, acreage, and functions of the Nation's wetlands.

# Agricultural Act of 2014

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- Recouples federally subsidized Crop Insurance with Conservation Compliance.



# Impact of 2014 Farm Bill

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- Producers who participate in FSA or NRCS programs are already subject to conservation compliance, so they are not impacted by 2014 Farm Bill linking the crop insurance premium subsidy to conservation compliance.
- Producers not in conservation compliance can still buy crop insurance but will no longer be eligible for premium subsidies paid through RMA.

# Certification of Compliance

- **Producers will be ineligible for the crop insurance premium subsidy for the subsequent reinsurance year (July 1, 2015) if they do not have an AD-1026 on file certifying their HELC/WC compliance by **June 1, 2015.****



# Form AD-1026

- To be eligible for the crop insurance premium subsidy, producers must have an AD-1026 on file certifying their HELC/WC compliance by June 1, 2015
- AD-1026 was modified to incorporate the new provisions relating to crop insurance. A checkbox was added for producers to indicate they are “new to compliance”.
- AD-1026 is a continuous certification and only needs to be updated or revised when the producer plans to take an action that will affect how the questions are answered.
- Producers new to compliance will need to have HEL determinations for their land if producing ag commodities. Wetland determinations may be needed if the producer indicates that modifying drainage systems is planned or if new drainage systems are planned to be installed.

# Highly Erodible Land Conservation Compliance

---

- For Highly Erodible Land Compliance a producer is certifying that they will not plant or produce an agricultural commodity on highly erodible land or fields unless being farmed in accordance with a conservation plan approved by NRCS.

# Wetland Conservation Compliance

For Wetland Conservation Compliance, a producer is certifying they will NOT:

- 1) Convert a wetland that would allow the planting of an agricultural commodity.
- 2) Plant or produce an agricultural commodity on wetland converted after Dec 23, 1985 (Feb 7, 2014 for crop insurance only)
- 3) Use proceeds from any FSA farm loan, insured or guaranteed, or any USDA cost-share program, in such a way that might result in negative impacts to a wetland

# Agricultural Commodity

- It is important to know that the new conservation compliance requirements along with the original requirements only apply to commodity (annually tilled) crops.



# Agricultural Commodity

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- An agricultural commodity is any crop planted and produced by annually tilling the soil **including no till drills** or one-trip planters as they are considered annual tillage.
- Planting an annual cover crop in an orchard is considered annual tillage. Grazing land is considered an agricultural commodity if what is being grazed is planted and produced by annual tilling of the soil.

○

# Not Agricultural Commodities

- Orchards
- Vineyards
- Blueberries
- Alfalfa
- Perennial grasses



# Producers new to compliance

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- Producers new to compliance need:
- HEL determinations if producing an agricultural commodity
- Wetland determinations if new or modified drainage systems are planned

# Priority Technical Assistance

- The new Farm Bill requires NRCS to provide priority Technical Assistance to “*producers new to compliance*”
- *What does new to compliance mean?* Generally these will be specialty crop producers or other producers who have not participated in traditional USDA programs other than crop insurance.

# Crop Insurance Producer Exemptions

- Producers who only participate in the crop insurance subsidy programs offered through RMA can plant on a converted wetland that was converted prior to 2-7-2014 without risking loss of these benefits.



# Key trigger date

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- Producers who convert a wetland after 2-7-14 could be found to be in violation and risk being ineligible for the crop insurance premium subsidy in the following crop insurance year.
- Note that the Dec. 23, 1985 date still holds true for FSA and NRCS program participants.

# Key Dates

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- Fall of 2014 – update compliance regulation (7CFR12) to be published
- June 1, 2015 – deadline for crop insurance producers to file Form AD-1026

# Resources

- Additional information can be found online at [www.fsa.usda.gov](http://www.fsa.usda.gov) for FSA, [www.nrcs.usda.gov](http://www.nrcs.usda.gov) for NRCS and [www.rma.usda.gov](http://www.rma.usda.gov) for RMA.

The screenshot shows the USDA Natural Resources Conservation Service website. The header includes the USDA logo, the text "Natural Resources Conservation Service", and "United States Department of Agriculture". Navigation links include "Topics", "Programs", "Newsroom", and "Contact Us". A search bar is present on the right. Below the header, the breadcrumb trail reads "You are Here: Home / Programs / Farm Bill / 2014 Farm Bill - Conservation Compliance Changes". The main content area is titled "2014 Farm Bill - Conservation Compliance Changes" and features a large image of a wetland with the text "Highly Erodible Land Conservation & Wetland Conservation Compliance". A sidebar on the left lists various programs under the heading "Programs", including "Farm Bill", "Landscape Initiatives", "Financial Assistance", "Technical Assistance", "Easements", "Landscape Planning", and "Alphabetical Listing & Archive".

**USDA** Natural Resources Conservation Service  
United States Department of Agriculture

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You are Here: Home / Programs / Farm Bill / 2014 Farm Bill - Conservation Compliance Changes

Stay Connected     

## 2014 Farm Bill - Conservation Compliance Changes



Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) provisions aim to reduce soil loss on erosion-prone lands and to protect wetlands for the multiple benefits they provide. HELC and WC provisions apply to all land that is considered highly erodible or a wetland, and that is owned or farmed by persons voluntarily participating in USDA programs, unless USDA determines an exemption applies.

# Information and Assistance



## NRCS can assist you with meeting Conservation Compliance Requirements

To maintain eligibility for Federal crop insurance premium subsidy, check with USDA before:

- Clearing land,
- Working new land (sodbusting),
- Creating a new drainage system,
- Improving, modifying or maintaining an existing drainage system,
- Leveling land,
- Removing fence rows,
- Filling a wet area,
- Planting an agricultural commodity on land where an Natural Resources Conservation Service Highly Erodible Land determination has not been made.

### Contact USDA:

Find the nearest USDA Service Center:

<http://offices.usda.gov>

## Highly Erodible Land Conservation & Wetland Conservation Compliance For Crop Insurance Participants

Sept. 2014



Contour stripcropping prevents erosion in northern

The Agricultural Act of 2014 (2014 Farm Bill) applies to Federal crop insurance premium subsidy eligibility requirements. Compliance provisions are designed to reduce soil loss and protect wetlands for the multiple benefits they provide.

### Who needs to be in compliance?

All persons must provide a certification of compliance (before June 1 to be eligible for premium subsidy for the beginning July 1). Additional forms and documents on the operation and whether the person has an interest in produce an agricultural commodity.

For conservation compliance purposes, an agricultural crop which is planted and produced by annual tilling of one-trip planters; or sugarcane. Vegetable crops that are agricultural commodities.



# FAQ

frequently asked questions

## Conservation Compliance For Crop Insurance Participants

### Q1. What is an agricultural commodity?

A. For conservation compliance purposes, an agricultural commodity is defined as a crop which is planted and produced by annual tilling of the soil, including tilling by one-trip planters, or sugarcane. Vegetable crops that are annually tilled are considered agricultural commodities.

### Q2. What are the Highly Erodible Land Conservation (HELCS) and Wetland Conservation (WC) provisions?

A. HELCS requires persons, in order to receive certain USDA benefits, to use a Natural Resources Conservation Service (NRCS) approved conservation plan if they plant annually tilled crops or sugarcane on fields determined to be highly erodible. WC makes producers ineligible for certain USDA benefits if they produce an annually tilled crop or sugarcane or make such production possible on a converted wetland.

### Q3. Why is eligibility for crop insurance premium subsidy subject to the HELCS and WC provisions?

A. Since the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to conservation compliance. The 2014 Farm Bill relinks HELCS and WC compliance with the premium subsidy paid by the Federal Crop Insurance Corporation (FCIC) under the federal crop insurance program.

### Q4. Why is conservation compliance important?

A. The purpose of conservation compliance is to reduce soil loss due to erosion; protect the Nation's long-term ability to produce food and fiber; reduce sedimentation and improve water quality; and assist in preserving the values, acreage, and functions of the Nation's wetlands.

### Q5. Do I need to have a completed certification of compliance, form AD-1026, filed with the Farm Service Agency (FSA) to be eligible for premium subsidy on my crop insurance policies?

A. Yes, to be eligible for premium subsidy a completed and signed form AD-1026 must be on file with FSA by June 1, 2015 for the 2016 reinsurance year (July 1, 2015 – June 30, 2016), and you, and any affiliated person, must be in compliance with the HELCS and WC provisions.

### Q6. Who determines if land is highly erodible or a wetland for HELCS and WC purposes?

A. The NRCS makes technical determinations for HELCS and WC purposes.

### Q7. What is form AD-1026?



UNITED STATES DEPARTMENT OF AGRICULTURE  
FARM SERVICE AGENCY  
RISK MANAGEMENT AGENCY  
NATURAL RESOURCES CONSERVATION SERVICE

## CONSERVATION

FACT SHEET

July 2014

### Highly Erodible Land Conservation and Wetland Conservation Compliance

#### OVERVIEW

Highly Erodible Land Conservation (HELCS) and Wetland Conservation (WC) provisions aim to reduce soil loss on erosion-prone lands and to protect wetlands for the multiple benefits they provide. HELCS and WC provisions apply to all land that is considered highly erodible or a wetland, and that is owned or farmed by persons voluntarily participating in USDA programs, unless otherwise specified.

NRCS, and NRCS will then provide highly erodible land or wetland technical evaluations and issue determinations if needed.

#### AGRICULTURAL COMMODITY

An agricultural commodity is any crop planted and produced by annual tilling of the soil, including one-trip planters or sugarcane.

#### HIGHLY ERODIBLE LAND

Highly erodible land is any land that can erode at excessive rates because of its soil properties. Highly erodible land is designated by field and based on the proportion of the total field acreage that contains highly erodible soils.

Producers who produce agricultural commodities on land identified as highly erodible are required to farm such land in accordance with a conservation plan or system that is approved by NRCS and that substantially reduces soil loss. Producers proposing to produce agricultural commodities on highly erodible land that has no crop history prior to December 23, 1985 (known as Sodbusting), are required to farm such land in accordance with a conservation plan or system that provides for no substantial increase in soil erosion. A conservation plan or system to reduce soil erosion is not required for land that is not highly erodible.

#### WETLAND

A wetland is an area that:

- Has a predominance of hydric soils (wet soils);
- Is inundated or saturated by surface or groundwater (hydrology) at a frequency and duration sufficient to support a prevalence of hydrophytic (water tolerant) vegetation typically adapted for life in saturated soil conditions; and

individuals or entities administered by the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and the Farm Income Stabilization Act (FISA) are required to comply with the non-compliance provisions of the USDA program.

Conservation compliance payments on program benefits are not available for highly erodible land.

#### LC AND WC

Conservation compliance provisions, including form AD-1026

are required for highly erodible land and wetland commodity on land where an agricultural commodity is produced.

Conservation compliance does not affect the production of highly erodible land.

Conservation compliance does not affect the production of highly erodible land or wetland commodity on land where an agricultural commodity is produced.



## **Conservation Compliance and Crop Insurance**

What you need to know about conservation compliance and its impact on your Federal crop insurance policy.



## Stay in Compliance

The Farm Bill has re-linked crop insurance with conservation compliance provisions. There are no changes to eligibility for crop insurance; however, eligibility for premium subsidy is now based on following conservation compliance provisions. Any non-compliance will affect your eligibility for premium subsidy the next year. Specific exemptions may apply in limited situations.

## Fill Out and File Form AD-1026

To comply with the HELC and WC provisions, producers must fill out and sign form AD-1026. If you have not already completed and submitted this form to USDA, go to the USDA Service Center [Farm Service Agency (FSA) county office] and file form AD-1026 certifying compliance. FSA and/or the Natural Resources Conservation Service (NRCS) will communicate any additional actions that may be required for compliance.

An AD-1026 must be on file by **June 1, 2015** to be eligible for 2016 crop insurance premium subsidies. The AD-1026 form only has to be completed one time, unless changes are made to the operation.

## Responsibility

Compliance with the conservation provisions will be based on FSA and NRCS determinations/records. However it is the producer's responsibility to make sure their records are correct with FSA and NRCS. Also, producers should ensure their personal identification information (name, tax ID, etc.) are the same with FSA and RMA so accurate determinations of eligibility for premium subsidy can be made.

## For More Information

- ⇒ Go to: <http://offices.sc.egov.usda.gov/locator/app> to find your local USDA Service Center.
- ⇒ Go to: [www.rma.usda.gov/tools/agent.html](http://www.rma.usda.gov/tools/agent.html) to find an insurance agent.
- ⇒ Go to: [www.rma.usda.gov/aboutrma/fields/rsos.html](http://www.rma.usda.gov/aboutrma/fields/rsos.html) to find your RMA regional office.

# Do's and Don'ts



**DO** file a certification of compliance, form AD-1026, with your local USDA Service Center.



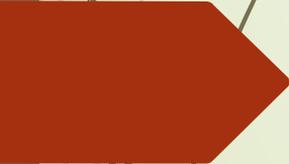
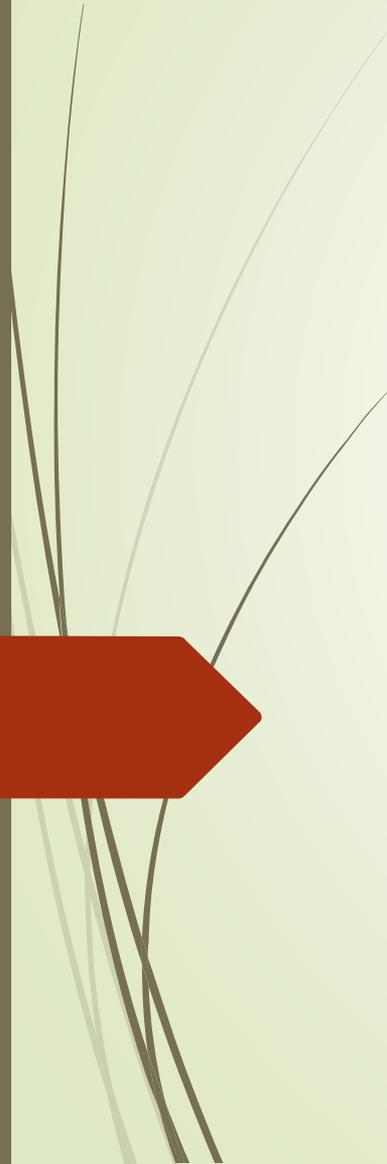
Do **NOT** produce an agricultural commodity on highly erodible land unless following an NRCS conservation plan.



Do **NOT** produce an agricultural commodity on a converted wetland.

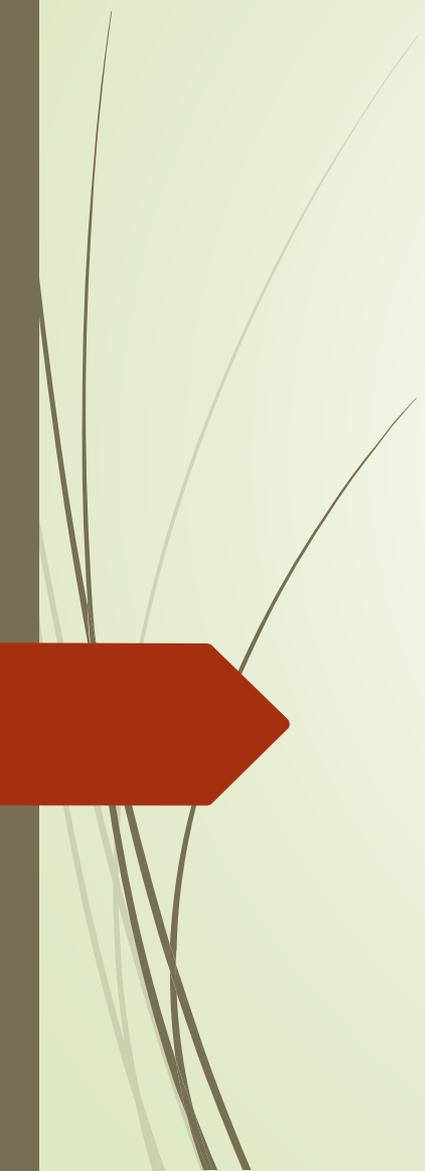


Do **NOT** convert a wetland making the production of an agricultural commodity possible.



# Rod Hamilton

On Conservation Compliance



# Questions



## Team USDA will also be presenting at the following venues:

- ▶ Small Farms Conference, November 1, Spokane, WA
- ▶ Washington Tilth Conference, November 7-9, Vancouver, WA
- ▶ Washington Dairy Federation Conference, November 10-11, Vancouver, WA
- ▶ Washington Cattlemen's Conference, November 12-14, Spokane, WA
- ▶ Tri-State Grain Growers Conference, November 12-15, Stevenson, WA
- ▶ Farm Bureau Conference, November 17-20, Yakima, WA
- ▶ Washington Association of Conservation Districts, December 1-3, Cle Elum, WA
- ▶ Pacific Northwest Direct Seed Association, January 20-22, Kennewick, WA
- ▶ Ag Expo/Farm Forum, February 3-5, Spokane, WA