

Title 440 - Programs

Conservation Programs Manual

Part 518

Conservation Security Program

FINAL DRAFT

May 25, 2005

Part 518 - Conservation Security Program

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Subpart A Overview

518.10 General Information

a Background and Objectives

The Conservation Security Program (CSP) is authorized by the Farm Security and Rural Investment Act of 2002. CSP is a voluntary program that provides financial and technical assistance to producers who advance the conservation, and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands. Such lands include cropland, grassland, prairie land, improved pasture, and range land, as well as forested land and other non-cropped areas that are an incidental part of the agriculture operation.

Agricultural producers are longtime stewards of America's lands and the CSP supports this ongoing stewardship by providing financial and technical assistance for producers to maintain and enhance resources. The purpose of CSP is to:

- Identify and reward those farmers and ranchers meeting the very highest standards of conservation and environmental management on their operations;
- Create powerful incentives for other producers to meet those same standards of conservation performance on their operations; and
- Provide public benefits for generations to come.

CSP rewards those farmers and ranchers who reach the pinnacle of good land stewardship, and encourages others to enhance the ongoing production of clean water and clean air on their farms and ranches - which are valuable commodities to all Americans.

b Administration

The Chief establishes overall program policy and determines fund availability to provide financial and technical assistance to participants according to the purpose and projected cost of contracts in a fiscal year. The Chief allocates the funds available to carry out CSP to the NRCS State Conservationist.

The Chief may modify or waive a provision of this part if the Chief determines that the application of such provision to a particular limited situation is inappropriate and inconsistent with the goals of the program.

The State Conservationist may obtain advice from the State Technical Committee and local workgroups on the development of State program technical policies, payment related matters, outreach efforts, and other program issues.

c Program Availability

The program is available to all eligible producers only on privately owned or Tribal lands in any of the 50 states, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the Virgin Islands of the United States, American Samoa, and the Commonwealth of the Northern Mariana Islands.

The official USDA nondiscriminatory statement shall be included on all information and announcements to the public.

d Significant Resource Concerns

Soil quality and water quality are nationally significant resource concerns for all land uses.

For each sign-up, the Chief may determine additional nationally significant resource concerns for all land uses. Such significant resource concerns will reflect pressing conservation needs and emphasize off-site environmental benefits. In addition, the Chief may approve other priority resource concerns for which enhancement payments will be offered for specific locations and land uses.

e New Technologies

The State Conservationist may approve, with advice from the State Technical Committee, new technologies or innovative conservation practices and measures where warranted. Interim conservation practice standards if needed will be developed and practices will be evaluated according to General Manual, 450, Part 401.

f Agency Leadership

The Natural Resources Conservation Service (NRCS) has overall leadership for the program and is responsible for establishing policies, priorities, and guidelines for CSP.

518.11 Source of Authority

a Legislative Authorities

Legislative authorities for the policy and procedure contained in this manual are codified in Title II; Subtitle A, Section 2001 of the Farm Security and Rural Investment Act of 2002, Public Law 107-171.

b Federal Register

The Code of Federal Regulations (CFR) reference for CSP is 7 CFR Part 1469.

c Authority to Waive Administrative Procedures

The NRCS Director, Financial Assistance Programs Division, may waive any administrative procedural provision in this manual:

- unless prohibited by statute or regulation; and
- if the waiver is justified and will not defeat the purposes of the CSP, or any other conservation program administered by USDA.

Requests for waivers must be submitted in writing to the Director, Financial Assistance Programs Division, who will review the request and make an appropriate determination.

Requests for waivers will include:

- a description of the problem with the existing procedure, including specific reference to actual situations;
- a description of the recommended procedure; and
- a recommendation by the State Conservationist for the applicable State.

518.12 Purpose and Use of Manual

a Purpose of this Manual

This manual contains USDA policy, guidance, and operating procedures for implementing CSP as part of the Food Security Act of 1985, as amended by the Farm Security and Rural Investment Act of 2002, in accordance with the final rule.

b Knowledge by Employees

USDA personnel assigned CSP responsibility will have a working knowledge of this manual as well as 7CFR Part 1469.

c Use of Manual

This manual will be used to provide policy implementation, guidance, and operating procedures for NRCS and a ready reference and training tool for:

- NRCS employees
- Conservation districts
- State Technical Committee and Local Work Group members
- Technical Service Providers
- Personnel from cooperating agencies and organizations
- Others

d Supplements to This Manual

State supplements to this manual may be made by the State Conservationist with approval of the Director, Financial Assistance Programs Division.

e Policy & Technical References

Technical references and policy for guiding development of a conservation stewardship contract include:

- National Planning Procedures Handbook (NPPH)
- General Manual 180, Part 409, Conservation Planning
- National Handbook of Conservation Practices
- General Manual Title 450, Part 401
- Field Office Technical Guide (FOTG)
- National Operation and Maintenance Manual
- General Manual Title 120, Part 404, Long Term Contracting
- National Handbook for Evaluations, Audits, Investigations and Reviews (NHEAIR)

Subpart B - Responsibilities**518.20 NRCS Responsibilities**

a National Headquarters

The following table describes the responsibilities of the NRCS National Office:

<u>Position</u>	<u>Responsibilities</u>
Chief	Determines fund availability Allocates funds to State Conservationists Determines additional nationally significant resource concerns Determines an appropriate stewardship rate for each land use category Provides a list of practices and activities eligible for payments Publishes CSP sign-up notice
Deputy Chief for Programs	Provides overall national leadership for program development and implementation Establishes national priorities in consultation with other national partners Other duties as delegated by the Chief, NRCS
Deputy Chief for Science & Technology	(RESERVED)
Deputy Chief for Management	(RESERVED)
Deputy Chief for Soil Survey & Resource Assessment	(RESERVED)
Deputy Chief for Strategic Planning & Accountability	(RESERVED)
Director, Financial Assistance Programs Division	Provides national leadership for CSP Establishes program policies, procedures, and direction regarding planning, implementation, and technical training Provides policy and procedural guidance on CSP operations

- Coordinates national training
- Determines stewardship payment rate for each land use category
- Approves practice and enhancement activity cost lists
- Waives administrative procedures when warranted
- Develops agreements with other agencies and groups
- Develops and conducts national public outreach campaigns with other partners
- Coordinates overall program evaluation
- Provides additional leadership as requested by the Deputy Chief for Programs

b State Conservationist

The State Conservationist shall provide leadership for NRCS activities associated with CSP in the States, as shown in the following table:

<u>Responsibility</u>	<u>Description</u>
Delegation of Authority	<p>Delegates authority to carry out CSP at State, Area, and Field Office levels</p> <p>Designates in writing the authorized NRCS representative to obligate funds, disburse payments, and act as Contracting Officer (CO) as instructed in GM 120, Part 404. Ensures compliance with internal controls, including “separation of duties” related to contract approval and payment certification</p>

Leadership	<p>Allocates technical resources to address State concerns</p> <p>Ensures that USDA Civil Rights responsibilities are met</p> <p>Establishes CSP procedures within the State</p> <p>Serves as a Chair of the State Technical Committee</p> <p>Establishes, with advice from the State Technical Committee:</p> <ul style="list-style-type: none"> • Technical activities related to CSP • Conservation priorities
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Responsibility

Description

- Enhancement activities and payment rates with consideration of national priorities and sign-up emphasis

Establishes watershed level procedures for CSP

Establishes an additional locally significant resource concern to be addressed by Tier II contracts in each selected watershed prior to sign-up

Establish state procedure for maintaining CSP sign-up notices to support sign-up and contract activity

Designates watershed team leaders or other appropriate positions to coordinate activities in CSP watersheds

Provides technical leadership for planning and implementation

Provides program and technical training needed to implement the program effectively

Conducts statewide public outreach and information activities

Coordination

Coordinates interstate watershed activities

Works with State and Federal agencies, agricultural and environmental groups, and other potential funding contributors to leverage CSP payments

Contract Administration

Assigns and sets ProTracts permissions

Maintains a record of the FY 2001 conservation practice cost share and maintenance rates for use in CSP

Contributes local data to assist in setting stewardship payment rates

Submits practice and enhancement activity cost lists for NHQ approval.

In cases of contract violation, gives a participants reasonable time to correct the violation

Terminates contracts when violations cannot be resolved.

Determines amounts of refunds and liquidated damages to

<u>Responsibility</u>	<u>Description</u>
	<p>assess in termination cases</p> <p>Administers offsets, collections, and claims</p> <p>Issues determinations, or authorizes a designee to issue determinations, on waiver requests to start any financially assisted practice or activity or engage the reimbursable services of a certified Technical Service Provider before a contract or modification is approved</p>
Program Evaluation	<p>Provides leadership for quality assurance</p> <p>Identifies, monitors, and analyzes performance indicators</p> <p>Monitors program accomplishments</p> <p>Evaluates program effectiveness</p>

c Contracting Officer

The contracting officer has contracting and contract administration responsibilities for CSP as shown on the following table:

<u>Responsibility</u>	<u>Description</u>
Contracting	<p>Determines if evidence of applicant control is satisfactory in questionable cases</p> <p>Determines if payment division with tenants and sharecroppers is fair in questionable cases</p> <p>Determines whether or not exceptions to applying tier transition practices/activities by the third contract year will be approved</p> <p>Approves conservation stewardship contracts</p>

Contract Administration	<p>Determines timeframe for correcting discrepancies due to no fault of the applicant found during self-assessment verification</p> <p>Approves conservation stewardship contract modifications</p> <p>Investigates and services contract non-compliance cases that cannot be resolved at the field level</p>
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<u>Responsibility</u>	<u>Description</u>
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d Designated Conservationist

The Designated Conservationist has responsibility for CSP at the local level, as shown in the following table:

<u>Responsibility</u>	<u>Description</u>
Leadership	<p>Provides leadership for:</p> <ul style="list-style-type: none"> • Conservation planning and implementation at the local level • Assessing natural resource conditions and producer needs • Verifying eligibility of applicants after screening <p>Conducts public outreach and information activities</p> <p>Carries out additional responsibilities assigned by the State Conservationist</p> <p>Solicits input from Local Work Group</p>
Coordination	<p>Coordinates interstate and/or multi-county watershed activities</p> <p>Supports and participates in the USDA Local Work Group process by recommending innovative practices and activities that might require development of interim standards or management intensity guidance for potential enhancement payments</p>
Application Servicing	<p>Provides the applicant with the CCC-1200 and CCC-1200-CSP Appendix for their review before accepting an application</p> <p>Determines compliance with Highly Erodible Land and Wetland Conservation Compliance, and Adjusted Gross Income</p> <p>Confirms application information and accepts applications</p> <p>Determines participation tier and enrollment category placement</p> <p>Notifies applicants of application determinations and provide appeal rights if appropriate</p> <p>Participates in appeal process as appropriate</p>

<u>Responsibility</u>	<u>Description</u>
Contract Administration	<p>Develops conservation stewardship contracts for selected applicants</p> <p>Approves CCC-1200 as CO, if appropriately delegated by the State Conservationist</p> <p>Authorizes contract payments</p> <p>Prepares documentation for payment authorization</p> <p>Processes contract modifications.</p> <p>Initiates contract violation and termination procedures as appropriate</p> <p>Completes self-assessment verifications and tier transition verifications</p>
Program Evaluation	<p>Evaluates program impacts and reports participation levels</p> <p>Conducts status reviews and quality assurance as required</p>

518.21 Program Applicant Responsibilities

a Program Applicant

The applicant has responsibility for CSP, as shown in the following table:

<u>Responsibility</u>	<u>Description</u>
Program Self Assessment and Inventory	<p>Determines if land is primarily within selected watersheds based upon signup criteria</p> <p>Determines initial producer and land eligibility using CSP self-assessment workbook</p> <p>Provides documentation necessary to support producer and land eligibility determination to the Designated Conservationist</p> <p>Completes a benchmark condition inventory and satisfies sign-up criteria including information about enhancement activities</p> <p>Provides documentation necessary to support bench mark condition to the Designated Conservationist</p> <p>Participates in verification interview</p>

Program Application	<p>Signs, dates and completes CCC 1200, Application and Appendix and any other signup requirements</p> <p>Provides assurances that Tenants and Sharecroppers are being treated fair and equitably to the Designated Conservationist</p> <p>An applicant who is a tenant must provide NRCS written evidence or assurance of control from the landowner</p> <p>Supplies information, as required by NRCS, to determine eligibility for CSP</p>
Program Participation	<p>Develops a conservation stewardship plan</p> <p>Establishes a vendor number for direct deposit of payments by submitting form 1099-G</p> <p>Certifies the CSP Stewardship practices, activities and actions are taken by the third year of the contract for multiple land use category placement</p> <p>Executes contract and becomes a program participant</p> <p>Completes contract activities as required</p>
Contract	<p>Implements and maintains the conservation stewardship contract and plan as approved.</p> <p>Makes available to NRCS, appropriate records showing timely implementation and maintenance of the contract and plan</p> <p>Submits payment applications and supporting cost documentation as requested</p> <p>Complies with all appropriate regulations</p> <p>Does not engage in any activity that interferes with the purpose of CSP</p>

518.22 Other Agencies and Tribes Responsibilities

a Other Agencies

NRCS may enter into agreements with Federal agencies, State and local agencies, conservation districts, Tribes, private entities and individuals to assist NRCS with educational efforts, outreach efforts, and program implementation.

For lands under the jurisdiction of a Tribe or Tribal Nation, certain items as identified above may be determined by the Tribe or Tribal Nation and the NRCS Chief.

518.23 Conservation Districts

a Conservation Districts

Conservation Districts (CDs) are legal subdivisions of State or Tribal government and are charged by state law with providing leadership for soil, water and natural resource conservation within District boundaries. As a result, they have an essential role in the implementation of USDA programs. Conservation Districts identify local resource considerations and objectives, recommend application and evaluation processes, establish priorities for assistance, and ensure local resource issues and concerns are being addressed. Moreover, they have the following opportunities specific to CSP:

- Assess natural resource conditions and needs.
- Identify local natural resource priorities and available resources.
- Convene the local work group(s) impacted by the selected watershed(s).
- Provide input and recommendations to NRCS for CSP guidelines.
- Provide technical assistance, where appropriate.
- Assist NRCS with information and outreach programs.
- Recommend criteria for enhancement activity payments.
- In carrying out the role of contract violations and terminations, the State Conservationist may consult with the local conservation district.
- Other mutually agreed to responsibilities as requested.

518.24 State Technical Committee

a State Technical Committee

The Food Security Act of 1985, as amended, authorizes the State Technical Committee to provide recommendations for establishing criteria, priorities, and other State-level initiatives under CSP. The roles and responsibilities of the State Technical Committee are found in the Conservation Programs Manual (CPM), Part 501, Subpart B.

518.25 Local Work Groups

a Purpose

The purpose of the Local Work Group is to facilitate locally led conservation according to CPM, Part 500, and to provide advice to NRCS concerning the implementation of conservation programs, including CSP, in accordance with the Federal Advisory Committee Act. The roles and responsibilities of the Local Work Groups are found in CPM, Part 501, Subpart A.

Subpart C - Information and Outreach**518.30 Information and Outreach**

a Purpose

The purpose of information and outreach activities are to ensure that NRCS customers and potential customers are aware of, understand, and have access to conservation programs and services, and to deliver program facts, program details, and news about CSP to broad audiences. Emphasis for outreach efforts will be placed on the historically underserved individuals that have not traditionally accessed or participated in USDA programs.

b Explanations

The following are general explanations of information and outreach:

Information includes those activities to develop, produce, and deliver general news, knowledge and facts about the program. Information is delivered extensively to a wide audience. NRCS will use all available media to provide full disclosure of stewardship payment rates, eligible practices and activities and their payment rates, enrollment category and sub-category funding order, and program descriptions.

Outreach includes those activities to develop, produce, and deliver general news, knowledge, and facts about the program to a specific audience. Outreach efforts are typically aimed at producers who have been historically underserved, have not historically participated in conservation programs, or who require special emphasis or accommodations. The intent of outreach activities is to assure that the targeted producers are aware and informed of program opportunities, and have access to program participation and NRCS services.

c Special Emphasis

Special emphasis will be made in all information activities to provide conservation assistance and program outreach, and access to limited resource producers, minority producers, small-scale producers, Tribal members, Alaska natives, Pacific Islanders, producers with disabilities, and other producers who have not historically participated in conservation programs. Special outreach efforts could include, but not be limited to:

- Establishing special outreach activities at the national, State, and local levels.
- Providing special accommodations, to the extent possible, to assure producers are aware, informed, and have access to information and assistance, such as:
 - Using language spoken by the intended audience.
 - Using appropriate media sources to reach the intended audience.

d Program Announcement

After the Secretary announces the:

- Program availability; and
- Selected watersheds,

Designated Conservationists in watersheds will conduct information and outreach efforts to announce the program and ensure that all potential CSP participants are aware of CSP availability.

Subpart D –Appeals

518.40 Appeals

a Appeal Process

All CSP appeals will be handled according to CPM Part 510, and FSA Handbook 1-APP, when applicable.

Appeal rights, in the case of CSP are as follows:

- Optional appeal to the FSA County Committee in the county where the decision was made.
- Mediation.
- Appeal to the National Appeals Division (NAD).

b General Conditions of Appealability

Any determination or decision of the agency that is adverse to the participant is appealable, such as the following listed items:

- Specific application of the regulation or law to the individual.
- Miscalculation of formulas and criteria.
- Misapplication of the application category criteria.
- Denial of program benefits for reasons other than lack of funding or matters of regulation.
- Denial of program participation if the decision is not based on a condition that applies to all program participants, (i.e., the decision is adverse to the individual participant as opposed to being generally applied to all program participants.)

c Actions Not Appealable

In accordance with the provisions of the Department of Agriculture Reorganization Act of 1994, Public Law 103-354 (7 U.S.C. 6991 et seq.), and as set forth in the National Appeals Division Rules of Procedure, 7 CFR Part 11, §11.6(a)(2), “The Director shall determine whether the decision is adverse to the individual participant, and thus appealable, or is a matter of general applicability, and thus not subject to appeal...” Actions and decisions that are generally applicable to all producers in the nation, State, or Tribes and are not specifically adverse to a participant, are not appealable in CSP, such as the following list:

- Payment limits, cost-share payment rates, and incentive payment levels.
- Identification of significant natural resource concerns or watersheds.
- Funding allocations, funding levels, and funding decisions.
- Eligible conservation practices.

- NRCS conservation practice standards and specifications and other technical criteria.
- The established process for self assessment, application categorization and the screening process.
- Procedural decisions relating to program administration.
- Science-based formulas and criteria.
- Other matters that are generally applicable to all program participants.
- Matters of regulation and law.
- Denial of program participation due to a current lack of program funds or program authority.

518.41 Handling Technical Determinations and Program Decisions

a Technical Determinations and Program Decisions

NRCS makes technical determinations that are used to determine a participant’s overall eligibility for the program (such as applicant and land eligibility), and to determine if a participant’s application is eligible to be selected for development of a CSP contract.

b Final Technical Determinations and Program Decisions

Technical determinations, made using the CSP application process, may not be adverse to the participant until after CSP applications are selected for contract development. NRCS will notify applicants of application selection decisions and inform applicants of their appeal and mediation rights in accordance with CPM Part 510.

When issuing appeal rights in cases where a technical determination has been relied upon by NRCS in making the application selection decision, appeal rights will be offered when the result of the decision is a denial of program participation.

CSP applications will not be deferred.

Note: Only those actions that are considered to be appealable will be given appeal rights. See CPM Section 518.40c for CSP actions considered not to be appealable. The CSP participant has the right to request a NAD appealability review for determinations or decisions that NRCS has determined not to be appealable.

c Types of Decisions and Determinations

The following table explains the appealability of the typical decisions made for CSP applicants.

Type of Decision	Application Disposition
Application categorized and funded.	Appeal rights are usually not provided with this type of decision.
Application categorized, but not funded due to lack of funds.	Not appealable because the lack of program funds is not an appealable issue. Provide rights to an appealability review only. Decision is “denial of the application due to lack of funds”.
Application determined ineligible	Provide appeal rights.

Note: In order to determine if the decision and/or determination are appealable look at the final outcome of the determination made. For example, if the application sorting process results in an eligible but unfunded offer, the final decision for that application would be denial of the application due to a lack of funds. Because the overall decision and/or determination is not considered to be appealable (denial due to lack of funds) the only appeal rights granted should be the right to request an appealability review.

518.42 Notification Requirements

a Notification of Non-appealable Issues

Participants shall be notified by NRCS if the action is non-appealable. The notice shall include both of the following:

- The participant's right to request a NAD appealability review within 30 calendar days of the determination that the action is not appealable;
- The address of the NAD Regional Director.

b Appeals in Writing

The request for appeal shall be considered to have been filed when personally delivered in writing to the NRCS level having jurisdiction, or when the properly addressed appeal, postage paid, is postmarked.

Subpart E - Eligibility Requirements

518.50 CSP Eligibility

a General Information

To be eligible to participate in CSP, the following eligibility requirements and any additional eligibility criteria and contract requirements that may be included in the CSP sign-up notice must be met.

- An applicant must meet the requirements for eligible applicants, including any additional eligibility criteria and contract requirements that may be included in a CSP sign-up notice;
- The land must meet the definition of eligible land; and

- The application must meet certain conservation standards, including the minimum tier eligibility requirements defined in paragraph 518.53, and the minimum level of treatment defined in paragraph 518.54.

518.51 Applicant Eligibility

a Producer, Applicant, and Participant

For CSP, as provided in Public Law 107-171, a producer means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing any crop or livestock; and is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

A CSP applicant must be a producer, as defined above, who has control of the land unit for the proposed contract period, and has requested in writing to participate in CSP.

For CSP, landlords and owners for exclusively cash rented land are not considered producers; they do not share in the risk of producing any crop or livestock and are not entitled to share in the marketing of crop or livestock. They are ineligible to be an applicant, but they could be a contract participant.

A contract participant means one who is accepted into CSP and any signatory to a conservation stewardship contract.

b Eligible Applicant

To be eligible to participate in CSP, an applicant must:

- Be in compliance with the highly erodible land and wetland conservation provisions found in 7 CFR Part 12;
- Have control of the land for the life of the proposed contract period;
 - If the applicant is a tenant, the applicant must provide NRCS with the written evidence or assurance of control from the landowner(s). A written lease is not a requirement to show control if historical use and control of the land can be demonstrated. If a tenant's control of any land unit is questioned, the State Conservationist may require the applicant to furnish evidence of control using the Control of Land Certification by Owner Worksheet (see Exhibit 518.132), or a similar instrument that collects the same type information. If control of any land unit is questioned, the applicant will be required to furnish evidence of control satisfactory to NRCS. The Designated Conservationist will refer questionable cases to the contracting officer for determinations.

- The Chief may make exception for land allotted by the Bureau of Indian Affairs (BIA), Tribal land, or other instances in which the Chief determines there is sufficient assurance of control.
- Share in the risk of producing any crop or livestock and be entitled to share in the crop or livestock available for marketing from the agricultural operation (although landlords and owners for exclusively cash rented agricultural operations are ineligible to submit an application, they can be a conservation stewardship contract participant);
 - For CSP purposes, one who controls a grass-based system and manages the forage production, but who does not share a risk in production, and does not share in marketing of products will not be considered a producer.
 - In unique cases where a potential applicant's ability to share in risk of producing a crop or livestock, and their entitlement to share in the crop or livestock available for marketing are in question, the State Conservationist will make the final decision about whether or not the applicant is a producer. These would include cases where no marketing of crop or livestock occurs (e.g., Federal wild horse preserve, community gardens, etc.).
- Complete a benchmark condition inventory for the entire agricultural operation, or the portion being enrolled;
- Supply information, as required by NRCS, to determine eligibility for the program, including but not limited to information related to eligibility criteria in the sign-up notice, and information to verify the applicant's status as a beginning farmer or rancher;
- Be in compliance with adjusted gross income (AGI) requirements.

An applicant is subject to the following constraints:

- An applicant may submit only one application for each sign-up.
- Producers who are participants in an existing conservation stewardship contract are not eligible to submit another application.
- Applicants who are members of a joint operation, trust, estate, association, partnership, or similar organization (i.e., applicants that are entities) must file a single application for the joint operation or organization.

c Eligible Participant

Anyone who is a conservation stewardship contract participant other than the applicant, must:

- Be in compliance with the highly erodible land and wetland conservation provisions found in 7 CFR Part 12; and
- Be in compliance with adjusted gross income (AGI) requirements.

A participant is subject to the following constraint:

- A program participant will only receive payments from one conservation stewardship contract.

518.52 Land Eligibility

a Eligible Land

To be eligible for enrollment in CSP, land must be:

- **Private agricultural land:**
Agricultural land means cropland, rangeland, pastureland, hayland, private non-industrial forest land if it is an incidental part of the agricultural operation, and other land on which food, fiber, and other agricultural products are produced. Areas used for strip-cropping or alley-cropping and silvopasture practices will be included as agricultural land. This includes land of varying cover types, such as cropped woodland and cropped marshes, which are being managed primarily for the production of food, fiber or other agricultural products, through a low input system. The land use designations for CSP are:

Cropland: Means a land cover/use category, either irrigated or non-irrigated, that includes areas used for the production of adapted crops for harvest, including but not limited to land in row crops or close-grown crops, forage crops that are in a rotation with row or-close grown crops, permanent hayland, horticultural cropland, orchards, vineyards.

Cropped Woodland and Marshes – where at least 50% of the area is actively managed to produce an agricultural product. The crop may be grown symbiotically within the system, such as ginseng and wild rice, or harvested directly from the trees, such as maple syrup. For maple syrup production, the number of tapped trees will be used to determine the production area. Once established, the agricultural product is harvested annually. Plants are selectively removed as needed to control disease and insect pests or to prevent overcrowding of the desired species. If utilized, nutrient applications follow University recommendations for the desired crop.

Pastureland: Means a land cover/use category of land managed primarily for the production of introduced forage plants for grazing animals and includes improved pasture. Pastureland cover may consist of a single species in a pure stand, a grass mixture, or grass-legume mixture. Management usually consists of cultural

treatments: fertilization, weed control, reseeding or renovation, and control of grazing. Silvopasture that meets the NRCS practice standard will be considered as pasture or range land and not incidental forestland since silvopasture is one type of intense grazing system.

Hayland: Means a subcategory of “cropland” managed for the production of forage crops that are machine harvested. The crop may be grasses, legumes, or a combination of both.

Rangeland: Means a land cover/use category on which the climax or potential plant cover is composed principally of native grasses, grass-like plants, forbs, or shrubs suitable for grazing and browsing, and introduced forage species that are managed like rangeland. The term would include areas where introduced hardy and persistent grasses are planted and such practices as deferred grazing, burning, chaining, and rotational grazing are used, with little or no chemicals or fertilizer being applied. Grassland, savannas, prairie, many wetlands, some deserts, tundra, and wet meadows are considered to be rangeland. Certain communities of low forbs and shrubs, such as mesquite, chaparral, mountain shrub, and pinyon-juniper, are also included as rangeland.

- **Private non-industrial forested land** that is an incidental part of the agricultural operation;

Incidental forest land: Means forested land that includes all nonlinear forested riparian areas (i.e., bottomland forests), and small associated woodlots located within the bounds of working agricultural land or small adjacent areas and that are managed to maximize wildlife habitat values and are within the NRCS FOTG standards for a wildlife practice. However, silvopasture that meets NRCS practice standard will be considered as pasture or range land and not incidental forestland since silvopasture is one type of intense grazing system. Areas of incidental forest land are limited individually in size to 10 acres or less (areas larger than 10 acres are ineligible land). Payment is limited to not more than 10 percent of the contract acres. Incidental forest land must be treated in Tier III contracts according to CPM 518.54d.

- **Agricultural land that is Tribal, allotted, or Indian trust land;**
- **Incidental parcels**, as determined by NRCS, which may include, but are not limited to, land within the bounds of working agricultural land or small adjacent areas (such as center pivot corners, field borders, linear practices, turn rows, intermingled small wet areas or riparian areas). Payment is limited to not more than 10 percent of the contract acres. Incidental parcels must be treated in Tier III contracts according to CPM 518.54d; or
- **Other land** on which NRCS determines that conservation treatment will contribute to an improvement in an identified natural resource concern, including areas outside the

boundary of the agricultural land, such as farmsteads (as defined in CPM 518.54d), ranch sites, barnyards, feedlots, equipment storage areas, material handling facilities, and other such developed areas. Other land must be treated in Tier III contracts according to CPM 518.54d; and

Domestic Areas: Domestic areas of “other land” are those areas devoted to human habitation that serve no direct purpose related to agricultural production, including septic systems, will not be assessed for CSP. These areas will be included in the delineation of the agricultural operation unless they are individually over one acre in size. In the aggregate, domestic areas may comprise no more than 5 acres total of the entire contract area. Domestic areas are not eligible for any CSP payment.

Production Areas: Production related areas or staging areas for production related activities, as defined above as “other land”, other than domestic areas. Production areas are not eligible for stewardship or existing practice payments. Production areas are eligible for new practice and enhancement payments for additional environmental improvement particularly for energy management, air quality, soil quality, and water quality considerations.

A majority of the agricultural operation must be within a watershed selected for sign-up. Majority is determined by establishing the percentage of the agricultural operation within each eight digit hydrological unit. The agricultural operation will be determined eligible for CSP when the largest percentage is within the watershed boundaries selected for sign-up. In questionable cases, the State Conservationist would make the decisions on majority.

See exhibit 518.133 for two land use matrix tables. Table 518.133a depicts land use requirements for tier level treatment. Table 518.133b depicts CSP land use eligibility for payment components.

b Ineligible Land

The following land is not eligible for enrollment in CSP:

- Land enrolled in the Conservation Reserve Program (CRP),
- Land enrolled in the Wetlands Reserve Program (WRP),
- Land enrolled in the Grassland Reserve Program (GRP),
- Public land including land owned by a Federal, State or local unit of government, and
- Land that fails to meet the CPM 518.52a definition of eligible land. These include lands that will be termed “idle land” for CSP purposes. Idle lands do not meet the definition of incidental parcels, and are blocks of land that are not farmed, grazed, mowed or harvested for crops, forages or agricultural products. They are not working

agricultural lands. They may have wildlife benefits, but do not meet minimum level of treatment requirements for pastureland and rangeland.

The lands mentioned above may not receive CSP payments, but the conservation work on this land may be used to determine if an applicant meets eligibility criteria for the program and may be described in the conservation stewardship plan.

After the land's enrollment in CRP, WRP, or GRP expires, an eligible applicant could offer such land into CSP if minimum tier eligibility and minimum level of treatment requirements are met.

c Land Ineligible for Payment

The following land is not eligible for any payment component in CSP:

- Land that is used for crop production after May 13, 2002, that had not been planted, considered to be planted, or devoted to crop production, as determined by NRCS, for at least 4 out of the 6 years preceding the above date.

When this converted land is included in the agricultural operation, the land:

- Must meet minimum level of treatment requirements, see CPM 518.54;
- Will be included in Tier II and III contracts; and
- Will never receive a CSP payment, even if returned to the prior land use.

Land is considered to be planted when there is a long term rotation of alfalfa or multi-year grasses and legumes; summer fallow; typically cropped wet areas, such as rice fields, rotated to wildlife habitat; or crops planted to provide an adequate seedbed for re-seeding.

518.53 Conservation Standards - Minimum Tier Eligibility Requirements

a Tiers

The minimum tier eligibility requirements are defined as:

Tier I:

- An applicant is eligible to participate in CSP Tier I only if the benchmark condition inventory demonstrates to the satisfaction of NRCS that the applicant has addressed the nationally significant resource concerns of water quality and soil quality to the minimum level of treatment for eligible land uses on **part of the agricultural operation**. Only the acreage meeting such requirements is eligible for stewardship and existing practice payments in CSP.

Tier II:

- An applicant is eligible to participate in CSP Tier II only if the benchmark condition inventory demonstrates to the satisfaction of NRCS that the applicant has addressed the nationally significant resource concerns of water quality and soil quality to the minimum level of treatment for **all eligible land uses on the entire agricultural operation**. Additionally, the applicant must agree to address an additional locally significant resource concern applicable to their watershed to be started no later than two years prior to contract expiration, and completed by the end of the contract period. If the applicable resource concern is already addressed or does not pertain to the operation, then this requirement is satisfied.

Tier III:

- An applicant is eligible to participate in CSP Tier III only if the benchmark condition inventory demonstrates to the satisfaction of NRCS that the applicant has addressed all of the applicable resource concerns to the minimum level of treatment as specified in CPM 518.54c-e for **all eligible land uses on the entire agricultural operation**, including incidental forest land, incidental parcels, and other land as described in CPM 518.54d.

518.54 Conservation Standards - Minimum Level of Treatment

a Cropland -Tier I & II

The minimum level of treatment on cropland for Tier I and Tier II:

- The minimum level of treatment for soil quality on cropland is considered achieved when the Soil Conditioning Index value as determined by NRCS is positive;
- The minimum level of treatment for water quality on cropland is considered achieved if the benchmark inventory indicates that the current level of treatment meets or exceeds

the national quality criteria by addressing the risks that nutrients, pesticides, sediment and salinity present to water quality, if applicable, for the specific resource concerns of:

- nutrients, pesticides, salinity, and sediment for surface waters; and
- nutrients, pesticides, and salinity for groundwater.

The Chief may make minor exceptions to criteria for areas, such as tropical and tundra regions, where technology tools are being refined or testing is needed to review performance data.

b Pastureland & Rangeland -Tier I & II

The minimum level of treatment on pastureland and rangelands for Tier I and Tier II:

- vegetation and animal management accomplished by following a grazing management plan that provides for:
 - a forage-animal balance;
 - proper livestock distribution;
 - timing of use; and
 - managing livestock access to water courses.

c All Agricultural Land - Tier III

The minimum level of treatment for Tier III is meeting the quality criteria for the local NRCS FOTG for all existing resource concerns and considerations with the following exceptions:

- The minimum requirement for soil quality on cropland is considered achieved when the Soil Conditioning Index value as determined by NRCS is positive.
- The minimum requirement for water quantity - irrigation water management on cropland or pastureland is considered achieved when the current level of treatment and management for the system results in a water use index value as determined by NRCS of at least 50.
- The minimum requirement for wildlife is considered achieved when the current level of treatment and management for the system results in a value of at least 0.5 using a general or species specific habitat assessment guide.
- Riparian corridors, as appropriate, will be managed or designed to intercept sediment, nutrients, pesticides, and other materials in surface runoff; reduce nutrients and other pollutants in shallow subsurface water flow; lower water temperature; and provide litter fall or structural components for habitat complexity or to slow out-of-bank floods.

d Incidental Forest Land, Incidental Parcels, and Other Land – Tier III

The level of treatment necessary to enter into a Tier III contract for incidental forest land, incidental land, and other land will be no readily observable erosion or point contamination sources. NRCS will be encouraging Tier II and III participants to conduct assessment activities on these lands to identify areas for additional improvement during the contract period.

e Minimum Level of Treatment Exception for All Tiers.

In the instance of a significant natural event, such as drought, wildfire, pestilence, hurricane, or flooding that would prevent the applicant from achieving the minimum requirements; those requirements will be considered met so long as the participant or applicant can provide documentation of their stewardship prior to such an event.

Subpart F - Program Delivery

518.60 CSP Delivery Activities

a Delivery Activities

1. NRCS determines the watersheds for participation based on available funding.
2. NRCS develops an Outreach and Information campaign to announce, promote and ensure that NRCS customers and potential customers are aware of understand, and have access to CSP and NRCS services.
3. NRCS determines the resource requirements, the criteria for enrollment categories, and any other additional criteria for the sign-up announcement.
4. NRCS develops local examples that communicate common conservation treatments within the watershed(s) that is necessary for program eligibility.
5. NRCS publishes a CSP sign-up notice and announces the CSP sign-up requirements to the public.
6. The applicant completes a self screening questionnaire for the land to be enrolled to make a preliminary determination concerning whether the applicant, their land, and the conservation stewardship on the land being offered meet the basic eligibility requirements.
7. The applicant develops a benchmark inventory for the entire agricultural operation, or the portion of the operation being offered.
8. The producer gathers supporting records and schedules a verification interview with the NRCS.
9. At the verification interview, NRCS determines whether the applicant, the land, and conservation stewardship on the land being offered meet eligibility requirements and enrollment criteria established for the sign-up.

10. If the applicant meets the requirements and criteria, NRCS confirms the application information, and then the application will be placed in a tier of participation and an enrollment category. NRCS informs the applicant of those determinations.
11. The applicant submits the completed CSP application to NRCS as described in the sign-up notice
12. Based on the available funding, NRCS selects applications within the enrollment categories as outlined in the sign-up announcement and informs the selected applicants.
13. If an applicant wishes to proceed as a CSP participant, NRCS works with the applicant to complete a Conservation Stewardship Plan.
14. NRCS verifies the information and writes Conservation stewardship contracts with the selected applicants, and at this point, the applicant becomes a participant.
15. The participant undertakes activities in the conservation stewardship plan and contract as scheduled, and NRCS issues appropriate payments to the participant.

See Exhibit 518.131, for a CSP Application Process Flowchart.

518.61 CSP Watershed Selection

a Selecting Watersheds

NRCS will select watersheds based upon a nationally consistent process using existing natural resource, environmental quality, and agricultural activity data along with other information that may be necessary to efficiently operate the program. The National Headquarters (NHQ) informs States and Areas of the watershed prioritization and identification process which consider several factors, but is not limited to:

- Potential of surface and ground water quality degradation;
- Potential of soil degradation
- Potential of grazing land degradation
- State or national conservation and environmental issues e.g. location of air non-attainment zones or important wildlife/fisheries habitat; and
- Local availability of management tools needed to more efficiently operate the program, such as digital soils information.
- Other key natural resource or management information of local or State importance.

b Watershed Selection Announcement

The watersheds selected, in which producers would be potentially eligible for enrollment, will be announced by the Secretary and detailed in the sign up notice.

518.62 Enrollment Categories and Subcategories

a Enrollment Categories

The Chief may limit new program sign-ups in any fiscal year to enrollment categories designated to focus on priority conservation concerns and enhancement measures. NRCS will use enrollment categories to determine which contracts will be funded in a given sign-up.

Enrollment categories may be defined by criteria related to:

- Resource concerns;
- Levels of historic conservation treatment; and
- The producer's willingness to achieve additional environmental performance or conduct enhancement activities.

All eligible applications which meet eligibility requirements and sign-up criteria within the watersheds will be placed in an enrollment category regardless of available funding

b Subcategories

If an enrollment category cannot be completely funded, then subcategories will be used to determine application funding order within a category. NRCS will develop subcategories within each enrollment category and include them in the sign-up notice. The development of subcategories may consider several factors including:

- Willingness of the applicant to participate in local conservation enhancement activities;
- Targeting program participation for underserved populations, including Limited Resource Producers;
- Targeting program participation to water quality priority areas for nutrient or pest management;
- Targeting program participation for locally important wildlife/fisheries habitat creation and protection; and
- Other priorities as determined by the Secretary

c Category and Subcategory Announcement

The categories and subcategories developed will be announced by the Chief in the sign-up notice. The sign-up notice will also announce the priority order in which categories and subcategories are eligible to be funded.

518.63 CSP Sign-Up Notice

a CSP Sign-Up Notice

The Chief will publish a CSP sign-up notice for the selected watersheds. See Exhibit 518.134 for a sample sign-up notice. In the public sign-up notice, the Chief will announce and explain the rationale for decisions for the following information:

- Any additional program eligibility criteria not listed in Subpart E;
- Any additional nationally significant resource concerns not listed in CPM 518.10d;
- Any additional requirements that participants must include in their CSP applications and contracts not listed in CPM 518.74d, CPM 518.80, and CPM 518.100;
- Information on enrollment categories and subcategories, and their priority order for contract funding;
- Specific information on the level of funding that NRCS estimates will go toward stewardship, existing practice, and enhancement payments;
- An estimate of the total funds NRCS expects to obligate under new contracts during the given sign-up, and an estimate for the number of enrollment categories and contracts NRCS expects to be able to fund; and
- The schedule for the sign-up process, including the deadline(s) for applying.

The NRCS will accept applications according to the timeframes specified in the sign-up notice.

State Conservationists need to establish state procedure for maintaining CSP sign-up notices to support sign-up and contract activity.

Subpart G – Application Process

518.70 Agricultural Operation Delineation

a Agricultural Operation

The applicant will delineate the agricultural operation based on Rule guidelines as an initial step in the application process.

An agricultural operation includes all land identified in CPM 518.70c, whether contiguous or non-contiguous, under the control of the applicant, and constituting a cohesive management unit that is operated with equipment, labor, accounting system, and management that are substantially separate from any other. The minimum size of an agricultural operation is a field.

b Control of the agricultural operation

A contract may be entered into with an applicant who has control of a land unit for the contract period.

Control means:

- possession of the land by ownership, lease, or agreement; and
- authority to act as decisionmaker for the management and operation of the land.

This includes operators of tribal lands.

If the applicant is a tenant, the applicant must provide NRCS with written evidence or assurance of control from the landowner(s). A written lease is not a requirement to show control if historical use and control of the land can be demonstrated. If a tenant's control of any land unit is questioned, the State Conservationist may require the applicant to furnish evidence of control using the Control of Land Certification by Owner Worksheet (see Exhibit 518.132), or a similar instrument that collects the same type information. If control of any land unit is questioned, the applicant will be required to furnish evidence of control satisfactory to NRCS. The Designated Conservationist will refer questionable cases to the contracting officer for determinations.

All applicants and participants, including those designated by power of attorney, who share control of the agricultural operation must sign the contract. See CPM 518.100b.

c Delineation of the agricultural operation

The applicant will delineate the agricultural operation to include all:

- agricultural lands as defined in CPM 518.52a;
- incidental forest lands as defined in CPM 518.52a;
- incidental parcels as defined in CPM 518.52a;
- other lands as defined in CPM 518.52a; and
- ineligible lands as defined in CPM 518.52b.

whether contiguous or non-contiguous, under the control of the applicant and constituting a cohesive management unit, and operated with equipment, labor, accounting system, and management that are substantially separate from any other land.

In delineating the agricultural operation, USDA farm boundaries may be used. If farm boundaries are used in the application, the entire farm area must be included within the

delineation to be eligible for Tier II or Tier III. An applicant may offer one farm or aggregate farms into one agricultural operation and any other additional eligible land not within a farm boundary.

- An exception may be in multi-tract farms where multiple landowner/operator combinations exist and a particular relationship does not allow for the applicant to have control. In this case that entire tract will be removed from the acreage included in the agricultural operation.

If the applicant is entitled to a share of USDA payments from more than one USDA farm that is operated with the same equipment, labor, accounting system, and management, and the applicant has control of all the USDA farms, the separate USDA farms are considered one operating unit and must be included for Tier II and Tier III contracts.

For applications encompassing all eligible land uses on the entire agricultural operation, the geographic boundaries of the acreage identified in the application must include all fields and facilities under the applicant’s control. The following table provides delineation guidelines for some typical situations. See Exhibit 518.135 for Agricultural Operation Delineation Examples.

IF THE IDENTIFIED ACREAGE IS:	THEN THE IDENTIFIED ACREAGE IS:
Private land that IS owned and operated by the applicant,	Considered a part of the agricultural operation (at a minimum).
Private land under lease or agreement, operated by the applicant, and the acreage IS under the control of the applicant,	Considered a part of the agricultural operation. If USDA farm boundaries are used: <ul style="list-style-type: none"> • all acreage within each farm boundary must be included • If the USDA farm has multiple tracts with various owner/operator designations and there is not control for a particular tract, that tract will be excluded from the acreage of the agricultural operation
Private land under lease or agreement, operated by the applicant, and the acreage IS NOT under the control of the applicant,	Not considered a part of the agricultural operation
Public land and the acreage IS under the control of the applicant, such as intermingled land	Considered a part of the agricultural operation. Although these acres are considered a part of the agricultural operation, they are ineligible for CSP enrollment.
Public land and the acreage IS NOT under the control of the	Not considered a part of the agricultural

applicant,	operation.
A portion of a single field,	Not considered an agricultural operation by itself. The minimum size of an agricultural operation is a field.

d American Indian and Communal Lands

The Chief may make an exception for land allotted by the Bureau of Indian Affairs (BIA), Tribal land, or other instances of communal lands in which the Chief determines that it is impractical for all allotted lands held in trust to be enrolled as one contract. Tenants that cash rent Indian land from the BIA or Tribe may apply for the program. The BIA or the Tribe may be included as a participant on the contract and may be responsible for the distribution of the CSP payment to the individual owners.

518.71 Producer Self-Assessment and Inventory

a General Information

As part of the application process, the applicant must:

- Complete a CSP self-assessment workbook; and
- Develop a benchmark condition inventory for the entire agricultural operation, or the portion of the operation being offered.

Once completed, these items will be provided to NRCS during the verification interview.

b CSP Self-Assessment Workbook

All applicants must complete a CSP Self-Assessment Workbook. The workbook, available in hard copy and electronically, is a screening questionnaire for each land use to be enrolled to make a preliminary determination whether:

- The applicant,
- Their land, and
- The level of natural resources stewardship on the land being offered

meet the basic eligibility requirements.

The electronic self assessment workbook can be accessed at:

http://www.nrcs.usda.gov/programs/csp/pdf_files/CSP_SelfAssess_Workbook_F.pdf

c Benchmark Condition Inventory

The benchmark condition inventory and associated case file information must include:

- A map, aerial photograph, or overlay that delineates the entire agricultural operation, including land use and acreage;
- A description of the applicant's production system(s) on the agricultural operation to be enrolled;
- The existing conservation practices and resource concerns, problems, and opportunities on the operation;
- Other information needed to document existing conservation treatment and activities, such as, grazing management, nutrient management, pest management, and irrigation water management plans;

A minimum of 2 years of written records or documentation will be needed for the following practices:

- Nutrient Management;
- Pest Management;
- Pasture Management;
- Grazing Management; and
- Waste Utilization.

The applicant needs to provide evidence to the satisfaction of the Designated Conservationist that written records or documentation exist. These records do not need to be maintained in NRCS case or contract files.

- A description of the significant resource concerns and other resource concerns that the applicant is willing to address in their contract through the adoption of new conservation practices and measures; and
- A list of enhancements that the producer is currently doing or may be willing to undertake as part of their contract.

d Verification Interview

NRCS will schedule a follow-up interview with the applicant to evaluate and verify the information provided by the applicant. NRCS will determine whether the applicant, the land, and the natural resource treatment meet the basic eligibility requirements and sign-up criteria based on the information provided and the verification interview.

Information Needed for the Verification Interview:

- Completed CSP Self-Assessment Workbook;
- Benchmark condition inventory;

- Documentation of historic stewardship including grazing management, nutrient management, pest management, irrigation water management or other plans, schedules, calendars, soil test data, etc. to show proof of management treatment

518.72 Tier Placement

a General Information

If NRCS determines that an application meets the basic eligibility requirements and sign-up criteria, the application will be placed in the appropriate tier based on guidance in sections CPM 518.53 and CPM 518.54.

Tier placement establishes factors that influence participation extent, including:

- Final stewardship payment rate;
- Contract length; and
- Contract payment limits.

518.73 Category Placement

a General Information

If NRCS determines that an application meets the basic eligibility requirements and sign-up criteria, the application will be placed into an enrollment category based on the criteria specified in the sign-up notice.

Applicants whose applications meet the basic eligibility requirements and sign-up criteria may choose to be placed in the highest enrollment category and subcategory for which the application qualifies.

There may be several tier and enrollment category combinations or options available to the participant. Based on the inability to achieve a specific enrollment category, a participant may choose to enroll only a part of the agricultural operation as a Tier 1 contract in order to qualify for a higher enrollment category. NRCS will not predict that funding will be available to any specific enrollment category or subcategory.

b Single Land Use Category Placement

A single land use application will be placed in the highest category level that all conservation management units being offered meet.

Example:

400 acres cropland offered for enrollment

Category B - 250 acres

Category C – 150 Acres

Place the application in Category C, since C is the highest category level that all acres being offered meet. All 400 acres meet category C requirements.

c Multiple Land Use Category Placement

A multiple land use application will be placed in the category for which the land use with the largest number of acres qualifies. If there are land uses at lower categories, this placement is provisional upon the applicant agreeing to attain the higher category criteria for the lower category land uses by the end of the third contract year. If the applicant does not agree to attain the higher category criteria for lower category land uses, the application will be placed in the lowest category among the land uses.

Applicant conservation treatment decisions to attain the higher category criteria will be recorded in the conservation stewardship plan. Any failure to carry out the plan as scheduled will be handled as noncompliance (see CPM 518.113a).

Examples:

1. 900 acres offered for enrollment

400 acres of cropland, Category B

500 acres of rangeland, Category C

Place application in Category C, the category for which the land use with the largest number of acres qualifies.

2. 900 acres offered for enrollment

400 acres of cropland, Category C

500 acres of rangeland, Category B

Applicant agrees to apply the necessary practices and activities to attain cropland category B criteria by the end of third contract year

Place application in Category B

3. 900 acres offered for enrollment

400 acres of cropland, Category C

500 acres of rangeland, Category B

Applicant does not agree to apply the necessary practices and activities to attain cropland category B criteria by the end of third contract year

Place application in Category C

518.74 CSP Application Acceptance

a Sign-up Timing

NRCS will accept applications according to the timeframes specified in the sign-up notice.

b Eligible Applicant

CPM 518.51a contains guidance on who is eligible to apply for CSP and the relationship between the producer, the applicant, and the participant.

c Compliance with HELC/WC and AGI Requirements

NRCS will rely on ProTracts to use SCIMS identification to confirm HELC, WC, and AGI compliance through a web service link to FSA eligibility files. Applicants without current eligibility determinations processed by FSA will be advised to take the needed action to obtain such determinations. The CSP application process will stop only in cases where the FSA eligibility files indicate non-compliance. If the application becomes funded, the contract participant is obligated to complete the determination process in a reasonable timeframe.

d Reviewing Contract Terms and Conditions

The Designated Conservationist will provide the applicant with the CCC-1200 and CCC-1200-CSP Appendix (see Exhibit 518.137) to allow the applicant's review of the contract terms and conditions before the application is accepted.

e Submitting Applications

The applicant will submit the CSP application to the NRCS field office or Conservation District office. A CSP application must include:

- A signed and dated CCC-1200, Conservation Program Application/Contract, and CCC-1200-CSP Appendix;
- Delineation of the agricultural operation;
- For Tier I, clear indication of which acres the applicant wishes to enroll;
- A completed Producer Self-Assessment Workbook;
- Benchmark condition inventory and conservation stewardship plan (see CPM 518.80 for planning guidance) for the entire operation or, if Tier I, for the portion being offered;
- Any other requirement specified in the sign-up notice;

- A certification that the applicant will agree to meet the relevant contract requirements outlined in the sign-up notice;
- If control of any land unit is questioned, the applicant will be required to furnish evidence of control according to CPM 518.70b.

Once the application is complete, the application will be entered into ProTracts (becomes “pending” in ProTracts).

Refer to CPM 518.51 for additional guidance on applicant constraints.

f Signature Requirement

The CSP applicant must sign and date the Form CCC-1200 in block 8, and the CCC-1200-CSP Appendix. The applicant’s signature may be obtained either at the time the application is submitted or subsequently in person or by facsimile. The original signature must be obtained for the file copy. The signature must be received by close of business on the sign-up cutoff date.

Applications may be signed under power of attorney as long as a notarized power of attorney document is attached to the application and maintained in the contract file.

g Applications on American Indian and Communal Lands

Refer to CPM 518.70d for exceptions the Chief may make for land allotted by the Bureau of Indian Affairs (BIA), Tribal land, or other instances in which the Chief determines that it is impractical for all allotted lands held in trust to be enrolled as one contract.

h Beginning and Limited Resource Farmer or Rancher

Beginning (BF) or Limited Resource Farmer (LRF) or Rancher applicants must meet all producer eligibility requirements.

Applicants that certify eligibility as a Beginning or Limited Resource Farmer or Rancher shall be required to provide all records necessary to justify their claim as requested by NRCS. It is the responsibility of the applicant to provide accurate data. Failure to provide such data will result in ineligibility for participation in CSP as a Beginning or Limited Resource Producer.

False certification is subject to criminal and civil fraud statutes.

If for any reason a contract that is awarded higher cost-share rates based on certification as a Beginning or Limited Resource Farmer or Rancher is transferred to another individual, in

order to keep the higher cost-share rate, the new contract holder must also meet the certification criteria. If the criteria are not met, the contract is to be modified to reflect the appropriate cost-share rate.

Beginning Farmer or Rancher

To be eligible for the higher cost-share rate as a Beginning Farmer or Rancher, both of the following must apply to the applicant:

- Has not operated a farm or ranch, or has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity, and
- Will materially and substantially participate in the operation of the farm or ranch.

In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.

In the case of a contract made with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the members did not provide these inputs, operation of the farm or ranch would be seriously impaired. A participant that shares in the profit or loss from the farming operation is also considered to materially and substantially contribute to that operation.

Limited Resource Farmer or Rancher

To be eligible for the higher cost-share rate as a Limited Resource Farmer or Rancher, both of the following must apply to an applicant:

- Must have direct or indirect gross farm sales not more than \$100,000 in each of the previous two years (to be increased starting FY 2004 (\$102,400 in FY2004) to adjust for inflation using Prices Paid by Farmers Index as compiled by NASS). Gross farm sales is defined as Gross Income entered on IRS form 1040, Schedule F, in the Farm Income Section.
- Must have a total household income at or below the national poverty level for a family of four, or less than 50 percent of the county median household income (to be determined annually using Commerce Department Data), in each of the previous two years.

An entity or joint operation can participate as a Limited Resource Farmer or Rancher only if all individual members qualify as a Limited Resource farmer or Rancher. If all the individual members do not qualify, the State Conservationist may waive this requirement and allow the entity to participate as a Limited Resource Farmer/Rancher upon written request of the entity.

Applicants can check their eligibility by referring to criteria on the CCC-1200 or the self-determination tool on the NRCS website at: Limited Resource Self-Determination Tool.

The CSP definition of Limited Resource Farmer or Rancher differs significantly from the statutory definition of Limited Resource Farmer or Rancher for FSA Farm Loans.

i NRCS Employee Applications and Ethics

General Manual Title 110, Part 404.60 provides specific direction regarding action that must be taken to avoid conflict of interest when an employee applies to participate in CSP.

518.75 CSP Application Approval

a CSP Application Approval

NRCS will determine the number of categories that can be funded in accordance with the sign-up notice and available funds. Enrollment categories and subcategories will be funded in priority order until the available funds specified in the CSP sign-up notice are exhausted.

If an enrollment category cannot be completely funded, then subcategories will be used to determine application funding order within a category. The applications placed in the funded enrollment categories, and subcategories if needed, will be approved for CSP participation and conservation stewardship contract development. NRCS will inform all applicants of application determinations.

518.76 Disposition of Applications

a ProTracts Application Status

In ProTracts, document application action as appropriate:

Pending	An application's status is automatically changed from Draft to Pending in ProTracts once the location of the land being offered and the applicant information has been entered and saved in ProTracts. This is the only automatic status assignment in ProTracts. All others must be made by selecting a status from the drop down menu in the Manage Applications screen.
Eligible	For an application that meets program eligibility requirements. The application must first have a participant, county, and application

	number and must be Pending.
Approved	An approved application is one that is selected for funding. The approved status is set by users with permission to select application for funding.
Ineligible	An ineligible application means a determination has been made that the applicant, their land, or the level of natural resources stewardship on the land being offered is ineligible. Set by users with permission to determine application eligibility.
Cancelled	An applicant or entity agent elects to cancel an application. Set by users with permission to cancel applications.

518.77 Fair Treatment of Tenants and Sharecroppers

a General Information

Payments received under CSP must be divided in the manner specified in the applicable contract or agreement, and NRCS will ensure, through the application process, that potential participants who would have an interest in acreage being offered receive treatment which NRCS deems to be equitable. The Designated Conservationist will refer questionable cases to the contracting officer for determinations.

NRCS may refuse to enter into a contract when there is a disagreement among multiple applicants seeking enrollment as to a producer's eligibility to participate in the contract as a tenant.

b Provisions Relating to Tenants and Landlords

No payment will be approved for the current year if NRCS determines that any of the following conditions exist:

- The landlord or operator has not given the tenants that have an interest in the unit of concern covered by the conservation stewardship plan, or that have a lease that runs through this contract period at the time of the sign-up, an opportunity to participate in the benefits of CSP.
 - The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by NRCS, must be refunded with interest and no further payments shall be made.
-

Subpart H – Conservation Stewardship Plan

518.80 Conservation Stewardship Plan

a General Information

The conservation stewardship plan is the conservation planning document that builds on the inventory of the benchmark condition documenting the conservation practices currently being applied; those practices needing to be maintained; and those practices, treatments, or activities to be supported under the provisions of the conservation stewardship contract. The conservation stewardship plan is the basis for the conservation stewardship contract.

Customer Service Toolkit will be used to develop conservation stewardship plans.

The State Conservationist, with advice from the State Technical Committee, may develop additional requirements to be included in the conservation stewardship plan.

b Policy & Technical References

Technical references and policy for guiding development of a conservation stewardship plan include:

- National Planning Procedures Handbook (NPPH) Handbook 180-600
- General Manual 180, Part 409
- General Manual 190, Part 410
- General Manual 420, Part 401
- Field Office Technical Guide (FOTG and eFOTG)

c Compliance With Regulatory Measures

It is the responsibility of the contract participant to ascertain and comply with any and all applicable program or regulatory requirements. The NRCS development or acceptance of a conservation stewardship plan will not be deemed to constitute compliance with program or regulatory requirements administered or enforced by another agency.

A participant who carries out conservation practices as part of his contract must:

- Obtain the required authorities, permits and easements.
- Obtain necessary approval for the implementation, operations and maintenance of the conservation practices and are within applicable laws and regulations.

Participant must comply with all laws and are responsible for all effects or actions resulting from the participant's performance under the contract.

d Conservation Stewardship Plan Components

The conservation stewardship plan will be developed in conformance with the NRCS NPPH and will include:

- To the extent practicable, a quantitative and qualitative description of the conservation and environmental benefits that the conservation stewardship contract will achieve;
- A plan map showing the acreage to be enrolled in CSP;
 - The conservation stewardship plan map includes the name of selected watershed, conservation district, county, and state.
 - Land use designations:
 - Client-specific land use designations can be used on the plan map as desired.
 - The CSP related land use as defined in 518.52a.
- A verified benchmark condition inventory as described in CPM 518.71c;
- A description of the significant resource concerns and other resource concerns to be addressed in the contract through the adoption of new conservation measures;
- A description and implementation schedule for:
 - Individual conservation practices and measures to be maintained during the contract, consistent with the requirements for the tier(s) of participation and the relevant resource concerns and with the requirements of the sign-up;
 - Individual conservation practices and measures to be installed during the contract, consistent with the requirements for the tier(s) of participation and the relevant resource concerns;
 - Eligible enhancement activities as selected by the applicant and approved by NRCS; and
 - A schedule for transitioning to higher tier(s) of participation, if applicable;
- A description of the conservation activities that are required for a participant to transition to a higher tier of participation;
- Information that will enable evaluation of the effectiveness of the plan in achieving its environmental objectives; and
- Other information determined appropriate by NRCS and described to the applicant.

e Conservation Stewardship Plan Signature Requirements

Applicant and participant signatures are not required on the conservation stewardship plan. The CCC-1200-CSP Appendix incorporates the conservation stewardship plan as a part of the contract. By signing the CCC-1200 in Block 10, the participant agrees to the conservation stewardship plan. Contract signatures of all participants must be obtained before contract approval according to CPM 518.70b and CPM 518.100e.

The NRCS Designated Conservationist will sign the conservation stewardship plan certifying the technical adequacy of the planned conservation treatment.

518.81 Conservation Practices

a Conservation Practices

A conservation practice is a specific treatment, such as a structural or vegetative measure, or management technique, commonly used to meet specific needs in planning and implementing conservation, for which standards and specifications have been developed. Conservation practices are contained in the FOTG, Section IV.

- Structural practice means a land-based conservation practice, including vegetative practices, that involves establishing, constructing, or installing a site-specific measure to conserve, protect from degradation, or improve soil, water, air, or related natural resources in the most cost-effective manner. Examples include, but are not limited to, terraces, grassed waterways, tailwater pits, livestock water developments, contour grass strips, filterstrips, critical area plantings, tree planting, wildlife habitat, and capping of abandoned wells.
- Land management practice means conservation practices that primarily use site-specific management techniques and methods to conserve, protect from degradation, or improve soil, water, air, or related natural resources in the most cost-effective manner. Land management practices include, but are not limited to, nutrient management, manure management, integrated pest management, integrated crop management, resource conserving crop rotations, irrigation water management, tillage or residue management, stripcropping, contour farming, grazing management, and wildlife habitat management.

Note: NRCS will set the minimum level of treatment within land management practices at the national level; however, the State Conservationist may supplement specific criteria to meet localized conditions within the State or areas.

b New Technology

Where new technologies or conservation practices that show high potential for optimizing environmental benefits are available, NRCS may approve interim conservation practice

standards and financial assistance for pilot work to evaluate and assess the performance, efficacy, and effectiveness of the technology or conservation practices.

The State Conservationist may approve, with advice from the State Technical Committee, new technologies or innovative conservation practices where warranted. Interim conservation practice standards will be developed for these practices before they are authorized for use and practices will be evaluated according to General Manual Title 450, Part 401.

518.82 Enhancement Activities

a Enhancement Activities

An enhancement activity is an action other than a conservation practice that is included as a part of a conservation stewardship contract; such as a measure, incremental movement on a conservation index or scale, or an on-farm demonstration, pilot, or assessment.

- Measure means one or more specific actions that are not a conservation practice, but have the effect of alleviating problems or improving the treatment of the resources.

b Management Intensity

Management intensity means the degree and scope of practices or measures taken by a producer which are beyond the quality criteria for a given resource concern, or beyond the minimum requirements of a management practice, and which may qualify as additional effort necessary to receive an enhancement payment.

To the extent practical, a management intensity action should be based on an existing NRCS conservation practice standard with proven results. Management intensity actions are actions which exceed the minimum requirements of the standard. They should be actions which will provide a positive benefit to one or more of the Soil, Water, Air, Plants and Animals (SWAPA) resources. They should be actions that have already been demonstrated to be successful within an area of conservation technology and with the agricultural community.

Since most of the management intensities are changes in management activities, the producer will be required to keep records to verify compliance with the management intensity action.

518.83 Operation and Maintenance

a Conservation Practice Operation and Maintenance

The contract will incorporate the operation and maintenance of the conservation practice(s) and enhancement activities applied under the contract.

The participant must operate and maintain, for its intended purpose, any new conservation practice(s) for which the participant has received a new practice or enhancement payment for the life span of the conservation practice(s), as identified in the contract or conservation stewardship plan, as determined by NRCS.

Conservation practices that are installed before the execution of a contract, but needed in the contract to obtain the intended environmental benefits, must be operated and maintained as specified in the contract whether or not an existing practice payment is made. These practices will be entered into the stewardship plan as non cost-share item numbers.

NRCS may periodically inspect the conservation practices during the practice lifespan as specified in the contract to ensure that operation and maintenance are being carried out, and that the practice is fulfilling its intended purpose.

When NRCS finds that a participant is not operating and maintaining practices used to meet minimum eligibility requirements or installed through the CSP in an appropriate manner, NRCS will initiate contract violation procedures as specified in CPM 518.113.

518.84 Technical Assistance

a Technical Tools

CSP watersheds will use a consistent procedure to calculate the Wind Erosion Equation (WEQ), that is used for the Soil Conditioning Index (SCI) determination, i.e., either the WEQ critical period procedure or the WEQ management period procedure. When the new Wind Erosion Prediction System (WEPS) is approved for use in NRCS, it will become the procedure used in CSP.

SCI values will not be rounded. For example, in category placement, an SCI value of 0.064 is not eligible for the SCI of ≥ 0.10 category. SCI values will be displayed to at least three digits.

CPM 518.54 defines the SCI value that must be achieved to meet the soil quality on cropland minimum level of treatment requirement.

b Technical Assistance Providers

NRCS may use the services of NRCS-approved or certified technical service providers (TSP) in performing its responsibilities for technical assistance.

Technical assistance may include, but is not limited to:

- Assisting applicants during sign-up;
- Processing and assessing applications;
- Assisting the participant in developing the conservation stewardship plan;
 Note: Conservation stewardship plans will be developed by NRCS certified conservation planners.
- conservation practice survey, layout, design, installation, and certification;
- information, education, and training for producers;
- and quality assurance activities.

NRCS retains approval authority over the certification of technical assistance done by non-NRCS personnel.

NRCS retains approval authority for the conservation stewardship contracts and contract payments.

518.85 Quality Assurance

a Quality Assurance

Quality assurance will be performed by:

- The State Conservationist and/or Designated Conservationist, as a part of the on-going quality assurance programs where technical assistance is provided.

b Technical References

References for quality assurance of conservation planning and application, and conservation treatment installed under conservation program contracts include:

- NPPH;
- FOTG;
- General Manual, Title 450, Part 407;
- General Manual Title 340, Part 404; and
- State Quality Assurance Plans.

State Conservationist may supplement this quality assurance policy as needed to provide specific guidance and to comply with State, tribal and local laws, and regulations.

Subpart I - CSP Payments

518.90 Establishing Payments

a Authorized Conservation Payments

The Chief will determine and make available the CSP payment rates. NRCS will post the payment rates for the watersheds at the time of each CSP sign-up notice. The authorized CSP payments are:

- Stewardship payments for the existing base level conservation treatment;
- Existing practice payments for maintaining existing conservation practices;
- New practice payments for additional needed conservation practices; and
- Enhancement payments for exceptional conservation effort and additional conservation practices or enhancement activities that provide increased resource benefits beyond the prescribed level.

b Ineligible Payments

A participant shall not be eligible for payments for:

- Conservation practices that are required to meet HELC and WC compliance requirements found in 7 CFR part 12;
- Conservation practices that are included in maintenance agreements (with financial reimbursements for maintenance) that have existed prior to participation;
- The construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations;
- The purchase or maintenance of equipment;
- A non-land based structure that is not integral to a land based practice;
- New practices that were applied with cost-share assistance through other cost-share programs; or
- Enhancement activities that are also earning financial assistance payments through other programs for the same practice or activity, on the same land, at the same time (payments may be earned for those enhancement activities in the year following the last payment under the other program, unless the activity is required by contract to be applied non-cost).

c Stewardship Payments

The conservation stewardship plan, as applicable divides the land unit to be enrolled in the CSP into land use categories, such as:

- irrigated and non-irrigated cropland;
- irrigated and non-irrigated pasture;
- pastured cropland and;

- rangeland, among other categories.

NRCS will determine an appropriate stewardship payment rate for each land use category using the following methodology:

- NRCS initially calculated the average 2001 rates using the Agriculture Foreign Investment Disclosure Act (AFIDA) Land Value Survey, the National Agriculture Statistics Service (NASS) land rental data, and Conservation Reserve Program (CRP) rental rates;
- Where typical rental rates for a given land use vary widely within eligible watersheds or between adjacent States, NRCS may adjust the county-level rates to ensure local and regional consistency and equity;
- The State Conservationist can also contribute additional local data, with advice from the State Technical Committee.

NRCS will compute the final stewardship payment rate as defined by regulation as the product of:

- The number of acres in each eligible land use category (not including “other land” or land not in the applicant’s control);
- The corresponding stewardship payment rate for the applicable land use acreage; and
- A statutory tier-specific percentage of:
 - 5 percent for Tier I payments,
 - 10 percent for Tier II payments, and
 - 15 percent for Tier III payments.
- And multiplied by a reduction factor of:
 - 0.25 for Tier I,
 - 0.50 for Tier II and
 - 0.75 for Tier III

Pastured cropland is a program designation that includes areas used for the production of permanent vegetative cover in grass based livestock production systems. These areas are suited to adapted crops for harvest, including but not limited to land in row crops, close-grown crops, or forage crops that are in a rotation with row or close-grown crops. The purpose of the pastured cropland designation is to remove the unintended encouragement to break-out such lands to receive the cropland stewardship payment rate. Pastured cropland receives the same stewardship payment as cropland. All technical assessments and determination are completed as pastureland.

Pastured cropland identification criteria:

- Generally in Land Capability Classes (LCC) I, II, III, or irrigated, in accordance with the local FOTG;
- LCC IV or greater with approval of FAPD Director;
- Does not apply to rangeland;
- If irrigated pasture, then the irrigated cropland stewardship rate will apply.

Incidental forest land and incidental parcels, as defined in CPM 518.52a, may be given a stewardship rate as though they were the land use to which they are contiguous, if they are serving a conservation purpose, such as wildlife habitat. Payment is limited to not more than 10 percent of the contract acres for each eligible land use.

Other land, as defined in CPM 518.52a, including farmstead and feedlots, will not be included in the stewardship payment component.

d Existing Practice Payments

Existing practice payments are annual payments equal to 25% of the annual final stewardship payment rate for maintenance of the existing practices and activities that represent the historical conservation treatment and basis for CSP eligibility and category placement.

e New Practice Payments

NRCS may include in the contract certain conservation practices that enhance the conservation benefits on land enrolled in the program.

If a participant's Conservation stewardship contract requires the participant to implement new structural practices, NRCS may pay the participant a percentage of the cost of installing the new practice with CSP funds for practices on the new practice cost-list. All additional conservation practices in the conservation stewardship plan for which new practice payments will be provide must be carried out in accordance with the applicable NRCS FOTG.

Selecting new practices:

- Eligible practices are contained in the NRCS FOTG Section IV. *Exception: CSP new practices must have a service life longer than one year, i.e., they are not annual management practices;
- The NRCS FOTG, Section III, Guidance Documents will provide a basis for selection;
- The practices need to be those required to meet FOTG quality criteria for the nationally significant resource concerns of water quality and soil quality, as well as local resource concerns; and

Development of Average Cost Data:

- Will be based on 2001 county average costs, but could be developed on a county, area, state, watershed, or other defined geographical area;
- CSP 2001 average cost data will be maintained on file to support new practice cost lists;
- State Conservationists will determine where the cost data will be maintained.

Methods of Cost-Sharing:

Will be based on:

- Average cost (AC).

Establishing Cost-Share Rate:

- Limited resource farmers and beginning farmers will be made at not more than a 65 percent cost-share rate. New practice payments for all other contracts will be made at not more than a 50 percent cost-share rate.

Incidental forest land, incidental parcels, and other land – production areas, may receive new practice payments for the application of new practices on those lands.

NRCS may not make new practice payments to participants for:

- Any new practice that is required to meet a participant's conservation compliance plan requirements found in 7 CFR Part 12;
- Construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations;
- The purchase of equipment; or
- A non-land based structure that is not integral to a land based practice, as determined by the Chief.

Participants may contribute to their share of the cost of installing a new practice through in-kind sources, such as personal labor, use of personal equipment, or donated materials. Contributions for a participant's share of the practice may also be provided from non-Federal sources.

Cost-share payments may be provided by other programs; except that payments may not be provided through CSP and another program for the same practice on the same land area.

In no instance will the total financial contributions for installing a practice from all public and private entity sources exceed 100 percent of the actual cost of installing the practice.

NRCS will not make new practice payments for a conservation practice the producer has applied prior to application for the program. New practice payments will not be made to a participant who has implemented or initiated the implementation of a conservation practice prior to approval of the contract, unless a waiver was granted by the State Conservationist or the Designated Conservationist prior to the installation of the practice.

f Enhancement Payments

Selecting Enhancement Activity:

- Enhancement activities will increase conservation performance, including activities related to energy management, as a result of additional effort by the participant and result in:
 - The improvement of a resource concern by implementing or maintaining enhancement activities or measures that exceed the minimum eligibility requirements for the participant's Tier of participation as outlined in the sign-up notice and the contract requirements, or
 - An improvement in a local resource concern based on local priorities and in addition to the national significant resource concerns, as determined by NRCS
-

Enhancement activities may also include:

- Participation in an on-farm conservation research, demonstration, or pilot project as outlined in the sign-up notice;
 - Cooperation with other producers to implement watershed or regional resource conservation plans that involve at least 75 percent of the producers in the targeted area; or
 - Carrying out assessment and evaluation activities relating to practices included in the conservation stewardship plan as outlined in the sign-up notice.
-

Methods of Cost-Sharing:

- Will be established on a flat rate or per acre basis;
- Enhanced payments may be an average annual payment through the contract period.

Establishing Enhancement Payment:

Enhancement payments will be:

- Based on a given activity's expected environmental benefit value, for those activities where NRCS can demonstrate the economic value of the environmental benefits. The payment may not exceed the activity's expected economic value; or
- For activities where NRCS cannot demonstrate the economic value of the environmental benefits, a rate that will not exceed a producer's cost to implement a given activity.

Enhancements above the minimum criteria for the resource concern that are included in the benchmark inventory may receive a payment in the initial contract year.

Incidental forest land, incidental parcels, and other land – production areas, may receive enhancement payments based on the enhancement activity units actually applied on those lands.

Financial assistance payments may be provided by other USDA programs for enhancement activities, except that payments may not be provided through CSP and another program for the same practice or activity, on the same land, at the same time. Payments may be earned for those enhancement activities in the year following the last payment under the other USDA program, unless the activity is required by the contract to be applied non-cost.

NRCS will not pay an enhancement payment for any practice that is required to meet a participant's conservation compliance plan requirements found in 7 CFR Part 12.

The Chief may set a not-to-exceed limit or variable payment rate for the enhancement payment in any given sign-up notice.

g Payment Rate and Cost-List Approval

After the watersheds are determined and announced, the State Conservationist will be provided a deadline to submit recommendations on the following to the Director, Financial Assistance Programs Division:

- Stewardship payment rates;
- New practice cost-list; and
- Enhancement activity cost-list.

The Chief, through the Financial Assistance Program Division Director, will approve the payment rates and cost-lists eligible for each CSP payment component, considering the following:

- The cost and potential conservation benefits;
- The degree of treatment of significant resource concerns;
- The number of resource concerns the practice or activity will address;
- Locally available technology;
- New and emerging conservation technology;
- Ability to address the resource concern based on site specific conditions; and
- The need for cost-share assistance for specific practices and activities to help producers achieve higher management intensity levels or to advance in tiers of eligibility.

These payment rates and cost-lists will be used for conservation stewardship plan and contract development, and for contract administration (see Exhibit 518.136 for a cost-list example).

Payment rates and cost-lists will be specific to each watershed. When watersheds cross state lines, both states must agree on the rental rates and cost-lists, with the lead state submitting the recommendation.

To address unique resource conditions in a State or region, the Chief may make additional conservation practices, measures, and enhancements activities eligible that are not included in the national list of eligible CSP practices.

h Posting Approved Payment Rates and Cost-Lists

NRCS will make the list of eligible practices and activities and their individual payment rates available to the public. Within 30 days of the Financial Assistance Programs Division Director's approval, the State Conservationist will post the following CSP information to their state's CSP web site for watersheds:

- Stewardship payment rates;
- Existing practice payment rates;
- New practice cost-lists; and
- Enhancement activity cost-lists.

i Advance Enhancement Payments (Reserved)

518.91 Conservation Security Payment Limitations

a Contract Limitations

A conservation stewardship contract will be limited as follows:

- \$20,000 per year for a Tier I conservation stewardship contract,
- \$35,000 per year for a Tier II conservation stewardship contract, or
- \$45,000 per year for a Tier III conservation stewardship contract.

b Stewardship Payment Limitations

Stewardship components of CSP payments cannot exceed:

- \$5,000 per year for Tier I,

- \$10,500 per year for Tier II, or
- \$13,500 per year for Tier III.

c Other Limitations

The Chief of NRCS may limit the stewardship, practice, and enhancement components of CSP payments in order to focus funding toward targeted activities and conservation benefits the Chief identifies in the sign-up notice and any subsequent addenda.

d Insufficient Funds

Payment under the contract stewardship contract is subject to the availability of funds. In the event that annual funding is insufficient to fund existing contract requirements, payments on the existing contracts will be prorated in that contract year, as determined by the Chief.

Subpart J – Contracting

518.100 Conservation Stewardship Contract

a General Requirements

By entering the contract the participant(s) and NRCS agree to comply with the terms and conditions contained in the CCC-1200 and CCC-1200-CSP Appendix (see Exhibit 518.137).

b Terms and Conditions

The participant agrees:

- To place eligible land into the CSP for the period of time as specified on the CCC-1200 beginning on the date this contract is executed by NRCS;
- Not to start any financially assisted practice or activity, or engage the reimbursable services of a TSP before the contract is executed by NRCS. The Participant may request, in writing, a waiver of this requirement by the State Conservationist or designee;

- To establish conservation practices specified in this conservation stewardship plan and contract as scheduled and to operate and maintain new or existing practices specified in the conservation stewardship plan for the lifespan identified in the contract and to comply with the terms and conditions of this contract and all Federal, State, Tribal and local laws that apply to the conservation stewardship plan for all eligible land uses on the participant's entire agricultural operation;
- Not to undertake any action on land under the Participant's control which tends to defeat the purposes of the CSP program, as determined by NRCS;
- To discontinue work in the general area of the site and notify NRCS immediately if, during the construction of any practice a previously unidentified archeological or historical site is encountered;
- To provide receipts, as necessary, as proof of payments, and to maintain proof of payment documentation for 3 years after the end of the fiscal year in which the practice or activity was completed, and to present this documentation to NRCS within 30 days if selected for administrative compliance check;
- To allow access to the land under contract to the NRCS representative for monitoring progress of the contract;
- To supply records and information as required by NRCS to determine compliance with the contract and requirements of CSP;
- To maintain at least the level of stewardship identified in the benchmark inventory for the entire Contract period, as appropriate, and implement and maintain any new practices or activities required in the contract;
- To modify or update an existing practice, if necessary, to meet minimum Field Office Technical Guide (FOTG) practice standards within a reasonable time, as determined by the State Conservationist, after the date of determination that the practice does not meet the standard, and;

c Contract Components and Assembly of Contract File

Contract files will to be maintained in the field office and may be filed with the client's case file. State Conservationists will supplement this section regarding hard copy and/or electronic requirements, and the type of file to be maintained. The method of contract folder assembly will also be determined by the State Conservationist. If states choose to use six-part folders, guidance for assembly of folders is contained in Exhibit 518.141. Regardless of file type or arrangement, the following materials are required:

- CCC-1200, Conservation Program Application/Contract
- CCC-1200-CSP Appendix

- Producer Self-Assessment Workbook
- Benchmark Condition Inventory
 - Producer records documenting practice application, or self-certification
- Appropriate worksheets, including:
 - Soil Condition Index,
 - Pasture Condition Score Sheet,
 - Rangeland Health Assessment,
 - Nutrient Management Worksheet,
 - Irrigation Water Management Worksheet,
 - Wildlife Habitat Index,
- Other worksheets as appropriate
- Conservation stewardship plan
- Revision of plan/Modification of contract
- Job sheets referenced from CPO
- Worksheets referenced from CPO
- Plan map and legend
- Map delineating agricultural operation and acres offered
- Soil map and legend
- NRCS-CPA-6, Conservation Assistance Notes
- Conservation Practice designs and specifications
- Check-out notes and other support data (reference location if not filed here)
- NRCS-1245, Practice Approval and Payment Application
- NRCS-LTP-13, Status Review
- NRCS-CPA-52, Environmental Evaluation Worksheet (or state approved form)
- LRF or BF Certification Document
- Contract related forms or documents as appropriate, e.g., NRCS-LTP-152, Transfer Agreement, NRCS-LTP-153, Agreement Covering Noncompliance, Power of Attorney, Joint Agreements, etc.
- Appeal records
- General correspondence, in order of date created or receipt stamped
- Cross references to other programs that may contribute to plan implementation
- Other appropriate supporting documents

d Contract Period

The contract is entered into between the NRCS and the participant(s) from the date the contract is executed by NRCS until the expiration date documented on CCC-1200, Section 9. Contracts expire on September 30 in the last year of the contract.

Contract Period:

- Tier I – 5 years
- Tier II – 5-10 years
- Tier III – 5-10 years

Participants who transition from Tier I to Tier II or III may increase their contract length to up to ten years from the original contract date.

e Contract Approval and Signature Requirements

All applicants and participants, including those designated by power of attorney, who share control (see CPM 518.70b for definition of control) of the agricultural operation must sign the CCC-1200 and CCC-1200- CSP Appendix.

The NRCS contracting officer as designated by the State Conservationist, will approve the contract.

f Numbering and Distribution of Contracts

Contract numbers are assigned electronically in ProTracts.

Contracts are to be distributed as follows:

- Original in field office.
- Copy to the participant who will conduct contract business.
- Other participant's signatory to the contract as needed.

g Additional Contract Requirements by Regulation

CSP participants must address the following requirements or additional resource concerns to the minimum level of treatment, to be started no later than two years prior to contract expiration, and completed by the end of the conservation stewardship contract:

Tier I contract requirement:

- additional practices and activities as included by the participant in the conservation stewardship plan, and approved by NRCS for all eligible land uses on part of the agricultural operation.

Tier II contract requirement:

- additional practices and activities as included by the participant in the conservation stewardship plan, and approved by NRCS for all eligible land uses on the entire agricultural operation.
- address an additional locally significant resource concern applicable to their watershed. The additional resource concern will be established by the State Conservationist. When watersheds cross state lines, both states must agree on the additional resource concern.

Tier III contract requirement:

- additional practices and activities as included by the participant in the conservation stewardship plan, and approved by NRCS for all eligible land uses on the entire agricultural operation.

h Tier Transition

There are two ways to transition tiers in a CSP contract.

1. Upon agreement by NRCS and the participant during the original contract development process, a conservation stewardship plan may include provisions that lead to a higher tier of participation during the contract period. This type of transition would be documented in Toolkit and laid out in the conservation stewardship plan schedule of operations. To transition tiers, the needed practices and activities need to be installed and functional by the transition date. If for any reason the schedule is delayed, there is no penalty.

NRCS will field verify all tier transitions to determine whether or not the:

- Minimum tier eligibility requirements, and
 - Minimum level of treatment requirements
- have been met. Once the requirements have been achieved, the contract will be modified to reflect the tier transition.

An original contract in which a participant transitions to a higher tier(s) of participation must include:

- A schedule of the activities associated with the transition;
 - A date certain by which time the transition must occur; and
 - A specification that the stewardship payment will be based on the current tier of participation, which may change over the life of the contract.
2. Tier transitions not laid out in the original conservation stewardship plan schedule of operations may be included into the contract by contract modification. See CPM 518.110f

If either type of transition begins with Tier I, only the land areas in the agricultural operation that meet the requirements for enrollment in Tier I can be enrolled in the contract and receive CSP payments as part of the contract until the transition occurs.

Upon transition from Tier I to a higher tier of participation, all eligible land uses on the entire agricultural operation must be incorporated into the contract. All requirements applicable to the higher tier of participation would then apply. NRCS will calculate all stewardship, existing practice, new practice, and enhancement payments using the applicable enrolled acreage at the time of the payment.

i Additional Contract Requirements for category placement

If additional practices or activities are needed to meet the category requirements, contracts must address them by the time specified in the sign-up notice.

Subpart K – Contract Administration

518.110 Contract Modifications

a General Information

Contracts may be modified:

- At the request of the participant, if the modification is consistent with the purposes of the CSP, or;
- As required by the State Conservationist due to changes to the type, size, management, or other aspect of the agricultural operation that would interfere with achieving the purposes of the program.

Modify a participant contract through ProTracts by generating Form AD-1156, Revision of Schedule of Operation or Modification of Contract.

The basis for modifying the contract must be stated clearly when submitting a modification for approval in ProTracts. The basis is printed on the AD-1156.

Prior contract actions will be available in the “history module” of ProTracts.

b Modifications That Don't Require Participant or Agency Signatures

The following changes which are in accordance with the planned objectives of the contract and meet the NRCS technical guide do not require participant or Agency signatures.

- Change in the amount of a practice/component/conservation activity, and
- Schedule changes within the original length of the contract.

c Modifications Requiring Participant and NRCS Signature

- Adding land. Both the participant and the NRCS contracting officer must agree to add land that is not currently under an existing contract, see CPM 518.110h for procedure.
- Deleting land;
- Transferring land under contract. See CPM 518.110g for procedure;
- Any transition of a participation tier to a higher tier, if that transition is not laid out in the initial conservation stewardship plan;
- Changing contract period. The contract period may be extended in accordance with tier of participation, see CPM 518.100d for contract period guidance;

- Adding contract items. New contract items that substitutes for existing contract items are to be added to the contract before performance on the new item is started. This includes adding an item to provide for the reapplication of a practice or identifiable component;
- Deleting contract items. A contract will include all conservation treatment agreed to by the participant that will accomplish the program, contract, or plan objectives. A participant is expected to carry out all scheduled practices. There must be valid reasons not adverse to the Government's interest and conservation objectives for deleting any contract item. Each modification must include sound justification for the deletion;
- Permitting participants to destroy a practice. A modification is required to permit a participant to destroy any practice established under the contract or any existing practice for which maintenance is specified in the contract. It is the participant's responsibility to obtain approval from the agency concerned to destroy a practice that was cost-shared under any other conservation program if the practice has not fulfilled its life span or maintenance requirements;
 - The NRCS representative must establish clearly defined needs before approving the destruction. It must be considered essential to the most practical operation of the land unit.
 - The destruction of the practice must be followed with needed compensatory treatment to meet the minimum required treatment and to preserve the effectiveness of other practices already installed on the land unit.
 - All NRCS cost-share payments made for (successfully completed) practices destroyed are to be deducted from the cost-share payment due for the replacement practice. Additional eligible costs that result from carrying out a replacement practice may be authorized for cost-sharing. If compensatory treatment consists of non-cost-shared practices, all cost-share payments made for the destroyed (successfully completed) practice are to be refunded by the participant. The refund may be deducted from future cost-share payments due the participant. NRCS can assist other Federal agencies in their program debt collection if formally requested.
 - Failure to replace the destroyed practice with needed compensatory treatment constitutes violation of the contract, see CPM 518.113 for procedure.
- Adding/modifying, contract appendix or supplements. Per national instruction, special provisions, terms, conditions and supplements may be added to a contract by modification;
- To substitute a practice not included in the contract;
- Change in participant information, including payment shares;

- Reapplication of conservation treatment;

d Modification Procedures

Changes to a contract due to actions that require participant(s) and NRCS signature will be completed through the ProTracts Modification module. An updated Form AD-1156 will be printed for signatures.

The change(s) will be identified on the modification along with an explanation of the basis for the modification or revision.

ProTracts will assign a number to the modification and will update the status and changes to each of the contract items. Any adjustment (increase or decrease) to the contract dollars will be identified on the modification.

No cost-share payments may be made for new work included by a modification if the application work is started before the modification is signed by the contracting officer indicating funds are available. However, if obtaining the signature of the contracting officer will delay practice application, the contracting officer may give approval by telecommunications and document the file to support the action. This approval will be documented in the basis for modification in ProTracts.

Funds scheduled for cost-sharing any practice may be deleted from a contract by modification if a participant elects to carry out the practice under another cost-sharing program or at his or her own expense before installation is started. If any part of a practice in a contract is started before modification of the contract, all of that practice must be carried out under that cost-sharing program.

Conservation practices may not be deleted to avoid non-compliance with NRCS standards/specifications. Contract items will not be modified to reschedule so as to avoid loss of payments due to violation of HELC/WC compliance provisions. The contract must be completed as scheduled without payment.

New contract items added by modifications will automatically be consecutively numbered in Protracts. Contract item numbers will be maintained for the life of the contract. The originally assigned item number is to be used for any item that is modified.

e Modification Signature Requirements

The participant(s) and NRCS representative will sign the modification and submit it, if required, to the NRCS contracting officer for signature. Participant(s) signatures on the AD-1156 will conform with the designations on the CCC-1200.

The effective date of a contract modification is the date it is approved by the NRCS contracting officer.

f Tier Transition Modifications

Participants may request a modification to their contract to change their tier of participation under a conservation stewardship contract once the required treatments determined necessary by NRCS to meet the next tier level have been established. Tier transitions not laid out in the original conservation stewardship plan schedule of operations may be included into the contract by contract modification, subject to availability of funds and NRCS approval.

NRCS will field verify all tier transitions to determine whether or not the:

- Minimum tier eligibility requirements, and
 - Minimum level of treatment requirements
- have been met. Once the requirements have been achieved, the contract will be modified to reflect the tier transition.

If the contract transitions from Tier I to a higher tier of participation, all eligible land uses on the entire agricultural operation must be incorporated into the conservation stewardship plan and contract. All requirements applicable to the higher tier of participation would apply upon transition and verification by NRCS. NRCS will calculate all stewardship, existing practice, new practice, and enhancement payments using the applicable enrolled acreage at the time of the payment.

g Transfer of Land Under Contract

Contract transfers are permitted when there is agreement among all parties to the contract and the contract area remains intact. Land will be considered "transferred" if the participant loses control of the acreage for any reason. The term "transferor" means the participant who loses control, and the term "transferee" means anyone who acquires control of the land.

- NRCS must be notified within 60 days of the transfer of interest and the transferee's acceptance of the contract terms and conditions or the contract will be terminated. See CPM 518.114 for termination procedure.
- The transferee must be determined by NRCS to be eligible and must assume full responsibility under the contract, including operation and maintenance of those conservation practices and activities already undertaken and to be undertaken as a condition of the contract.

It is the transferor's responsibility to contact the transferee about assuming the responsibility of the contract. If all or part of a land unit under contract is transferred, the contract terminates with respect to the transferred acreage. However, the transferee may

assume the obligations of the contract with respect to the transferred acreage if the contract area remains intact.

If the transferee will not assume the obligations of the contract with respect to the transferred acreage, or is not eligible to participate in CSP, the transferor is in contract violation and subject to forfeiture and refunds of payments received on the transferred acreage. See CPM 518.113 for contract violation procedures.

If all of the land under contract is transferred and the transferee agrees to assume the obligations of the contract:

- A Transfer Agreement, NRCS-LTP-152, will be executed to transfer the land from one participant to another;
- Prepare a contract modification, AD-1156, and a new CCC-1200 and CCC-1200-CSP Appendix in ProTracts;
- Procedures for delineating the agricultural operation and requirements for tier transition will be used to determine the new participation tier and contract period;
- The expiration date of the original contract remains in effect;
- The original funding code will remain the same; and
- The modification will change the contract participants to reflect the transferees.

The description of the acreage transferred and all practices to be carried out by the transferee are to be listed on the AD-1156. Include all practices to be carried out on the transferred land and all practices installed on the transferred land that are to be maintained by the transferee.

The transferee, by signing the ProTracts generated CCC-1200 and CCC-1200-CSP Appendix assumes all of the terms and conditions of the contract.

The transferee is to be furnished a complete copy of the CCC-1200 and CCC-1200-CSP Appendix and conservation stewardship plan.

The original transferee signed copy of the contract will be retained at the Field Office. Copies of the transferee signed page of the contract will be furnished to all others having copies of the contract

If the transferee has an active contract and acquires a transferred contract, the transferred contract will be maintained separately so the unique expiration dates are appropriately managed.

h Contract Participant Acquisition of Land Not Under Contract

If the applicant acquires land subsequent to enrollment in CSP, that land is not considered part of the agricultural operation. See CPM 518.111e for guidance. However, the applicant, at their discretion, may request NRCS approval to modify the plan and contract

to include the newly acquired land once NRCS has determined that the needed treatment requirements have been achieved. The NRCS contracting officer may approve such contract modifications, dependent upon the availability of funds.

i Reapplication of conservation treatment

Contracts may be modified to provide for reapplication of a cost-shared new practice that failed to achieve the desired results, provided that the following requirements been met:

- The reapplication is required to solve the identified problem to the degree needed to meet program objectives;
- The specifications for the practices were met in the original application, and failure was caused by circumstances beyond the control of the participant; and

The failure of a practice because of circumstances within the control of the participant constitutes a violation of the terms and conditions of the contract.

Scheduling Reapplication of New Practices

Reapplication of practices will not be scheduled until the original application has failed. Reapplication of cost-shared practices may be approved as determined by individual program policy, regulation, and subject to the availability of funds.. Reapplication of a required practice may not be carried out after the contract expires.

Reapplication Cost-Share Rates

The cost-share rate for the reapplication of conservation practices is to be the same rate established in the original contract. Contract items included on modifications for reapplying practices need to be documented as a “reapplication” in the practice narrative or in the basis for modification note.

518.111 Contract Compliance

a Self-Assessment Verification

The purpose of self-assessment verification is to validate the information provided by the applicant during the CSP sign-up process. The verification process needs to be approached as a conservation technical assistance opportunity, rather than a regulatory procedure.

A self-assessment verification of the conservation stewardship plan and contract will be made as soon as practical after contract approval.

The degree of verification, i.e., the need for a field visit and the need to visit each field, will depend on the NRCS's knowledge of the participant's operation. For example, where ground-truthing occurred during enrollment, the conservationist may be satisfied of resource treatment conditions without another field visit. It is not intended that planning worksheet recalculations occur unless obvious errors or inaccuracies are found.

The method of documentation will depend on self-assessment verification findings:

- If applicant information provided was accurate, this finding will be documented by the Designated Conservationist in the case file and the applicant's signature is not required.
- A discrepancy in the initial plan or contract due to no fault of the applicant may be remedied by the applicant by correcting the deficiency within a reasonable time as determined by the State Conservationist. The Designated Conservationist will work with the participant to document any required actions and timeframes for completion. The agreement could be in the form of a letter and will:
 - be signed by the Designated Conservationist and applicant;
 - be provided to the participant(s); and
 - be filed in the contract file.
- If the participant cannot complete the agreement within the timeframe, the contract will be considered in noncompliance (see CPM 518.113a).
- Cases of suspected scheme or device, fraud, or misrepresentation, will be documented according to contract status review procedure (see CPM 518.111b) and referred through channels to the State Conservationist for further investigation. If the State Conservationist determines that a participant erroneously represented any fact affecting a CSP determination, the case will be handled according to procedures for:
 - Misrepresentation and scheme or device (see CPM 518.111e), and
 - Contract terminations (see CPM 518.114).

b Contract Reviews

The Designated Conservationist will review the contract annually and document that the provisions of the contract are being followed. If the provisions are being followed, this finding will be documented in the case file. This review will also provide a follow up opportunity with the producer on additional enhancement options or future modifications.

A formal contract status review will be completed if:

- The schedule of operations is not being followed;
- If all required contract provisions are not being followed; or
- The contract is due to expire within one year of the expiration date to ensure that all of the scheduled work is completed.

The NRCS Designated Conservationist or designee will document those findings on form NRCS-LTP-13 (see Exhibit 518.138). The contract status review will be signed by the Designated Conservationist and the participant. A copy will be provided to the participant, and the original will be placed in the contract folder.

Written notification will be provided to all contract participants at least 90 days before the contract expiration date if any remaining contract items need to be completed.

NRCS will work with the participant to resolve all noncompliance matters and document all actions that need to be taken to complete the contract, including establishing a timeframe for the participant to comply with the contract provisions. The document will be signed by both NRCS and the participant (NRCS may use the LTP-13 for this purpose, however, a document specifically dedicated solely to this agreement is recommended). Continued violations may result in termination of the contract (see CPM 518.114).

If the participant cannot or will not complete the contract obligations as agreed to, follow the procedure in CPM 518.113 and 518.114 for contract violations and termination procedures, and CPM Part 518.40 for appeal procedure.

Elements to be reviewed during status review include the following:

- Success of practices and systems completed;
- Operation and maintenance of practices and systems completed;
- Status of practices not completed;
- Reasons for lack of progress;
- Needs for revision of EQIP plan of operations;
- Descriptions of any potential violation of the contract;
- Agreement on practices to be implemented next fiscal year; and
- Confirmation that land is still under the participant's control.

c Limited Resource Producer/Beginning Producer Review

On an annual basis for the purposes of verification, NRCS State Office shall randomly select five (5) percent of all participants who have certified as being either a:

- Limited Resource Farmer or Rancher, or

- Beginning Farmer or Rancher.

In addition, NRCS will conduct verification of all other participants who certify to being either a Limited Resource Farmer or Rancher or Beginning Farmer or Rancher where NRCS receives a complaint or otherwise has information that the certification is incorrect.

These verifications must be completed early enough in the year in order to reobligate any funds from contracts that must be cancelled due to false certification of status.

In order to verify if the participant qualifies as a Limited Resource Farmer or Rancher, the participant must provide the last two years of the IRS Form 1040 filed with the IRS. It is the participant’s responsibility to provide all information necessary to verify eligibility.

Certification to be Verified	Requirement
Gross Farm Sales Determination	Gross Farm Sales is defined as: Gross Income entered on IRS Form 1040, Schedule F, in the Farm Income Section. In each of the last two years, <i>determine</i> if the participant’s direct or indirect Gross Farm Sales were less than or equal to \$100,000 per year.
Total Household Income Determination	Total Household Income is defined as Adjusted Gross Income (AGI) for all members in the household and is entered on IRS Form 1040, AGI Section. In each of the last two years, determine if the AGI is less than the “County Value.” The County Value is calculated as 50% of the County Median Income, or National Poverty level, whichever is greatest. County Median Income value is taken from the county in which the participant resides in. This value can be determined by referring to the self-determination tool on the NRCS website at: <u>Limited Resource Self-Determination Tool</u> .
Beginning Farmer or Rancher	If the participant can provide one IRS Form 1040 from the last ten years that shows the participant did not file an IRS Form 1040, Schedule F, the participant is

Certification to be Verified	Requirement
	eligible as a beginning farmer or rancher.

Exceptions: A letter from a certified public accountant or attorney certifying the participant meets the eligibility requirements may be used in lieu of IRS Form 1040.

Failure to provide the necessary information to verify eligibility will result in ineligibility for participation in CSP as a Beginning or Limited Resource Producer. If the information provided fails to support eligibility, the Designated Conservationist will notify the State Conservationist who will take appropriate action.

The State Conservationist, will terminate any and all approved contracts with a participant who has been found to falsely certify Limited Resource Producer/Rancher or Beginning Farmer or Rancher status.

NRCS will perform all other administrative spot checks according to the State's quality assurance plan.

d Access to Agricultural Operation

By signing the form CCC-1200 contract, the participant grants authorized NRCS representatives the right to enter an agricultural operation for the purpose of ascertaining the accuracy of any representations made in a contract or in anticipation of entering a contract, as the performance of terms and conditions of the contract. Access includes the right to provide technical assistance, inspect any work undertaken under the contract, and collect information necessary to evaluate the performance of conservation practices in the contract. The NRCS representative will make a reasonable effort to contact the participant prior to the exercise of this provision.

e Misrepresentation and Scheme or Device

A participant who is determined by the State Conservationist to have knowingly taken any of the following actions:

- Adopted any scheme or device that tends to defeat the purpose of CSP;
- Made any fraudulent representation; or
- Misrepresented any fact affecting a CSP determination;

Will be subject to:

- Forfeiting the right to future conservation stewardship contract payments;

- Refunding to NRCS all payments received, plus interest, and liquidated damages as determined in accordance with CPM 518.115 received by such participant with respect to all conservation stewardship contracts; and
- Termination of the participant's interest in all conservation stewardship contracts.

NRCS will conduct investigations into all suspicious activities to determine if there was a scheme or device for program enrollment.

If the applicant acquires land subsequent to enrollment in CSP, that land is not considered part of the agricultural operation. However, if the land was previously owned or controlled by the applicant before the date of enrollment and after May 13, 2002, then NRCS will conduct an investigation into the activity to see if there was a scheme or device.

f Performance Based on NRCS Advice or Action

If a participant relied upon the advice or action of any authorized representative of NRCS and did not know or have reason to know the action or advice was improper or erroneous:

- The State Conservationist may accept the advice or action as meeting the requirements of CSP.

The State Conservationist may grant relief to the extent deemed desirable by NRCS to provide fair and equitable treatment because of the participant's good faith reliance on NRCS on the part of the participant.

518.112 Application for Payment

a General Information

Payment under the conservation stewardship contract is subject to the availability of funds. In the event that annual funding is insufficient to fund existing contract requirements, payments on the existing contracts will be prorated in that contract year, as determined by the Chief.

NRCS will make annual payments (for stewardship, existing practice, and enhancements) and new practice payments at the rates specified in the contract after payments are certified and approved by NRCS. In order to receive payments, the participant must execute and file a form NRCS-1245, Practice Approval and Payment Application (see Exhibit 518.139), along with any receipts as necessary, with NRCS.

b Annual Payment Procedures

Annual payments will be issued for the following payment components:

- Stewardship

- Existing Practice
- Enhancements (benchmark and new enhancements applied during the fiscal year)

Payment for these recurring items will be based upon contract holder self-certification and verification by the Designated Conservationist. To accomplish this, a letter consistent with Exhibit 518.142, Certification for Annual Payments Letter Example, will be sent to the participant prior to payment. It will include:

- Contract holder name
- Contract number
- Annual payment amount
- Current bank routing information
- Area for participant to certify that he/she is still operating and maintaining these items

Upon receipt of the participant’s self-certification, these items may be certified and approved for payment. The second-level certifying official will authorize payment in FFIS.

A contract modification may be required for a contract with annual payments that cannot be self-certified.

c New Practice Payment Procedures

Upon completion of a new practice:

<p>The participant will:</p>	<p>Notify NRCS and submit applicable supporting documentation (bills, invoices, etc.) to NRCS for completion of NRCS-1245. See CPM 518.112e</p>
<p>NRCS Designated Conservationist will:</p>	<p>Certify that practices or activities meet NRCS technical standards and specifications or job sheet requirements</p> <p>If a contract modification is required, NRCS shall modify the contract accordingly prior to completing NRCS-1245</p> <p>Obtain participant’s signature on NRCS-1245</p> <p>Verify that the participant’s signature on the NRCS-1245 matches the signature on the CCC-1200 contract</p> <p>Verify participant is in compliance with HELC/WC requirements using web service.</p> <p>Determine payment amounts and payee information</p> <p>Verify work was performed during the approved contract period. There is no reimbursement for work performed prior to the contract being signed by the contracting officer, unless</p>

	<p>a waiver had been granted</p> <p>Process the NRCS-1245 to authorize disbursement of funds</p> <p>The signed NRCS-1245, and other supporting documentation, may be transmitted to the second level certifying official</p>
NRCS Second Level Certifying Official will:	<p>Verify signature on NRCS-1245</p> <p>Verify account to which payment will be deposited or address for check mailing</p> <p>Verify payment amount</p> <p>Verify that proper budget fiscal year and funds are reflected on payments</p> <p>Notify Designated Conservationist if payment support documentation is incomplete</p> <p>Follow up with the Designated Conservationist if an error is discovered and resolve</p> <p>Authorize payment in FFIS</p>
National Finance Center will:	<p>Verify that no funds are owed the Federal Government (debt register) before issuing payment</p> <p>Issue payment to participants</p> <p>Report payments to the Internal Revenue Service</p>

d Required Signatures

Any contract participant who signs the CCC-1200 and CCC-1200-CSP Appendix may sign and submit the NRCS-1245.

The Designated Conservationist will sign the NRCS-1245 to authorize payment.

e Supporting Documentation

NRCS shall obtain evidence to determine whether practice requirements are met and to determine proper payment.

- Since average cost (AC) and flat rates (FR) are used, no receipts or bills are required to be submitted to support the payment unless questions exist about whether total financial contributions for installing a practice will exceed 100 percent of the actual cost.

Receipts or bills may be requested to assess the need for cost-list adjustments, and/or calculate average costs.

- Enhancement activities may be exempt from supporting documentation requirements because there may not be standard cost documentation.

Participants are to:

- Provide receipts, as necessary, as conservation treatment documentation or proof of payment;
- Maintain proof of payment documentation for 3 years after the practice or activity was completed; and
- Present this documentation to NRCS within 30 days if selected for administrative compliance check.

This documentation may include the following as applicable:

- Conservation treatment documentation;
- Invoices;
- Canceled checks;
- Receipts;
- Analysis tags (seed, fertilizer, other);
- Costs paid by others; and
- Other similar evidence.

f Technical Service Providers

In order to be reimbursed for technical services approved under this agreement and performed by a certified TSP hired by the participant, a participant must execute a request for payment on form NRCS-1245. The participant must also submit to NRCS an invoice from the TSP for the work performed, as well as any documentation NRCS may require in order to ensure that the technical services were carried out in accordance with NRCS requirements and specifications.

It is the participant's responsibility to ensure that the technical services obtained from a TSP hired by the participant meet program requirements. NRCS will not reimburse the participant if the technical services provided by the TSP do not meet CSP requirements. If CCC terminates this Contract as provided under paragraph 10 of this appendix, CCC may seek reimbursement of any TSP payments made to the Participant.

g TSP Practice Certification

If the practice is being certified by a TSP, NRCS will provide a blank NRCS-1245 to the TSP upon notification that the practice has been completed.

The TSP will:

- Certify the practice meets NRCS technical standards and specifications, and sign the hard copy of the NRCS-1245;
- Verify the extent certified for payment; and
- Provide the NRCS-1245 to the participant who will sign and date the form before returning it to NRCS.

NRCS will continue processing the form, as identified above, using information supplied by the TSP and participant.

An NRCS Designated Conservationist must authorize payment for any NRCS-1245 completed by a TSP. This authorization does not assume the TSP's liability.

h Payments Not Authorized

Payments will not be authorized for:

- Unapplied materials or for services that partially complete a component of a practice;
- A practice or component that depends on the performance of another practice that failed to meet specifications and for which cost-share payment was denied. The participant must be informed in writing of the actions required to correct the deficiencies (Form NRCS-LTP-153, Agreement Covering Noncompliance with Provisions of Contract may be used);
- Any work performed by a participant before the date of the contract or modification adding new work is signed or verbally approved and documented by the NRCS approving official;
- Practices started before the contract was approved, unless a waiver was issued according to CPM 518.90d;
- Use of used materials except as set forth in the National Engineering Manual, Part 512.12 and 543 are met. The determination that used materials meet NRCS requirements rests with the individual having job approval authority;
- Any application that would result in duplicate payment;
- If cost-share payment will result in total payments exceeding the program limitation or the 100 percent financial assistance limit; or
- Ineligible payments referred to in CPM 518.90b

i Payment to More Than One Participant

When two or more participants contribute to the cost of a practice, ProTracts will divide payments by the percentage identified on the CCC-1200. Any payment percentage variations from those identified on the CCC-1200 would require a contract modification.

j Filing of False Payment Applications

Applications for cost-share payments for practices or components not carried out or that do not meet required specifications constitute false applications. Participants filing false or fraudulent applications are subject to a fine of not more than \$10,000 or imprisonment of

not more than 5 years, or both. NRCS is responsible to determine if an applicant has filed a false application for payment.

k Offsets, Collections, and Claims

If a participant to whom compensation is payable is indebted to an agency of the government, the compensation due the participant shall be offset against the debt. This action will be accomplished by the National Finance Center utilizing Department of Treasury collection procedures.

l Direct Deposit

All conservation security program payments will be made electronically, unless there are extenuating circumstances and the participant requests in writing a different payment mechanism that is approved by the State Conservationist

All contract participants receiving payments must establish vendor numbers for direct deposit of payments by submitting Form SF-1199A. Exceptions may be requested by participants and considered for approval by the State Conservationist based on extenuating circumstances.

m Reporting Payments to IRS

All payments received as part of a Contract are reported to the United States Internal Revenue Service on Form 1099-G. For information related to tax liabilities consult with a tax accountant or refer to IRS publication 225, Farmers Tax Guide.

518.113 Contract Violations

a Potential Causes of Violations

Failure to comply with all terms and conditions of the contract is noncompliance. This includes, but is not limited to:

- Failure to carry out the contract as scheduled;
- Failure to meet specifications for establishing practices or enhancement activities;
- Failure to satisfactorily complete or maintain all contract items as scheduled; or
- Failure of a practice because of circumstances within the control of the participant.

If the participant removes the cause for noncompliance, a violation can be avoided.

Noncompliance may be caused by:

- Practice destruction. Destruction of a practice established under the terms of the contract without approval of the NRCS designated official or failure to apply compensatory treatment for a destroyed practice.
- False application for payment. Filing a false application for cost-share payment.

- Failure to complete contract items. Failure to satisfactorily complete all contract items before the contract expires.
- Failure of a participant to discontinue the installation of a practice, because the installation may destroy or adversely impact:
 - an endangered species;
 - a significant cultural resource; or
 - historic property that is known or suspected to be present.

b Determination of violations

If noncompliance is not resolved, the Designated Conservationist is to furnish the contracting officer a finding of fact report. The contracting officer is required to investigate if a violation has occurred and, if so, determine if a forfeiture, refund, payment adjustment, or termination is warranted.

When the contracting officer is notified that a contract violation may have occurred that may warrant a penalty or forfeiture, refund, payment adjustment, or termination, the NRCS contracting officer is to notify in writing each participant who signed the contract of the alleged violation. This notice may be personally delivered or sent by certified or registered mail. A participant is considered to have received the notice at the time of:

- personal receipt acknowledged in writing;
- the delivery of a certified or registered letter; or
- the return of a certified or registered letter when delivery was refused.

Following the investigation, the contracting officer is to make a statement of fact report to the state conservationist. The report is to include information received by the contracting officer and findings of the investigation. A copy of the report of the NRCS contracting officer, approved by the state conservationist, will be provided to all holders of copies of the contract.

If no violation has occurred or if a violation has occurred but no forfeiture, refund, payment adjustment, or termination is required, no further action is necessary.

If violation is apparent and forfeiture, refund, payment adjustment, or termination is required, the contracting officer will consult with the Designated Conservationist and participant(s) to try and obtain an agreement to resolve the violation. The Conservation District may also participate in the consultation.

If an agreement is reached, the agreement will:

- Give the participant a reasonable time, as determined by the State Conservationist, to correct the violation and comply with terms of the CCC-1200 and CCC-1200-CSP Appendix; and
- Be documented and signed to indicate the participant's and NRCS's approval. The Form NRCS-LTP-153 may be used to document the agreement.

If:

- No agreement is reached; or
- The agreement's action to resolve the violation is not implemented, and
- The participant continues in violation;

Then the State Conservationist may terminate the contract.

518.114 Contract Terminations

a Terminations

Terminations of contracts may be initiated by NRCS, or at the request of the participant(s). The circumstances related to the contract termination dictate procedures to terminate a contract and whether or not the participant(s) are assessed

- Refund of payments; and
- Liquidated damages.

b Terminations Requested by Participants

Participants can request contract termination. Participants are to request termination in writing, provide a reason(s) for terminating the contract, and, if applicable, information on availability of successor-in-interest.

The State Conservationist, in consultation with the Conservation District, may terminate a contract if justified by the reasons provided by the producer and where there is no successor-in-interest. Justification includes, but is not limited to:

- Natural disasters prevent completion of contract provisions;
- Loses control of the land;
- Other documented hardships;
- In the public interest.

The participant may voluntarily terminate a contract, without refund of payments received, if the State Conservationist determines that the participant has fully complied with the terms and conditions of the contract before termination of the contract.

If the contract is terminated, the participant:

- Forfeits all rights for future payments under the contract;
- Must refund all advance payments received that have not yet been earned; and
- The participant may be required to pay liquidated damages.

c Terminations by NRCS

The State Conservationist may terminate a contract, in whole or in part, if it is determined any of the following apply:

- The participant or land is not eligible;
- The participant has violated the terms of the contract and has failed to correct and comply within reasonable time (*See* CPM 518.113b);
- The continued operation of the contract will result in the violation of a Federal statute or regulation; or
- The termination would be in the public interest.

A contract termination is effective immediately upon a determination by the State Conservationist that the participant has:

- Submitted false information;
- Filed a false claim;
- Engaged in any act for which a finding of ineligibility for payments is permitted; or
- Taken actions NRCS deems to be sufficiently purposeful or negligent to warrant a termination without delay.

If the contract is terminated, the participant:

- Forfeits all rights for future payments under the contract;
- Must refund all advance payments received that have not yet been earned;
- Must refund all or part:
 - of the payments received, plus interest, and
 - liquidated damages as determined in accordance with the CCC-1200-CSP Appendix and CPM 518.115c.

d Documentation

If the contract is terminated, enter "terminated" and date on the contract along with documentation of the reasons for termination. Update the status in ProTracts. The participant shall be informed by the State Conservationist, in writing, of the termination including the forfeiture of all future payments under the contract, repayment requirements, the reason, and appeal rights available.

518.115 Cost Recovery

a Determining Cost Recovery

If the participant voluntarily terminates a contract, the participant:

- Forfeits all rights for future payments under the contract;
 - Must refund all advance payments received that have not yet been earned; and
- The participant may be required to pay liquidated damages.

If NRCS terminates a contract due to the breach of contract, the participant:

- Forfeits all rights for future payments under the contract;
- Must refund all advance payments received that have not yet been earned;
- Must refund all or part:
 - of the payments received, plus interest, and
 - liquidated damages as determined in accordance with the CCC-1200-CSP Appendix.

When making any contract termination decisions, the State Conservationist may reduce the amount of money owed by the participant by a proportion which reflects the good faith effort of the participant to comply with the contract, or the hardships beyond the participant's control that have prevented compliance with the contract including natural disasters or events.

In carrying out the role in this section, the State Conservationist may consult with the local conservation district.

b Refund of Payments Received

Refund of payments received is determined as the sum of:

- Stewardship payments;
- Existing practice payments;
- New practice payments;
- Enhancement payments; and
- Any advanced payments received.

Refunds determined by the State Conservationist will accrue interest at the current value of funds rate, published annually in the Federal Register by the United States Department of Treasury, from the date originally disbursed to Participant up to the day the repayment is received by CCC.

The State Conservationist may require only partial refund of the payments of new practice payments received if a previously installed conservation practice:

- Can function independently;
- Is not affected by the violation or other conservation practices that would have been installed under the contract; and
- The participant agrees to operate and maintain the installed conservation practice for the life span of the practice.

c Liquidated Damages

In the event:

- The participant violates the terms of a contract:

- The Participant voluntarily terminates this Contract before any contractual payments have been made; or
- The Contract is terminated with cause by NRCS;

The NRCS will incur substantial costs in administering this Contract which may not be possible to quantify with certainty. Therefore, liquidated damages may be assessed. This liquidated damages payment is for recovery of administrative costs and technical services and is not a penalty.

Liquidated damages are determined as 20 percent of the total financial and technical assistance obligated to the contract participant at the time of termination.

The State Conservationist has the option to waive the liquidated damages, depending upon the circumstances of the case.

Subpart L – Environmental Performance Analysis

518.120 Evaluation and Assessment

a Evaluation and Assessment

(RESERVED)

b Civil Rights Assessment

At all levels, program managers will compile information concerning the outreach to and participation of producers, by race, sex, and national origin. This information will be used to assess whether or not satisfactory efforts have been made to ensure that limited resource producers, minorities, and others who may not have historically participated in previous conservation programs are being equitably served in CSP.

518.121 Environmental Performance and Progress Reporting

(RESERVED)

Subpart M – Exhibits

518.131 – CSP Application Process Flowchart

518.132 - Control of Land Certification by Owner Worksheet

518.133 – Land Use Matrix Tables

518.134 - Sample Sign-up Notice

518.135 - Agricultural Operation Delineation Examples

518.136 – Cost-List Example

518.137 - CCC-1200 and CCC-1200 Appendix

518.138 – NRCS-LTP-13 Status Review

518.139 - NRCS-1245 Practice Approval and Payment Application

518.140 – CSP Register Example

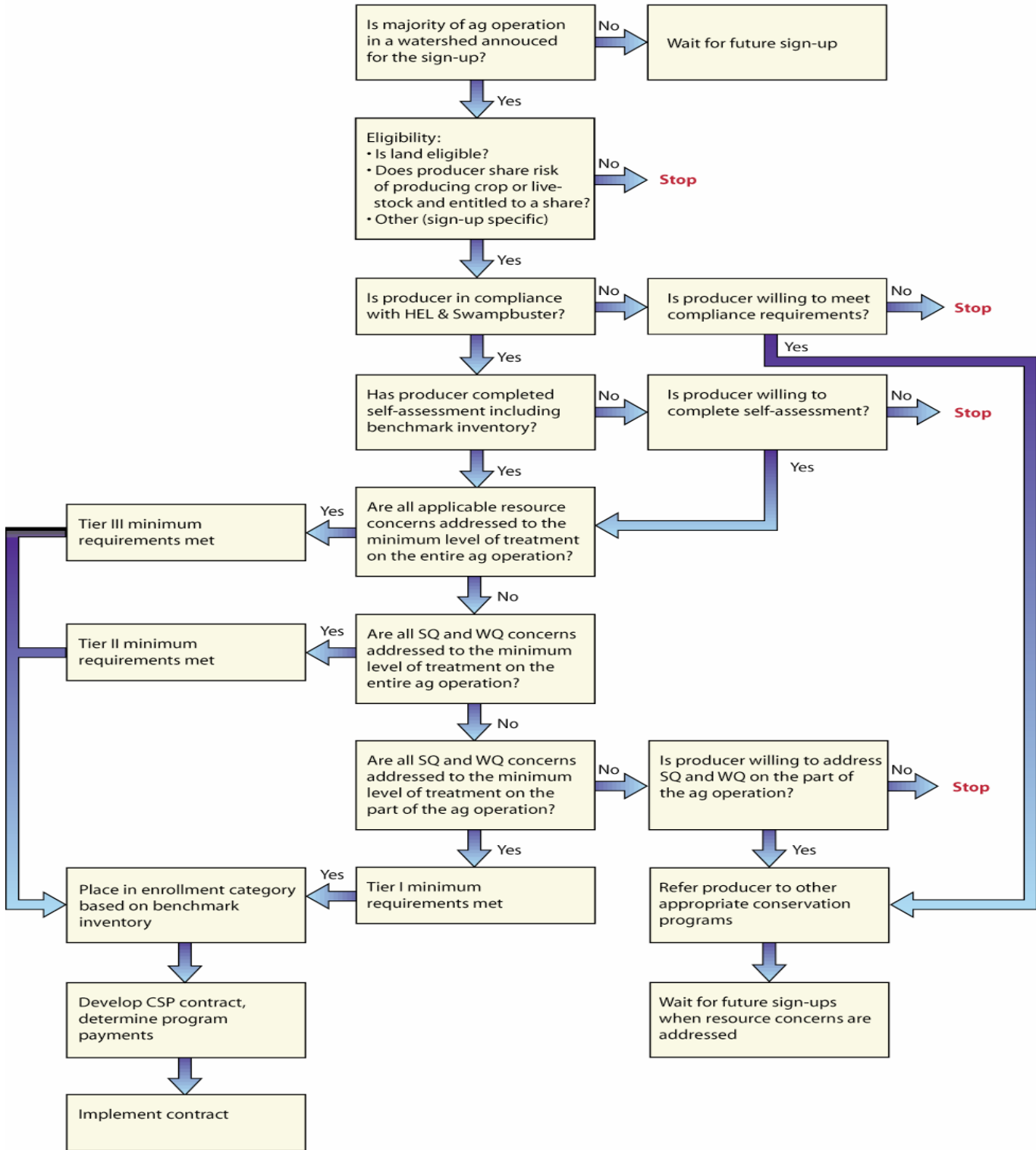
518.141 – Contract Folder Assembly Guidance

518.142 – Certification for Annual Payments Letter Example

518.143 – Glossary of Terms

518.131 CSP Application Process Flowchart

CSP Application Process



**CONSERVATION SECURITY PROGRAM (CSP)
Control of Land Certification by Owner**

LAND UNIT DESCRIPTION:

**For the above described land unit that I own, I hereby certify that my Tenant,
_____, will have control of this land for the purpose of
satisfying the terms and conditions of a Conservation Stewardship Contract, for the
proposed contract period, _____ years.**

Landowner Signature

Date

518.133 Land Use Matrix Tables

Land Use Requirements for Tier Level Treatment

Table 518.133a

<u>ELIGIBLE LAND USE</u>	<u>TREATMENT¹ REQUIRED IN:</u>		
	TIER I	TIER II	TIER III
PRIVATE AGRICULTURAL LAND	YES	YES	YES
TRIBAL, ALLOTTED, OR INDIAN TRUST LAND	YES	YES	YES
INCIDENTAL FOREST LAND	NO	NO	YES
INCIDENTAL PARCELS	NO	NO	YES
OTHER LAND	NO	NO	YES

¹ - See CPM 518.54 for minimum level of treatment requirements

Land Use Eligibility for Payment Components

Table 518.133b

<u>ELIGIBLE LAND USE</u>	<u>ELIGIBLE FOR PAYMENT² COMPONENT</u>			
	STEWARDSHIP	EXISTING	NEW	ENHANCEMENT
PRIVATE AG LAND	YES	YES	YES	YES
TRIBAL, ALLOTTED, OR INDIAN TRUST LAND	YES	YES	YES	YES
INCIDENTAL FOREST LAND	YES ³	YES ³	YES	YES ³
INCIDENTAL PARCELS	YES ³	YES ³	YES	YES ³
OTHER LAND - PRODUCTION	NO	NO	YES	YES
OTHER LAND - DOMESTIC	NO	NO	NO	NO

² - See CPM 518.90 for payment component details

³ - Stewardship and existing payments are limited to 10% of contract acres. Enhancement payment are based on the enhancement activity units actually applied.

518.134 Sample Sign-up Notice

DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Natural Resources Conservation Service

Conservation Security Program

AGENCY: Natural Resources Conservation Service and Commodity Credit Corporation,
USDA.

ACTION: Notice.

DATES: The administrative actions announced in the notice are effective on [Insert date of
publication in the FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: Craig Derickson, Branch Chief – Stewardship
Programs, Financial Assistance Programs Division, NRCS, P.O. Box 2890, Washington, DC
20013–2890, telephone: (202) 720–1845; fax: (202) 720–4265. Submit e-mail to:
craig.derickson@usda.gov, Attention: Conservation Security Program.

SUMMARY: This document announces the sign-up CSP-05-01 for the Conservation Security
Program (CSP). This sign-up will be open from March 28, 2005, through May 27, 2005, in
selected 8-digit watersheds in all 50 States and the Caribbean.

SUPPLEMENTARY INFORMATION: In an Interim Final Rule published concurrent with this
notice, USDA’s Natural Resources Conservation Service (NRCS) established the implementing
regulations for Conservation Security Program (CSP). The CSP is a voluntary program
administered by NRCS using authorities and funds of the Commodity Credit Corporation, that

provides financial and technical assistance to producers who advance the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on Tribal and private working lands.

This document announces the CSP-05-01 sign-up that will be from March 28, 2005, through May 27, 2005, in selected 8-digit watersheds in all 50 States and the Caribbean, which can be viewed at http://www.nrcs.usda.gov/programs/csp/2005_CSP_WS/index.html. These watersheds were selected using the process set forth in the May 4, 2004, notice to the Federal Register. In addition to other data sources, this process used National Resources Inventory data to assess land use, agricultural input intensity, and historic conservation stewardship in watersheds nationwide. NRCS State Conservationists recommended a list of potential watersheds after gaining advice from the State Technical Committees. The final selection of FY 2005 watersheds was announced by the Secretary of Agriculture on November 1, 2004. NRCS has decided to allow limited sign-up in the 2004 sign-up watersheds to bring the total eligible watersheds to 220. The sign-up will only include those producers who do not have an existing CSP contract.

To be eligible for CSP, a majority of the agricultural operation must be within the limits of one of the selected watersheds. Applications which meet the minimum requirements as set forth in the interim final rule (listed below) will be placed in enrollment categories for funding consideration. Categories will be funded in order from A through E until funds are exhausted. If funds are not available to fund an entire category, then the applications will fall into subcategories and funded in order until funds are exhausted.

Applicants can submit only one application for this sign-up. Participants in an existing CSP contract are not eligible to be an applicant or a participant on more than one contract.

Therefore anyone receiving a payment from an existing CSP contract is not eligible to apply for this sign-up or to receive payment in the form of a share from any new contract resulting from this sign-up.

Producers should begin the application process by filling out a self-assessment and then to determine if they meet the basic qualification for CSP. Self-assessment workbooks are available in hard copy at USDA Service Centers within the watersheds, and electronically for download or an interactive Web site linked from

http://www.nrcs.usda.gov/programs/csp/2005_CSP_WS/index.html. The self-assessment workbook includes a benchmark inventory where the applicant documents the conservation practices and activities that are ongoing on their operation. This benchmark inventory serves as the basis for the stewardship plan. Once the producer determines that they meet the minimum requirements for CSP, as outlined in the workbook, they should make an appointment for an interview to discuss their application with the NRCS local staff.

In order to apply, applicants must submit:

1. A completed self-assessment workbook, including the benchmark inventory;
2. Documentation for calendar years 2003 and 2004 to show the stewardship completed including fertilizer, nutrient, and pesticide application schedules, tillage, and grazing schedules if applicable.
3. Completed CCC-1200 available through the self-assessment online guide, Web site, and any USDA Service Center.

Applicants are encouraged to attend preliminary workshops, which will be announced locally, the basic qualifications will be explained, and assistance provided to understand the self-assessment workbook and benchmark inventory.

CSP is offered at three tiers of participation. Some payments are adjusted based on the tier, and some payments are tier-neutral. See payment information below.

Minimum Tier Eligibility and Contract Requirements

The following are the minimum tier eligibility and contract requirements:

CSP Tier I—the benchmark condition inventory demonstrates to the satisfaction of NRCS that the applicant has addressed the nationally significant resource concerns of water quality and soil quality to the minimum level of treatment for any eligible landuse on part of the agricultural operation. Only the acreage meeting such requirements is eligible for stewardship and existing practice payments in CSP.

CSP Tier II—the benchmark condition inventory demonstrates to the satisfaction of NRCS that the applicant has addressed the nationally significant resource concerns of water quality and soil quality to the minimum level of treatment for all eligible land uses on the entire agricultural operation. Additionally, the applicant must agree to address another significant resource concern applicable to their watershed to be completed by the end of the contract period. If the applicable resource concern is already addressed or does not pertain to the operation, then this requirement is waived.

CSP Tier III—the benchmark condition inventory demonstrates to the satisfaction of NRCS that the applicant has addressed all of the existing resource concerns listed in Section III of the NRCS Field Office Technical Guide (FOTG) with a resource management system that meets the minimum level of treatment for all eligible land uses on the entire agricultural operation.

Delineation of the Agriculture Operation

Delineating an agriculture operation for CSP is an important part in determining the Tier

of the contract, stewardship payments, and the required level of conservation treatment needed for participation. The applicant will delineate the agriculture operation to include all agricultural lands, and other lands such as farmstead, feedlots, and headquarters and incidental forestlands, under the control of the participant and constituting a cohesive management unit that is operated with equipment, labor, accounting system, and management that is substantially separate from any other. In delineating the agriculture operation, Farm Service Agency farm boundaries may be used. If farm boundaries are used in the application, the entire farm area must be included within the delineation. An applicant may offer one farm or aggregate farms into one agriculture operation.

Minimum Eligibility Requirements

To be eligible to participate in CSP, the applicants must meet the requirements for eligible applicants, the land offered under contract must meet the definition of eligible land, and the application must meet the conservation standards for that land as described below.

Eligible Applicants

To be eligible to participate, an applicant must:

- (1) Be in compliance with the highly erodible land and wetland conservation provisions.
- (2) Meet the Adjusted Gross Income requirements.
- (3) Show control of the land for the life of the proposed contract period by providing NRCS with either written evidence or assurance of control from the landowner. In the case of land allotted by the Bureau of Indian Affairs (BIA) or Tribal land, there is considered to be sufficient assurance of control.
- (4) Share in risk of producing any crop or livestock and be entitled to share in the crop or livestock available for marketing from the agriculture operation. Landlords and owners are

ineligible to submit an application for exclusively cash rented agriculture operations.

(5) Complete a benchmark condition inventory for the entire agricultural operation or the portion being enrolled in accordance with § 1469.7(a) in the Interim Final Rule;

(6) Supply information, as required by NRCS, to determine eligibility for the program; including but not limited to, information related to eligibility criteria in this sign-up announcement; and information to verify the applicant's status as a beginning or limited resource farmer or rancher if applicable.

Eligible Land

To be eligible for enrollment in CSP, land must be:

- (1) Private agricultural land;
- (2) Private non-industrial forested land that is an incidental part of the agriculture operation (limited to up to ten percent of the contract acres);
- (3) Agricultural land that is Tribal, allotted, or Indian trust land;
- (4) Other incidental parcels (limited to up to ten percent of the contract acres), as determined by NRCS, which may include, but are not limited to, land within the bounds of working agricultural land or small adjacent areas (such as center pivot corners, linear practices, field borders, turn rows, intermingled small wet areas or riparian areas); or
- (5) Other land on which NRCS determines that conservation treatment will contribute to an improvement in an identified natural resource concern, including areas outside the boundary of the agricultural land or enrolled parcel such as farmsteads, ranch sites, barnyards, feedlots, equipment storage areas, material handling facilities, and other such developed areas (limited to up to ten percent of the contract acres). Other land must be treated in Tier III contracts.

Land Not Eligible for Enrollment in CSP

The following lands are ineligible for enrollment in CSP:

(1) Land enrolled in the Conservation Reserve Program, the Wetlands Reserve Program, or the Grassland Reserve Program; and

(2) Public land including land owned by a Federal, State, or Local unit of government.

Land referred to above may not receive CSP payments, but the conservation work on this land may be used to determine if an applicant meets eligibility criteria for the agricultural operation and may be described in the Conservation Stewardship Plan.

Land Not Eligible for Any Payment Component in CSP

Land that is used for crop production after May 13, 2002, that had not been planted, considered to be planted, or devoted to crop production, as determined by NRCS, for at least 4 of the 6 years preceding May 13, 2002, is not eligible for any payment component in CSP.

Conservation Standards for Tier I and Tier II

The following conservation standards apply for Tier I and Tier II:

1. The minimum level of treatment on cropland:

i. The minimum level of treatment for soil quality on cropland is considered achieved when the Soil Conditioning Index is positive; and

ii. The minimum level of treatment for water quality on cropland is considered achieved if the benchmark inventory indicates that the current level of treatment addresses the risks that nutrients, pesticides, sediment, and salinity present to water quality by meeting or exceeding the quality criteria for the specific resource concerns of nutrients, pesticides, sediment and salinity for surface water and nutrients, pesticides and salinity for ground water, if applicable.

2. The minimum level of treatment on pastureland and rangelands for Tier I and Tier II is vegetation and animal management, which enhances the soil resource by following a grazing

management plan that provides for: a forage-animal balance, proper livestock distribution, timing of use, and managing livestock access to water courses.

Conservation Standards for Tier III

The minimum level of treatment for Tier III on any eligible landuse is:

1. Assuring all that riparian corridors, including streams and natural drainages, within the agricultural operation are buffered to restore, protect, or enhance riparian resources. Riparian corridors, as appropriate, will be managed or designed to intercept sediment, nutrients, pesticides, and other materials in surface runoff; reduce nutrients and other pollutants in shallow subsurface water flow; lower water temperature; and provide litter fall or structural components for habitat complexity or to slow out-of-bank floods; and

2. Meeting the quality criteria for the local NRCS FOTG for all existing resource concerns with these exceptions:

(A) The minimum requirement for soil quality on cropland is considered achieved when the Soil Conditioning Index value is positive;

(B) The minimum requirement for water quantity - irrigation water management on cropland or pastureland is considered achieved when the current level of treatment and management for the system results in a water use index value of at least 50; and

(C) The minimum requirement for wildlife is considered achieved when the current level of treatment and management for the system results in an index value of at least 0.5 of the habitat potential using a general or species specific habitat assessment guide.

CSP Contract Payments and Limits

CSP contract payments include one or more of the following components subject to the described limits:

- An annual per acre stewardship component for the benchmark conservation treatment. This component is calculated separately for each land use by multiplying the number of acres times the tier factor (0.05 for Tier I, 0.10 for Tier II, and 0.15 for Tier III) times the stewardship payment rate established for the watershed times the tier reduction factor (0.25 for Tier I and 0.50 for Tier II, and 0.75 for Tier III).
- An annual existing practice component for maintaining existing conservation practices. Existing practice payments will be calculated as a flat rate of 25 percent of the stewardship payment.
- A new practice component for additional practices on the watershed specific list. New practice payments for limited resource farmers and beginning farmers will be made at not more than 65 percent cost-share rate. New practice payments for all other contracts will be made at not more than a 50 percent cost-share rate. All new practice payments are limited to a \$10,000 cumulative total for the contract.
- An annual enhancement component for exceptional conservation effort and additional conservation practices or activities that provide increased resource benefits beyond the required conservation standard noted above. This payment will be calculated at a variable payment rate for enhancement activities that are part of the benchmark inventory. The annual enhancement payment for the first contract year for the enhancements documented in the benchmark inventory will be calculated at a rate initiating at 150 percent for the 2005 contract year and then at a declining rate for the remainder of the contract of 90 percent for 2006, 70 percent for 2007, 50 percent for 2008, 30 percent for 2009, 10 percent for 2010 and zero after 2010. This is intended to provide contract capacity to add additional enhancements in the out-years and to encourage participants to make continuous improvements to their operation. In order to maintain the same

level of payment over the life of the contract, the participant may add additional enhancement activities of their choice in later years. The additional enhancements will be paid at a flat rate of 100 percent. The total of all enhancement payments in any one year will not exceed \$13,750 for Tier I, \$21,875 for Tier II, and \$28,125 for Tier III annually. The NRCS Chief may allow for special enhancements for producer-based studies and assessments on a case-by-case watershed basis.

- An advance enhancement payment is available in the FY 2005 sign-up. The advance enhancement payment is available to contracts with an initial enhancement payment as determined in the benchmark inventory and interview. The advance enhancement payment would shift a portion of that annual enhancement payment amount into the first-year payment and deduct it from the following years' payments.

Tier I contracts are for a five-year duration. Tier II and Tier III contracts are for a five- to 10-year duration at the option of the participant. Participants who move from Tier I to Tier II or III may increase their contract length to up to ten years from the original contract date.

Total annual maximum contract payment limits are \$20,000 for Tier I, \$35,000 for Tier II, and \$45,000 for Tier III, including any advance enhancement payment.

The payment components are tailored for the selected watersheds. For more details, call or visit the local USDA Service Center, or view on the Web at

http://www.nrcs.usda.gov/programs/csp/2005_CSP_WS/index.html.

Enhancement Components Available in This Sign-up

The following are the enhancement components available this sign-up:

1. Additional conservation treatment above the quality criteria for soil quality, nutrient management, pest management, irrigation water management, grazing, air and energy

management; and

2. Addressing locally identified conservation needs shown on the watershed specific enhancement lists.

The payment components are tailored for the selected watersheds. For more details, call or visit the local USDA Service Center, or view on the Web at

http://www.nrcs.usda.gov/programs/csp/2005_CSP_WS/index.html.

The Administration budget projects that between 12,000 and 13,000 contracts will be available under this sign-up, with roughly 45 percent of those in Tier I, 45 percent in Tier II, and 10 percent in Tier III.

CSP Enrollment Categories and Subcategories

Technical adjustments to the enrollment categories were made based on field testing of the criteria published in a previous notice. This notice provides updated enrollment category criteria.

The CSP will fund the enrollment categories A through E in alphabetical order (Attachment #1). If an enrollment category cannot be completely funded, then subcategories will be funded in the following order:

1. Applicant is a limited resource producer;
2. Applicant is a participant in an on-going monitoring program;
3. Agricultural operation in a designated water conservation area or aquifer zone;
4. Agricultural operation in a designated drought area;
5. Agricultural operation in a designated water quality area, such as designated watersheds with Total Maximum Daily Loading (TMDL) limits with a priority on pesticides;
6. Agricultural operation in a designated water quality area, such as designated watersheds

- with TMDL limits with a priority on nutrients;
7. Agricultural operation in a designated water quality area, such as designated watersheds with TMDL limits with a priority on sediment;
 8. Agricultural operation in a designated non-attainment area for air quality or other local or regionally designated air quality zones;
 9. Agricultural operation in a designated area for threatened and endangered species habitat creation and protection;
 10. Participating in an ongoing watersheds plan or conservation project;
 11. Agricultural operation is intermingled with public land where there is no way to distinguish the public from the private land for management purposes; and
 12. Other applications.

Designated means “officially assigned a priority by a Federal, State, or local unit of government” prior to this notice. If a subcategory cannot be fully funded, applicants will be offered the FY 2005 CSP contract payment on a prorated basis.

Signed in Washington, DC, on March 18, 2005.

BRUCE I. KNIGHT

Vice President, Commodity Credit Corporation

Chief

Natural Resources Conservation Service

2005 CSP Enrollment Categories – Criteria by Land Use and Category

Cropland <small>(row crops, closely grown crops, hay or pasture in rotation with row or closely grown crops, orchards, vineyards, horticultural crops, and permanent hayland)</small>	Category	Criteria	
		Soil Conditioning Index	Stewardship Practices and Activities (from list below) in place for at least two years.
	A	SCI of ≥ 0.30 <u>or</u> STIR rating of ≤ 15	at least 2 unique practices or activities from each area of Soil Quality, Water Quality, and Wildlife Habitat
	B	SCI of ≥ 0.20 <u>or</u> STIR rating of ≤ 30	at least 1 unique practice or activities from each area of Soil Quality, Water Quality, and Wildlife Habitat, and one additional practice from any of the areas
	C	SCI of ≥ 0.10 <u>or</u> STIR rating of ≤ 60	at least 1 unique practice or activity from each area of Soil Quality, Water Quality and Wildlife Habitat
	D	SCI of ≥ 0.10 <u>or</u> STIR rating of ≤ 100	at least 2 unique practices or activities from any of the areas
E	* Must meet minimum program eligibility requirements as defined in 7CFR1469		

Pasture	Category	Criteria	
		Pasture Condition Score	Stewardship Practices and Activities (from list below) in place for at least two years.
	A	at least 45	at least 2 unique practices or activities from each area of Soil Quality and Water Quality, and 1 from Wildlife Habitat
	B	at least 40	at least 1 unique practice or activities from each area of Soil Quality, Water Quality, and Wildlife Habitat, and one additional practice from any of the areas
	C	at least 35	at least 1 unique practice or activity from each area of Soil Quality, Water Quality and Wildlife Habitat
	D	at least 35	at least 2 unique practices or activities from any of the areas
E	* Must meet minimum program eligibility requirements as defined in 7CFR1469		

Range	Category	Criteria	
		Rangeland Health	Stewardship Practices and Activities (from list below) in place for at least two years.
	A	none to slight for all 3 attributes	Prescribed Grazing plus at least 1 unique practice or activity from each area of Soil Quality, Water Quality and Wildlife Habitat
	B	none to slight for 2 attributes and slight to moderate for 1 attribute	Prescribed Grazing plus at least 1 unique practice or activity from any 2 of the following areas of Soil Quality, Water Quality and Wildlife Habitat
	C	none to slight for 1 attribute and slight to moderate for 2 attributes	Prescribed Grazing plus at least 1 unique practice or activity from any 2 of the following areas of Soil Quality, Water Quality and Wildlife Habitat
	D	slight to moderate or higher for 2 attributes and slight to moderate or moderate to extreme for 1 attribute	Prescribed Grazing plus at least 1 unique practice or activity from any of the following areas of Soil Quality, Water Quality and Wildlife Habitat
E	* Must meet minimum program eligibility requirements as defined in 7CFR1469		

2005 CSP Enrollment Categories – Criteria by Land Use and Category

Cropland Soil Quality – Stewardship Practice and Activity List for Soil Quality

- **Conservation crop rotation** expanded with increased amount of sod or perennial crops in rotation for a minimum of 2 years; or a high biomass crop every other year, or annual cover crop, or a combination of crops that match soil water storage with crop water use needs.
- **Residue management** system with no-till or strip tillage systems to maintain plant residues on the soil surface year-round.
- **Contour orchards and other fruit areas** with cultural operations for vineyards, or minor crops performed on the contour.
- **Cover crops** of grasses, legumes, forbs, or other herbaceous plants established for seasonal cover, or with chipping residue in orchards, vineyards, or minor crops systems.
- **Nutrient management** with soil test and/or plant tissue test on annual basis to meet crop needs.
- **Crop management** with use of certified crop consultants to monitor need for herbicide and pesticide applications.
- **Soil salinity management** on irrigated cropland with soil amendments such as polyacrylamide (PAM) or gypsum.
- **Contour buffer strips** with permanent, herbaceous vegetative cover established across the slope and alternated down the slope with parallel, wider cropped strips.
- **Filter strip** of herbaceous vegetation situated between cropland, grazing land, or forestland and environmentally sensitive areas.
- **Field borders** with a strip of permanent vegetation established at the edge or around the perimeter of a field.
- **Grassed waterway** that is shaped or graded to required dimensions and established with suitable vegetation.
- **Alley cropping** with trees or shrubs planted in single or multiple rows with agronomic, horticultural crops or forages produced between rows of woody plants.
- **Stripcropping** with row crops, forages, small grains, or fallow in alternating across a field.
- **Riparian forest buffer** of trees and/or shrubs located adjacent to and up-gradient from watercourses or water bodies.
- **Riparian herbaceous cover** consisting of grasses, grass-like plants and forbs.
- **Windbreak and shelterbelt establishment** of single or multiple rows of trees or shrubs.
- **Hedgerow planting** with the establishment of dense vegetation.
- **Herbaceous wind barriers** with vegetation established in rows or narrow strips across the prevailing wind direction.
- **Cross wind trap strips** with herbaceous cover resistant to wind erosion.
- **Pasture and hayland plantings** for establishing native or introduced forage species.
- **Forage harvest management** for improved ground cover, protection from soil erosion and to improve soil characteristics.

2005 CSP Enrollment Categories – Criteria by Land Use and Category

Cropland Water Quality – Stewardship Practice and Activity List for Water Quality

Cropland WQ - PERMANENT VEGETATION PRACTICES AND ACTIVITIES

- **Cover crops** of grasses, legumes, forbs, or other herbaceous plants established for seasonal cover.
- **Contour buffer strips** with permanent, herbaceous vegetative cover established across the slope and alternated down the slope with parallel, wider cropped strips.
- **Water control structures** to catch, manage and properly use water applications.
- **Critical area planting** that establishes permanent vegetation on sites with high erosion rates, and physical, chemical or biological conditions that prevent the establishment of vegetation with normal practices.
- **Field borders** with a strip of permanent vegetation established at the edge or around the perimeter of a field.
- **Filter strip** with herbaceous vegetation between cropland, grazing land, or forestland and environmentally sensitive areas.
- **Hedgerow planting** of dense vegetation in a linear design.
- **Pasture and hayland planting** to provide increased sod or perennial crops in rotation for a minimum of 2 years
- **Riparian forest buffer** of trees and/or shrubs located adjacent to and up-gradient from watercourses or water bodies.
- **Riparian herbaceous cover** consisting of grasses, grass-like plants and forbs.
- **Grassed waterway** that is shaped or graded to required dimensions and established with suitable vegetation.

Cropland WQ - WATER MANAGEMENT PRACTICES AND ACTIVITIES

- **Sediment basins** to collect and store debris or sediment.
- **Soil salinity management** on irrigated cropland with soil amendments such as polyacrylamide (PAM) or gypsum.
- **Water and sediment control basins** to trap sediment and detain water.
- **Wetland enhancement** to increase function and values.
- **Wetland restoration and rehabilitation** of a drained or degraded wetland to restore natural condition.
- **Irrigation system with micro-irrigation** for distribution of water directly to the plant root zone.
- **Irrigation system with MESA, LIPC, LEPA** or similar high efficiency irrigation system to supply crop needs that matches water application to crops, soils and topography.
- **Irrigation water management** by determining and controlling the volume, frequency, and application rate of irrigation water, and
 - Improved system efficiency by evaluations and adjustment.
 - Use of data from on-farm weather station.
 - Use of tensiometers or other techniques to assess and improve irrigation water management.
- **Crop rotation and selection** to minimize the use of irrigation by planting alternative crops with reduced water needs.
- **Drainage water management** through seasonal on-farm water storage and retention.
- **Irrigation with a tailwater return system** which utilizes the collection, storage, and transportation of irrigation tailwater for reuse.

Cropland WQ - PEST MANAGEMENT PRACTICES AND ACTIVITIES

- **Pest management** activities, including:
 - Spot spraying activities and other control of noxious/invasive weeds.
 - Minimize pesticide use by selecting plant varieties to minimize the application of pesticides
 - Use a risk assessment tool such as WINPST to select the least toxic pesticides and herbicides to minimize harmful environmental effects.
 - Use local guidelines to set economic thresholds for pests to minimize use of pesticides and herbicides.
 - Use beneficial insects.

Cropland WQ - NUTRIENT MANAGEMENT PRACTICES AND ACTIVITIES

- **Nutrient management** activities, including:
 - Precise nutrient application of such as - banding, side dressing, injection, fertigation.
 - Split nitrogen application to meet crop needs.
 - Test soil and/or plant tissue annually.
 - Use yield monitoring data to determine nutrient needs.
 - Waste utilization to control pathogen and organic runoff.
 - Feed management and additives.

2005 CSP Enrollment Categories – Criteria by Land Use and Category

Cropland Wildlife Habitat - Stewardship Practice and Activity List for Wildlife Habitat (Activities to improve fish and wildlife habitat)

- **Conservation crop rotation** with increased amount of sod or perennial crops in rotation for a minimum of 2 years.
- **Cover crops** of grasses, legumes, forbs, or other herbaceous plants established for seasonal cover.
- **Critical area planting** that establishes permanent vegetation on sites with high erosion rates, and other conditions that prevent the establishment of vegetation with normal practices.
- **Pest management** by:
 - Spot spraying activities and other control of noxious/invasive weeds.
 - Minimize pesticide use by selecting plant varieties to minimize the application of pesticides.
 - Use a risk assessment tool such as WINPST or others to select the least toxic pesticides and herbicides to minimize harmful environmental effects.
 - Use of beneficial insects
- **Pasture and hay plantings** by establishing native or introduced forage species.
- **Forage harvest management** with timely cutting and removal of forages from the field as hay, green-chop or ensilage, or by mowing crops from center of field outward
- **Wildlife habitat management** in approved management plan or Private Lands Agreement that meets the needs for food, cover or water for targeted species.
- **Wetland restoration and rehabilitation** of a drained or degraded wetland to restore wetland functions and values.
- **Wetland enhancement** to increase function and values.
- **Drainage water management** with control of water surface elevations and discharge from surface and subsurface drainage systems.
- **Shallow water development** to provide open water on fields and moist soil areas to facilitate waterfowl resting and feeding and provide habitat for reptiles, amphibians and other aquatic species.
- **Stream habitat management** activities to maintain, improve, or restore physical, chemical and biological functions of a stream.
- **Wildlife habitat management** by winter flooding of cropland fields for species in need of conservation.
- **Windbreak and shelterbelt establishment** of single or multiple rows of trees or shrubs.
- **Hedgerow planting** of dense heterogeneous vegetation in a linear design.
- **Field borders** with permanent vegetation at the edge or around the perimeter of a field for wildlife.
- **Riparian forest buffer** of trees and/or shrubs located adjacent to and up-gradient from watercourses or water bodies.
- **Riparian herbaceous cover** consisting of grasses, grass-like plants and forbs.
- **Drainage water management** through seasonal on-farm water storage and retention.

2005 CSP Enrollment Categories – Criteria by Land Use and Category

Grazing Lands: Stewardship Practice and Activity List for Plant Health and Soil Quality (Activities to improve soil quality or the health of the plant community)

- **Brush management** for removal, reduction or manipulation of non-herbaceous plants.
- **Pasture and hay plantings** by establishing permanent vegetative cover.
- **Range planting** to establish adapted perennial vegetation.
- **Prescribed burning** by applying controlled fire to a predetermined area.
- **Grassed waterway** that is shaped or graded to required dimensions and established with suitable vegetation.
- **Grazing land mechanical treatment** modifying physical soil and/or plant conditions.
- **Channel bank stabilization** by establishing and maintaining vegetation.
- **Soil salinity management** on non-irrigated grazing lands.
- **Prescribed grazing management** including:
 - Bottomland or riparian area treated as a separate grazing treatment unit and alternative watering facilities in place.
 - Grazing distribution facilitated by managing watering locations and rotating feeding and salting areas.
 - Use of decision support tools in development of grazing and/or animal management plans, such as Grazing Lands Spatial Analysis Tool (GSAT), Nutritional Balance Analyzer (NUTBAL), etc.
 - Participating in grass-banking or stockpiling.
 - Application of monitoring plan for improved grazing management.
- **Riparian herbaceous cover** improvements with cover consisting of grasses, grass-like plants and forbs.
- **Nutrient management** with soil and/or plant tissue test every 3 years on pastures not receiving confinement wastes or annual tests where confinement wastes are applied.
- **Irrigation water management** properly determining and controlling the volume, frequency, and application rate of irrigation water in a planned, efficient manner.
- **Heavy use area protection** and stabilization by establishing vegetative cover, surfacing with suitable materials, and/or installing needed structures.

2005 CSP Enrollment Categories – Criteria by Land Use and Category

Grazing Lands: Stewardship Practice and Activity List for Water Quality

- **Prescribed grazing management** by use of decision support tools in development of grazing and/or animal management plans, such as Grazing Lands Spatial Analysis Tool (GSAT), Nutritional Balance Analyzer (NUTBAL), etc., or application of monitoring plan.
- **Brush management** for removal, reduction or manipulation of non-herbaceous plants.
- **Water well** constructed to access aquifers.
- **Watering facility** for providing animal access to water.
- **Critical area planting** that establishes permanent vegetation on sites with high erosion rates, and physical, chemical or biological conditions that prevent the establishment of vegetation with normal practices.
- **Fence** (sensitive area protection only) to control movement of animals and people.
- **Spring development** that provides water for a conservation need.
- **Pipeline** installed to convey water for livestock, wildlife, or recreation
- **Nutrient management** by:
 - Soil and/or plant tissue test every 3 years on pastures not receiving confinement wastes or annual tests where confinement wastes are applied.
 - Direct injection of animal wastes.
 - Split nitrogen applications to meet current crop needs
- **Integrated pest management** to control weeds, brush, insects, or diseases.
- **Stream crossing** constructed to provide a travel way for people, livestock, equipment, or vehicles.
- **Stream habitat management** activities to maintain, improve, or restore physical, chemical and biological functions of a stream.
- **Streambank and shoreline protection** treatments to stabilize and protect banks of streams, constructed channels, shorelines of lakes, reservoirs, or estuaries.
- **Water and sediment control basins** to trap sediment and detain water.
- **Livestock watering areas** have controlled access.
- **Riparian herbaceous cover** improvements with additions of grasses, grass-like plants and forbs.
- **Wetland enhancement** to increase function and values.
- **Wetland restoration and rehabilitation** of a drained or degraded wetland to restore natural condition.
- **Waste utilization** to control pathogen and organic runoff.

CSP Enrollment Categories – Criteria by Resource Concern

Grazing Lands: Stewardship Practice and Activity List for Wildlife Habitat (Activities to improve fish and wildlife habitat)

- **Channel bank stabilization** by establishing and maintaining vegetation.
- **Critical area planting** that establishes permanent vegetation on sites with high erosion rates, physical, chemical or biological conditions that prevent the establishment of vegetation with normal practices.
- **Heavy use area protection** and stabilization by establishing vegetative cover, surfacing with suitable materials, and/or installing needed structures.
- **Pasture and hay plantings** of native or introduced forage species.
- **Prescribed burning** by applying controlled fire to a predetermined area.
- **Riparian herbaceous cover** improvements with additions of grasses, grass-like plants and forbs.
- **Spring development** that provides water during critical times.
- **Stream habitat improvement** and management activities to maintain, improve, or restore physical, chemical and biological functions of a stream.
- **Streambank and shoreline protection** treatments to stabilize and protect banks of streams, constructed channels, shorelines of lakes, reservoirs, or estuaries.
- **Water well** constructed to access aquifers.
- **Watering facility** for providing animal access to water.
- **Wetland enhancement** to increase function and values.
- **Wetland restoration and rehabilitation** of a drained or degraded wetland to restore functions and values.
- **Wildlife watering facility** that meets the needs of targeted species.
- **Wildlife habitat management** by
 - Application of an approved management plan or Private Lands Agreement that meets the needs for food, cover or water for targeted species.
 - Enhance wildlife habitat linkages and corridors by creating a mosaic or pattern.
 - Management that provides for shallow water and wetland wildlife habitat improvement.
- **Prescribed grazing management** that:
 - Adds functional group pastures to improve pasture condition. I
 - Interseeding of desirable forages and legumes
 - Timed grazing on a portion of paddocks to create habitat for targeted species.
 - Increased plant diversity - forbs and legumes greater than 40%.
 - Patch burn/graze to improve wildlife habitat diversity and cover.
- **Integrated pest management** activities for weeds, brush, insects, or diseases that include follow-up treatment.
 - **Brush management** for removal, reduction or manipulation of non-herbaceous plants.
 - **Range planting** to establishment of adapted perennial vegetation

518.135 Agricultural Operation Delineation Examples

Example #1: Producer A owns 1,000 acres of eligible private agricultural land. Producer A is also the operator of these 1,000 acres. Producer A must, **at a minimum**, identify all of these owned acres as a part of their agricultural operation.

Producer A also leases another 2,000 acres of eligible private agricultural land from producer B. The lease agreement is based upon cash rent. In this case, producer B is not eligible to sign up the 2,000 acres as the applicant, since they do not share in the risk of producing the agricultural commodities. However, producer B can be included in the conservation stewardship contract as a participant and the percentage of the payment that each would receive would be determined by producer A and B.

In this same example, if the lease agreement was on a share basis, it would need to be determined if producer A has the control or producer B has the control. If producer A has the control, the 2,000 acres of leased land would need to be included with producer A's 1,000 owned acres. If producer B has the control, the 2,000 acres would be included in their own agricultural operation and they would be eligible to apply for CSP.

Example #2: Producer A owns 1,000 acres of eligible private agricultural land and also leases 3,000 acres of state and federal land. Producer A has control over the state and federal land. Producer A must include the 3,000 acres of state and federal land in their agricultural operation and are responsible for those acres meeting all appropriate program eligibility, as applicable, even though those acres themselves are not eligible to receive a payment.

In this same example, if producer A does not have control over the 3,000 acres of state and federal land, those acres will not be part of their agricultural operation.

Example #3: A Native American Indian tribe wants to enroll 4,000 acres into CSP. The tribe owns these acres and has control of these acres. The tribe is eligible to be the applicant and apply for these acres in CSP. Keep in mind the contractual limits and the fact that each program participant will only receive payments from one conservation stewardship contract. However, the Chief may make exceptions for land allotted by the BIA, Tribal lands, or other instances of communal lands in which the Chief determines that it is impractical for all allotted lands held in trust to be enrolled as one contract.

Example #4: Producer A owns 1,000 acres of eligible private agricultural land within an approved watershed. Producer A applies for and receives a conservation stewardship contract upon those acres. Producer A is also a part of partnership B.

Partnership B is eligible to apply for CSP because it is a unique business entity. Applicants that are entities must file a single application for the joint operation or organization.

Example #5: Producer C cash rents 5,000 acres of land that is all under one USDA farm number with the landlord. Producer C has control of the entire 5,000 acres. The 5,000 acres is made up of several different landuses captured under several different tract numbers. Producer C can meet Tier III on all the cropland acres, but can only meet the minimum level of treatment on the rangeland acres. Producer C can not ignore the rangeland acres. The whole USDA farm must be considered a part of the agricultural operation; therefore the

applicant could only be eligible for Tier II if they agree to address another locally significant resource concern applicable to their watershed to be completed by the end of the contract period.

In this same example, if there was a specific tract within the USDA farm that had a separate landowner/operator relationship and producer C did not have control of that specific tract, that tract's acreage will be left out of the agricultural operation.

In this same example, if producer C operated 2,000 of the 5,000 acres as cropland and only had control of those acres and producer D operated the other 3,000 acres as rangeland and only had control of those acres, each producer would include the appropriate acreage under their own agricultural operation.

Example #6: Producer E cash rents 6,000 acres of cropland and has control of all 6,000 acres. 4,000 of the acres are located in the United States and 2,000 of the acres are in Canada.

Producer E must include the 2,000 acres of Canadian land in their agricultural operation and are responsible for those acres meeting all appropriate program eligibility, as applicable, even though those acres themselves are not eligible to receive a payment.

518.136 Cost-List Example

Practice_Name	Component	Unit Type	Unit Cost - \$	Cost Type	Share Rate
ENHANCEMENT ACTIVITIES					
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 1 - 0.1. Job Sheet S-1.	AC	1.16	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 2 - 0.2. Job Sheet S-1.	AC	2.32	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 3 - 0.3. Job Sheet S-1.	AC	3.48	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 4 - 0.4. Job Sheet S-1.	AC	4.64	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 5 - 0.5. Job Sheet S-1.	AC	5.80	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 6 - 0.7. Job Sheet S-1.	AC	8.12	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 7 - 0.9. Job Sheet S-1.	AC	10.44	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 8 - 1.2. Job Sheet S-1.	AC	13.92	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 9 - 1.5. Job Sheet S-1.	AC	17.40	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 10 - 2.0. Job Sheet S-1.	AC	23.20	FR	100
Soil Mgmt. Enhancement	Soil Conditioning Index (SCI) Level 11 - 2.5 plus. Job Sheet S-1.	AC	29.00	FR	100
Nutrient Mgmt. Enhancement	Precision agriculture grid sampling and application for N, P based on 5 ac or less grid size. Job Sheet N-10.	AC	7.00	FR	100
Nutrient Mgmt. Enhancement	Precision agriculture grid sampling and application based on 20 ac or less grid size for N, 5 ac or less for P. Job Sheet N-11.	AC	5.00	FR	100
Nutrient Mgmt. Enhancement	N, P sampling and applications based on 20 ac or less soil sample areas. Job Sheet N-12.	AC	4.00	FR	100
Nutrient Mgmt. Enhancement	N, P sampling and application based on 40 ac or less soil sample areas. Job Sheet N-13.	AC	2.00	FR	100

Irrigation Enhancement	Irrigation Enhancement Index Level 1 - 60 - 64%. Job Sheet I -1.	AC	1.80	FR	100
Irrigation Enhancement	Irrigation Enhancement Index Level 2 - 65 - 69%. Job Sheet I -1.	AC	3.60	FR	100
Irrigation Enhancement	Irrigation Enhancement Index Level 3 - 70 - 74%. Job Sheet I -1.	AC	5.40	FR	100
Irrigation Enhancement	Irrigation Enhancement Index Level 4 - 75 - 79%. Job Sheet I -1.	AC	7.20	FR	100
Irrigation Enhancement	Irrigation Enhancement Index Level 5 - 80 - 84%. Job Sheet I -1.	AC	9.00	FR	100
Irrigation Enhancement	Irrigation Enhancement Index Level 6 - 85% plus. Job Sheet I -1.	AC	10.80	FR	100
Grazing Mgmt. Enhancement	Adjust grazing management on range and/or pasture according to Nutritional Balance Analyzer (NUTBAL) or other similar tool to improve forage resource. Job Sheet G-5.	AC	1.00	FR	100
Grazing Mgmt. Enhancement	Riparian and environmentally sensitive areas will be treated as separate management units with separate/alternate watering sources outside the area or have controlled access with armoring. Job Sheet G-2.	AC	2.00	FR	100
Grazing Mgmt. Enhancement	Utilize a rest rotation grazing management system to forgo the use of one pasture on an annual basis. Job Sheet G-3.	AC	1.00	FR	100
Grazing Mgmt. Enhancement	Utilize a high intensity/low frequency grazing management system to maximize forage production utilization. Job Sheet G-3.	AC	2.00	FR	100
Habitat Mgmt. Enhancement	Prescribed grazing that emphasizes wildlife habitat requirements will be used to achieve the composition, percent, and height of desired vegetation for wildlife. Job Sheet H-2.	AC	1.00	FR	100
Habitat Mgmt. Enhancement	Maintain perennial vegetation, buffers, in and around wet areas, intermittent, and perennial streams within cropped fields to improve nesting, escape, and thermal cover for a variety of wetland animals (e.g., bittern, rail, and waterfowl). Job Sheet H-3.	AC	25.00	FR	100
Habitat Mgmt. Enhancement	Leave a minimum of 10% of grain or hay crops unharvested until April 1st to provide an alternative food source for wildlife. Job Sheet H-4.	AC	50.00	FR	100

Habitat Mgmt. Enhancement	Maintain forbs and/or shrubby vegetation within 1/4 mile distance of riparian habitat that provides 50% canopy cover for wildlife. Job Sheet H-5.	AC	5.00	FR	100
Habitat Mgmt. Enhancement	Conduct haying activities in a manner that minimizes wildlife mortality & allows nesting success. Job Sheet H-6.	AC	2.00	FR	100
Air Res. Mgmt. Enhancement	Implement continuous no-till, strip-till, or direct seed system with STIR < 10 to reduce potential for wind borne sediments. Job sheet A-1.	AC	3.00	FR	100
Air Res. Mgmt. Enhancement	Incorporate or inject organic waste 2 inches or more below soil surface to reduce odor problems. Job Sheet A-2.	AC	5.00	FR	100
Air Res. Mgmt. Enhancement	Use stripcropping, perennial or annual trap strips during critical wind erosion periods to reduce or control wind borne sediments caused by wind erosion. Job Sheet A-3.	AC	1.00	FR	100
Energy Mgmt Enhancement	Energy audit of agriculture operations. Job Sheet E-1.	EA	500.00	FR	100
Energy Mgmt Enhancement	Apply fertilizer at or below agronomic rate. Job Sheet E-2.	AC	0.70	FR	100
Energy Mgmt Enhancement	STIR rating less than 60. Job Sheet E-3.	AC	0.50	FR	100
Energy Mgmt Enhancement	STIR rating less than 20. Job Sheet E-3.	AC	0.70	FR	100
Energy Mgmt Enhancement	STIR rating less than 10. Job Sheet E-3.	AC	0.90	FR	100
Energy Mgmt Enhancement	Renewable energy fuel (soy biodiesel, ethanol); 100-500. Job Sheet E-4.	GAL	125.00	FR	100
Energy Mgmt Enhancement	Renewable energy fuel (soy biodiesel, ethanol); 501-1,000. Job Sheet E-4.	GAL	125.00	FR	100
Energy Mgmt Enhancement	90% use of manures and/or legumes to supply crop nutrient needs. Job Sheet E-5.	AC	1.10	FR	100
Energy Mgmt Enhancement	Recycle 100% of on-farm lubricants. Job Sheet E-6.	EA	200.00	FR	100
Energy Mgmt Enhancement	Renewable energy generation (wind, solar, geothermal & methane). Job Sheet E-7.	Per 100 kWh	2.50	FR	100
Energy Mgmt Enhancement	5% energy use reduction. Job Sheet E-8.	Total BTU's	150.00	FR	100
Energy Mgmt Enhancement	10% energy use reduction. Job Sheet E-8.	Total BTU's	250.00	FR	100

Energy Mgmt Enhancement	20% energy use reduction. Job Sheet E-8.	Total BTU's	500.00	FR	100
NEW PRACTICES					
CONTOUR BUFFER STRIPS	Establishment	Ac.	65.00	AC	50
CONTOUR STRIPCROPPING	Establishment	Ac.	15.00	AC	50
CRITICAL AREA PLANTING (limited to ephemeral and classic gullies)	Establishment	Ac.	100.00	AC	50
PASTURE AND HAYLAND PLANTING (for conversion)	Establishment	Ac.	55.00	AC	50
PIPELINE (limited to grazing lands only)	Installation	Ft.	1.20	AC	50
RANGE PLANTING	Establishment	Ac.	65.00	AC	50
SPRING DEVELOPMENT	Installation	No.	2,270.00	AC	50
FENCE (limited to cross fencing, use exclusion - ponds, wetlands, riparian areas, field windbreaks)	Installation	Ft.	1.40	AC	50
RESTORATION MANAGEMENT OF DECLINING HABITATS	Establishment	Ac.	100.00	AC	50
TREE/SHRUB ESTABLISHMENT	Establishment	Ac.	250.00	AC	50
WATERING FACILITY	Installation	No.	1,500.00	AC	50
WELL	Installation	No.	2,000.00	AC	50

CCC-1200 1/2005	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION		1. State & County Code	
CONSERVATION PROGRAM APPLICATION/CONTRACT			2. Agriculture Operation Identifier(s):	
			3. Contract Number	
			4. Primary Fund Code:	
THIS is an APPLICATION to participate in the:			5. HUA Number:	
7. PROGRAM (Check One)			6. Total Treated Acres:	
a. Agricultural Management Assistance Program (AMA)			b. Conservation Security Program (CSP)	
			c. Environmental Quality Incentives Program (EQIP)	
I _____ certify that I have: I am a: <input type="checkbox"/> LIMITED RESOURCE PRODUCER (EQIP, CSP);				
<input type="checkbox"/> BEGINNING FARMER/RANCHER (EQIP, CSP), and meet the requirements therein as per the following guidelines:				
Limited Resource Farmer or Rancher: (a) Has direct or indirect gross farm sales not more than \$100,000 in each on the previous two years (to be increased starting in FY 2004 to adjust for inflation using Prices Paid By Farmers Index as compiled by NASS), and (b) Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income (to be determined annually using Commerce Department Data), in each of the previous two years. (c) An entity or joint operation can be a Limited Resource Producer if all individual members qualify as a Limited Resource Producer.		Beginning Farmer or Rancher: (a) Has not operated a farm or ranch, or has operated a farm or ranch for not more than 10 consecutive years (this requirement applies to all members of an entity) and (b) Will materially and substantially participate in the operation of the farm or ranch. (i) In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located. (ii) In the case of a contract made with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.		
NOTE: All applicants that certify eligibility as a Limited Resource Farmer or Rancher or Beginner Farmer or Rancher will provide all records necessary to justify their claim as requested by the Commodity Credit Corporation (CCC) representative. It is the responsibility of the Applicant to provide accurate data. False certifications are subject to criminal and civil fraud statues.				
The Applicant agrees to participate in the identified program for the farm identified above if the offer is accepted by the Commodity Credit Corporation (CCC). The applicant understands that starting a practice prior to CCC approval causes the practice to be ineligible for program financial assistance. The applicant agrees to obtain the landowners signature on the contract. By signing this application, the Applicant acknowledges receipt of the following forms: CCC-1200, the CCC-1200 appendix and any addenda thereto, which are incorporated by reference herein and made a part of the contract. Once the offer is accepted by the CCC, the Applicant becomes a 'PARTICIPANT'.				
Signature			Date	

9. This is a contract under the above identified program.

THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (referred to as "Owner, "Operator", & "Tenant"; respectively) on the farm identified above. The undersigned person or persons shall hereafter be referred to as "the Participant". The Participant or Applicant agrees to participate in the program designated in Section 7 from the date the Contract is executed by CCC to this contract expiration date in Section 9. The Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the appendix to this Contract, entitled "Appendix to Form CCC-1200 "for the applicable program (referred to as " Appendix)", and any other addenda thereto.

CCC-1200 1/2005	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION	1. State & County Code	
		2. Agriculture Operation Identifier(s):	
CONSERVATION PROGRAM APPLICATION/CONTRACT		3. Contract Number:	
		4. Primary Fund Code:	
		5. HUA Number:	
		6. Total Treated Acres:	

2. AGRICULTURE OPERATION IDENTIFIER (S) (Continued):
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9b. AGREEMENT PERIOD

Contract Start Date:

Contract Expiration Date:

NOTE: Contract can expire no earlier than one year after the last scheduled practice is certified completed to standards and specifications.

	TOTAL	20__	20__	20__	20__	20__	20__	20__	20__	20__	20__
Total (FA) Obligations:											
Total TSP (TA):											
Total Contract Obligations:											

10. CONTRACT PARTICIPANTS					
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
11. CCC USE ONLY - Payments according to the shares approved				SIGNATURE OF CCC REPRESENTATIVE	

1/ Joint operation ID, if applicable.

CCC-1200 1/2005	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION	1. State & County Code	
		2. Agriculture Operation Identifier(s):	
		3. Contract Number:	
CONSERVATION PROGRAM APPLICATION/CONTRACT		4. Primary Fund Code:	
		5. HUA Number:	
		6. Total Treated Acres:	

CONTRACT MODIFICATIONS (+/-)

AMOUNT	NRCS INITIAL	DATE	COMMENTS
A.			
B.			
C.			
D.			
E.			
F.			
G.			
H.			
I.			
J.			
K.			
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V.			

PUBLIC BURDEN STATEMENT

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The Valid OMB control number for this information collection is 0578-0013. The time required to complete this information collection is estimated to average 45/0.75 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PRIVACY ACT

The following statement is made in accordance with the Privacy Act of 1974, (5 U.S.C. 552a). The authority for requesting the following information is 7 CFR 1466 (EQIP), 7 CFR 1469 (CSP), Public Law 106-224, Section 133(b), AMA. The information will be used to allow a farmer, rancher, or landowner to apply for conservation benefits under the terms and conditions of the contract. Furnishing the required information is necessary to determine properly the eligible land for the applicable program benefits. Failure to furnish the requested information will result in the applicant being unable to apply for or receive benefits under the applicable programs. This information may be provided to other agencies, IRS, Department of Justice, or other State or Federal Law Enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, (including 18 U.S.C. 286, 287, 371, 641, 651, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729) may also be applicable to the information provided.

USDA NONDISCRIMINATION STATEMENT

"The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer."

CCC-1200 1/2005	U.S. DEPARTMENT OF AGRICULTURE COMMODITY CREDIT CORPORATION	1. State & County Code	
		2. Agriculture Operation Identifier(s):	
CONSERVATION PROGRAM APPLICATION/CONTRACT		3. Contract Number:	
		4. Primary Fund Code:	
		5. HUA Number:	
		6. Total Treated Acres:	

10. CONTRACT PARTICIPANTS, (continued)

NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:
NAME, ADDRESS, and PHONE NUMBER	OW	OP	PAYMENT SHARES (%)	ID NUMBER: 1/ SIGNATURE:	DATE:

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

**APPENDIX TO FORM CCC-1200
CONSERVATION SECURITY PROGRAM CONTRACT**

1 ELIGIBILITY REQUIREMENTS FOR CONSERVATION SECURITY PROGRAM (CSP)

- A** The Participant must complete and file the form AD-1026 and meet the requirements set forth therein, in accordance with the Food Security Act of 1985, as amended. By signing this Conservation Stewardship Contract (Contract), the Participant certifies that the Participant has completed and filed the AD-1026 and meets the requirements set forth in the highly erodible land-wetland conservation (HELC-WC) provisions.
- B** The Participant must complete and file form CCC-526, Income Limitation Certification, and meet the requirements therein. By signing this Contract, the Participant certifies that the Participant has completed and submitted form CCC-526 and meets the requirements therein.
- C** The Participant must have control of the land for this Contract period. By signing this Contract, the Participant certifies that the Participant will control the land subject to this Contract for the terms of this Contract period and shall, upon demand, provide evidence to CCC demonstrating that such Participant will control the land for that period. The Bureau of Indian Affairs (B IA) and Natural Resources Conservation Service (NRCS), will determine Tribal land eligibility.
- D** A Participant shall not be eligible for payments for: (1) practices that are required to meet HELC and WC compliance requirements found in 7 CFR part 12, (2) practices that are included in maintenance agreements (with financial reimbursements for maintenance) that have existed prior to participation, (3) the construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations, (4) the purchase or maintenance of equipment, (5) a non-land based structure that is not integral to a land based practice, or (6) new practices that were applied with cost-share assistance through other USDA cost-share programs.
- E** Land otherwise eligible for the CSP shall not be eligible if the land is publicly owned, enrolled in Conservation Reserve Program, Wetlands Reserve Program, or Grassland Reserve Program, is subject to a deed or other restriction prohibiting the application of the conservation stewardship plan and associated stewardship practices and activities, or where a benefit has or will be obtained from a Federal agency in return for the Participant's agreement not to implement the conservation plan and associated practices on the land during the same time as the land would be enrolled in the CSP. By signing this Contract, the Participant certifies that no such restrictions apply to the subject land.
- F** A Participant is responsible for obtaining the authorities, permits, easements, or other approvals necessary for the implementation, operation, and maintenance of the conservation practices in accordance with applicable laws and regulations. A Participant must comply with all laws and is responsible for all effects or actions resulting from the Participant's performance under this Contract.
- G** The Participant who submitted the CSP application must be entitled to a share in the crop or livestock available for marketing from the applicable agriculture operation to be eligible to participate in CSP.

2 SELECTING OFFERS FROM PRODUCERS

All applications from priority watersheds will be evaluated using enrollment categories based on specific sign-up criteria until funding is exhausted. The CCC-1200 and its appendix is a request to enter into the Conservation Security Program under the terms specified in this Contract.

3 AGREEMENT

The Participant agrees:

- (1) To place eligible land into the CSP for the period of time as specified on the CCC1200 beginning on the date this Contract is executed by CCC;
- (2) Not to start any financially assisted practice or activity or engage the reimbursable services of a certified Technical Service Provider before this Contract is executed by CCC. The Participant may request, in writing, a waiver of this requirement by the NRCS State Conservationist or designee;
- (3) To apply or commence financially assisted practices or activities as agreed to in this Contract. The Participant may request, in writing, a waiver of this requirement and Contract modification from the NRCS State Conservationist or designee;
- (4) To establish conservation practices specified in this conservation stewardship plan and Contract as scheduled and to operate and maintain new or existing practices specified in the conservation stewardship plan for the lifespan identified in this Contract and to comply with the terms and conditions of this Contract and all Federal, State, Tribal and local laws that apply to the conservation stewardship plan for the Participant's entire agricultural operation;
- (5) Not to undertake any action on land under the Participant's control which tends to defeat the purposes of the CSP program, as determined by CCC;
- (6) To discontinue work in the general area of the site and notify NRCS immediately if during the construction of any practice a previously unidentified archeological or historical site is encountered;
- (7) To provide receipts, as necessary, as proof of payments, and to maintain proof of payment documentation for 3 years after the end of the fiscal year in which the practice or activity was completed, and to present this documentation to CCC within 30 days if selected for administrative compliance check;
- (8) To allow access to the land under Contract to the CCC representative for monitoring progress of this Contract;
- (9) To supply records and information as required by CCC to determine compliance with the Contract and requirements of CSP.
- (10) To maintain at least the level of stewardship identified in the benchmark inventory for the entire Contract period, as appropriate, and implement and maintain any new practices or activities required in the contract;
- (11) To modify or update an existing practice, if necessary, to meet minimum Field Office Technical Guide (FOTG) practice standards within a reasonable time, as determined by the State Conservationist, after the date of determination that the practice does not meet the standard, and;
- (12) If applicable, to file a single application for a joint operation.

4 CONSERVATION STEWARDSHIP PLAN

- A** By signing the Contract, the participant agrees:
- (1) That the conservation stewardship plan is hereby incorporated as a part of the Contract; and
 - (2) To implement and maintain the practices as identified and scheduled in the conservation stewardship plan, including those needed to be eligible for the specified tier of participation and comply with any additional sign-up requirements.

5 PAYMENTS

- A** Subject to the availability of funds, CCC will make stewardship, existing practice, new practice or enhancement payments at the rates specified in this Contract after a determination by CCC that an eligible practice or activity has been established in compliance with the conservation stewardship plan of operations and in accordance with appropriate standards and specifications. In order to receive payments, the Participant, upon technical certification of the completed practice or activity, must execute and file with CCC a form CCC-1245, Practice Approval and Payment Application, along with any receipts, as necessary.
- B** In order to be reimbursed for technical services approved under this agreement and performed by a certified Technical Service Provider (TSP) hired by the Participant, a Participant must execute a request for payment in the form CCC-1 245. The Participant must also submit to CCC an invoice from the TSP for the work performed, as well as any documentation CCC may require in order to ensure that the technical services were carried out in accordance with NRCS requirements and specifications.
- It is the Participant's responsibility to ensure that the technical services obtained from a TSP hired by the Participant meet program requirements. CCC will not reimburse the Participant if the technical services provided by the TSP do not meet CSP requirements. If CCC terminates this Contract as provided under paragraph 10 of this appendix, CCC may seek reimbursement of any TSP payments made to the Participant.
- C** All payments received as part of a Contract are reported to the United States Internal Revenue Service on form 1099-G. For information related to tax liabilities consult with a tax accountant or refer to IRS publication 225, Farmers Tax Guide.
- D** A Participant shall not be eligible for payments for: (1) practices that are required to meet HELC and WC compliance requirements found in 7 CFR part 12, (2) practices that are included in maintenance agreements (with financial reimbursements for maintenance) that have existed prior to participation, (3) the construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations, (4) the purchase or maintenance of equipment, (5) a non-land based structure that is not integral to a land based practice, or (6) new practices that were applied with cost-share assistance through other USDA cost-share programs.
- E** Payments will only be issued for practices that meet or exceed the practice standards described in the FOTG.

- F** Payment under this Contract is subject to the availability of funds. In the event that annual funding is insufficient to fund existing contract requirements, payments on the existing contracts will be prorated in that contract year, as determined by the Chief.

6 PROVISIONS RELATING TO TENANTS AND LANDLORDS

No payment will be approved for the current year if CCC determines that any of the following conditions exist:

- A** The landlord or operator has not given the tenants that have an interest in the unit of concern covered by the conservation stewardship plan, or that have a lease that runs through this Contract period at the time of sign up, an opportunity to participate in the benefits of the program.
- B** The landlord or operator has adopted any other scheme or device for the purpose of depriving any tenant of any benefits to which such tenant would otherwise be entitled. If any such conditions occur or are discovered after payments have been made, all or any part of the payments, as determined by CCC, must be refunded with interest and no further payments shall be made.

7 MISREPRESENTATION AND SCHEME OR DEVICE

- A** A Participant who is determined to have erroneously represented any fact affecting a determination with respect to this Contract and the regulations applicable to this Contract, adopted any scheme or device which tends to defeat the purposes of this Contract, or made any fraudulent representation with respect to this Contract, will not be entitled to payments or any other benefits made under this Contract. The participant must refund to CCC all payments received plus interest and liquidated damages. In addition, NRCS will terminate the Participant's interest in all Conservation Stewardship Contracts.
- B** CCC will charge interest on monies it determines to be due and owing to CCC under this Contract from the date such monies were originally disbursed. The interest rate will be determined using the current value of funds rate, published annually in the Federal Register by the United States Department of Treasury.
- C** The provisions of paragraph 7A of this Appendix shall be applicable in addition to any other criminal and civil fraud statutes.

8 CHANGES TO TERMS AND CONDITIONS OF THIS CONTRACT

- A** If any changes to the terms and conditions of this Contract become necessary prior to the date that this Contract is approved on behalf of CCC, CCC will notify, in writing, the Applicant signing the CCC-1200 of such change and such person(s) will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from this Contract request. The Applicant agrees to notify, in writing, the CCC of an intention to withdraw the program participation request within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.
- B** CCC may unilaterally modify this Contract when:
- (1) The installed measure has deteriorated because of conditions beyond the control of the Participant;
 - (2) Another practice will achieve at least the same level of environmental benefits;

- (3) It is necessary to add funds to this Contract for the Participant to reimburse technical assistance provided by a TSP; or
- (4) The installed practice would cause adverse impacts to significant cultural and/or environmental resources discovered as a result of installation.

C The Participant and CCC may modify this Contract by mutual agreement when:

- (1) Both the Participant and the appropriate approving authority (State Conservationist, or Designated Conservationist) agree to this modification;
- (2) At the request of the Participant, if the modification is consistent with the purposes of CSP, or the Participant requests to increase tier level, upon approval by NRCS;
- (3) A transfer of this Contract occurs, provided NRCS approval is obtained and the transferee accepts the terms of this Contract, and the transferee is eligible and accepts all responsibilities under this Contract including operation and maintenance of those practices already installed or to be installed.

D All modifications to this Contract must be made in writing.

9 CORRECTIONS

CCC reserves the right to correct all errors in entering data or the results of computations in this Contract.

10 TERMINATION OF CONTRACT

If a Participant fails to carry out the terms and conditions of this Contract, CCC may terminate this Contract or determine that such failure does not warrant termination. In either case, CCC may require the Participant(s) to refund, with interest, payments received under this Contract, or require the Participant(s) to accept such adjustments in the subsequent payments as are determined to be appropriate by CCC.

Refunds determined by CCC to be due and owing to CCC under this provision will accrue interest at the current value of funds rate, published annually in the Federal Register by the United States Department of Treasury, from the date originally disbursed to Participant up to the day the repayment is received by CCC.

The CCC may terminate this Contract, in whole or in part, without liability, if CCC determines that continued operation of this Contract will result in the violation of a Federal statute or regulation, or if CCC determines that termination would be in the public interest.

11 RECOVERY OF COST

In the event the Participant violates the terms of this Contract, the Participant voluntarily terminates this Contract before any contractual payments have been made, or this Contract is terminated with cause by CCC, the CCC will incur substantial costs in administering this Contract which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments plus interest due as set forth in paragraph 10, the Participant agrees to pay liquidated damages at an amount equal to 20 percent of the total financial and technical assistance obligated to the Participant in this Contract, at the time of termination. This liquidated damages payment is for recovery of administrative costs and technical services and is not a penalty.

The Participant may be required by the CCC to refund all or a portion of any assistance earned under CSP if the Participant sells or loses control of the land under this Contract and the new owner or transferee is not eligible for CSP or refuses to assume responsibility under the contract.

12 EFFECTIVE DATE

This Contract is effective when signed by the Participants and an authorized representative of CCC. Except as otherwise provided for herein, this Contract may not be terminated or modified unless by mutual agreement between the parties. Within the dates established by CCC, this Contract must be signed by all required Participants.

In the event that a statute is enacted during the period of this Contract which would materially change the terms and conditions of this Contract, the CCC may require the Participant to elect between modifying this Contract consistent with the provisions of such statute or Contract termination.

13 GENERAL TERMS

- A The regulations in 7 CFR part 1469 for the CSP are incorporated, by reference, herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.
- B This Contract shall be carried out in accordance with all applicable Federal statutes and regulations. Any ambiguities in this Contract and questions as to the validity of any of its specific provisions shall be resolved in favor of CCC so as to give maximum effect to the conservation stewardship purposes of this Contract.
- C NRCS is administering this Contract on behalf of the CCC. Therefore, where this Contract refers to "CCC", NRCS may act on its behalf for the purposes of administering this Contract. When the term "Participant" is used in this Contract, it shall be construed to mean all Participants signing this Contract. Likewise, when the term "Applicant" is used in this Contract, it means all Applicants signing this Contract.
- D Certification Regarding Debarment, Suspension, and Other Responsibility Matters - Primary Covered Transactions (7 CFR part 3017).
 - (1) The Participant certifies to the best of the Participant's knowledge and belief, that the Participant and his or her principals:
 - (a) Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any Federal department or agency;
 - (b) Have not within the three-year period preceding this agreement had a criminal conviction or civil judgment rendered against them for commission of fraud in connection with obtaining, attempting to obtain, or performing a public (federal, state or local government) Contract, including violation of Federal or State antitrust statutes or commissions of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property;
 - (c) Are not presently indicted for or otherwise criminally or civilly charged by a governmental entity (federal, state or local) with commission of any of the offenses set forth above in paragraph 13D(1)(b) of this certification;

- (d) Have not within the three-year period preceding this agreement had one or more public Contracts (federal, state or local) terminated for cause or default;
- (2) If the Participant is unable to certify to any of the statements set forth in paragraph 13D(1), the Participant shall attach an explanation to this agreement.

E This Contract is a financial assistance agreement, not a procurement contract and is governed by the terms set forth herein.

14 APPEAL RIGHTS

The Participant may appeal an adverse decision under this Contract in accordance with the appeal procedures set forth at 7 CFR part 11, Subpart A and part 614. Pending the resolution of an appeal, no payments shall be made under this agreement. Before a Participant seeks judicial review, the Participant must exhaust all appeal rights granted within these regulations.

15 EXAMINATION OF RECORDS

The Participant agrees to give the CCC or the Comptroller General, through any authorized representative, access to and the right to examine all records, books, papers, or documents related to this Contract. The Participant agrees to retain all records related to this agreement for a period of three years after completion of the terms of this agreement in accordance with the applicable OMB circular.

16 DRUG-FREE WORKPLACE (7 CFR part 3017)

By signing this Contract, the Participant certifies that he/she will not engage in the unlawful manufacture, distribution, dispensing, possession, or use of a controlled substance while conducting any activity associated with this Contract. This certification is a material representation of fact upon which reliance was placed when CCC determined to award this Contract. If it is later determined that the Participant knowingly rendered a false certification, or otherwise violates the requirements of the Drug-Free Workplace Act (Public Law 100-690, Title V, Subtitle D; 41 U.S.C. 701 et seq.; 7 CFR part 3017, Subpart F, Section 3017.600) CCC, in addition to any other remedies available to the United States, may take action authorized under the Drug-Free Workplace Act.

17 CERTIFICATION REGARDING LOBBYING (7 CFR 3018) (Applicable if this agreement exceeds \$100,000)

A The Participant certifies, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Participant, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal Contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal Contract, grant, loan, or cooperative agreement;
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress, in connection with this Federal Contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form - LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions;

- (3) The Participant shall require that the language of this certification be included in the award documents for all sub awards at all tiers (including subcontracts, sub grants, and Contracts under grants, loans, and cooperative agreements) and that all sub recipients shall certify and disclose accordingly.

The following owners, operators, and producers by entering their signature acknowledge receipt of this Appendix to CCC-1200 and agree to its terms and conditions thereof. Further, if the undersigned are succeeding to an existing conservation stewardship contract, the undersigned agree and certify that no agreement exists or will be entered into between the undersigned, the previous owner and operator of the property, or mortgage holder that would, maintain or create an interest in the property in any previous Participant on this Contract for that property, or to receive payments under the contracts.

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

_____ Date: _____

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9210 or call 202-720-5964 (voice or TDD). USDA is an equal opportunity provider and employee.

518.138 NRCS-LTP-13 Status Review

United States Department of Agriculture
Natural Resources Conversation
Service

FORM APPROVED
OMB NUMBER 0578-0019
NRCS-LTP-13
10/97

STATUS REVIEW

This information is used in both the development and implementation of a Conservation, Reclamation or Water Quality plan as the basis for technical assistance and/or cost sharing. The authorities for such work are: 16 USC 590a-f (Soil Conservation); 16 USC 1301-1311 (Water Bank); 16 USC 590p(b) (Great Plains); 30 USC 1236 et seq. (Rural Abandoned Mines); 33 USC 1288 et seq. (Rural Clean Water); 43 USC 1592(c) (Colorado River Basin Salinity Control); 16 USC 3831 (Conservation Reserve). Furnishing information is voluntary and will be confidential; however, it is necessary in order to receive assistance.

County _____ Date _____ Contract or Agreement No _____

Name _____ Address _____

Progress in applying plan:

Revision of plan or modification of contract needed:

Need for technical assistance:

Land is still under control of the participant: Yes No

Signed _____

District Conservationist or Administering
Agency

Participant

OMB DISCLOSURE STATEMENT-

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0578-0019. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate of any other aspect of this collection of information, including suggestions for reducing this burden, to Department of Agriculture, Clearance Officer, OIRM, (OMB no. 0578-0019), Stop 7630, Washington, D.C. 20250-7630.

518.139 NRCS-1245 Practice Approval and Payment Application

U.S. Department of Agriculture NRCS-1245 PRACTICE APPROVAL AND PAYMENT APPLICATION Penalty for false statement or entries.	PROGRAM and CONTRACT NUMBER: <hr/> STATE and COUNTY:	PAYMENT APPLICANT NAME, ADDRESS, AND TELEPHONE NUMBER:
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SPECIFIED CONSERVATION PRACTICES PERFORMED

Line	CIN	Practice Code	Practice	Land Units	Date Started	Date Completed	Practice Extent	Actual Cost Unit	Cost Share % Type	Amount Earned
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										

Total Earned:

Practice(s) performed to the extent shown in Extent of Practice above, and meets program requirements. If the Practice does not meet practice specifications or if additional work is required, see explanation in Performance Report.	<input type="checkbox"/> Yes <input type="checkbox"/> No	Technician Signature:	Date:
--	---	-----------------------	-------

Performance Report:

CERTIFICATION BY PARTICIPANT (s): I certify that the above information is true and correct. I further certify that the entries in the Practice Extent Column above show that the practice was performed in accordance with the practice specifications and other program requirements. I hereby apply for payment to the extent that the NRCS Approving Official has determined that the practice(s) has (have) been performed and further certify that this payment is not a duplicate of any other earned by me. I agree to maintain this (these) practice(s) for at least the practice span life beginning with the date the practice was completed. I agree to refund all or part of the cost-share/incentive assistance paid to me, as determined by the NRCS Approving Official, if before expiration of the practice lifespan, I (a) destroy the practice installed, or (b) relinquish control or life to the land on which the installed practice has been established and the new owner and/or operator of the and does not agree in writing to properly maintain the practice for the remainder of its specified lifespan.

PARTICIPANT CERTIFICATION AND SIGNATURE

PARTICIPANT		PARTICIPANT	
Name and Address:	Tax ID (SSN or TIN):	Name and Address:	Tax ID (SSN or TIN):
Signature:	Date:		
Direct Deposit Routing and Acct. No. if Changed from last payment Request:		Direct Deposit Routing and Acct. No. if Changed from last payment Request:	

CERTIFICATION OF NRCS APPROVING OFFICIAL

Pursuant to authority vested in me, I certify that the items listed herein are correct and hereby approved for payment from the fund designated on supporting data records.	
Signature:	Date:

<p>U.S. Department of Agriculture NRCS-1245</p> <p>PRACTICE APPROVAL AND PAYMENT APPLICATION</p> <p>Penalty for false statement or entries.</p>	<p>PROGRAM and CONTRACT NUMBER:</p> <hr/> <p>STATE and COUNTY:</p>	<p>PAYMENT APPLICANT NAME, ADDRESS, AND TELEPHONE NUMBER:</p>
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PUBLIC BURDEN STATEMENT

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0578-0013. The time required to complete this information collections is estimated to average 45/0.75 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

PRIVACY ACT

NOTE: The following statement is made in accordance with the Privacy Act of 1974, (5 U.S.C. 522a). The authority for requesting the following information is 7CFR 1466 (EQIP), 7 CFR 1469 (FPP), 7 CFR 636 (WHIP), and Public Law 106-224, Section 133 (b), AMA, and Section 211 (b), SWCA. The information will be used to allow a farmer, rancher, or landowner to apply for conservation benefits under the terms and conditions of the contract. Furnishing the required information is necessary to determine properly the eligible land for the applicable program benefits. Failure to furnish the requested information will result in the agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 U.S.C. 286,287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S. C. 3729 may also be applicable to the information provided.

USDA NONDISCRIMINATION STATEMENT

“The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA’s Target Center at (202) 720-2600 (voice and TDD.) To file a complaint of discrimination write USDA, Director, Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW, Washington, DC 20250-9410 or call (202) 720-5964 (voice or TDD). USDA is an equal opportunity provider and employer.”

518.140 CSP Register Example

Last Name	First Name	Self Assessment Complete* (yes)	Date	Farm Identifier	Address	Contact Phone	Notes
						Email, if avail.	

518.141 Contract Folder Assembly Guidance

Contracts may be assembled in six-part folders. Folders may be arranged as follows:

First cover

- CCC-1200, Conservation Program Application/Contract
- CCC-1200-CSP Appendix
- Contract related forms or documents as appropriate, e.g., NRCS-LTP-152, Transfer Agreement, NRCS-LTP-153, Agreement Covering Noncompliance, Power of Attorney, Joint Agreements, etc.
- Appeal records
- LRF or BF Certification Document
- Map delineating agricultural operation and acres offered
- Producer Self-Assessment Workbook
- Benchmark Condition Inventory

Second cover

- NRCS-LTP-13, Status Review
- NRCS-CPA-6, Conservation Assistance Notes
- General correspondence, in order of date created or receipt stamped

Third cover

- Plan map and legend
- Location map (if used)
- Soil map and legend

Fourth cover

- Conservation Stewardship Plan
- Revision of plan/Modification of contract
- Cross references to other programs that may contribute to plan implementation

Fifth cover

- Conservation practice designs and specifications
- Job sheets referenced from CPO
- Worksheets referenced from CPO and others as appropriate
- NRCS-CPA-52, Environmental Evaluation Worksheet (or state approved form)

Sixth cover.

- NRCS-1245, Practice Approval and Payment Application
- Check out notes and other support data (reference location if not filed here)

518.142 Certification for Annual Payments Letter Example

[Date]

[name and address of CSP participant]

Program: Conservation Security Program (CSP)

Contract No: _____

Dear [CSP participant name]:

Annual payments for the CSP are being prepared. This letter is being sent for your certification that you are maintaining all benchmark environmental conditions of the agricultural operating unit and following the terms of your conservation stewardship contract. Your annual payment of \$[_____] requires that you perform the following:

- Enhancement Activities [list enhancement activities]
- Adequate Maintenance of all conservation practices that were required to meet minimum program eligibility

According to our records, the payment is distributed in the following shares and to the following accounts:

[contract participants, shares, and routing numbers]

I certify that the above information is correct:

Participant Signature

Date

Please sign the above certification and return to this office within 21 days, or contact us if any of the above information is incorrect. If, for any reason, you cannot certify that you are meeting these conditions, you will need to contact your NRCS office immediately. Failure to return this certification or contact us will delay your payment.

Sincerely,

[NAME]
District Conservationist

518.143 Glossary of Terms

Activity means an action other than a conservation practice that is included as a part of a conservation stewardship contract; such as a measure, incremental movement on a conservation index or scale, or an on-farm demonstration, pilot, or assessment.

Agricultural land means cropland, rangeland, pastureland, hayland, private non-industrial forest land if it is an incidental part of the agricultural operation, and other land on which food, fiber, and other agricultural products are produced. Areas used for strip-cropping or alley-cropping and silvopasture practices will be included as agricultural land. This includes land of varying cover types, such as cropped woodland and cropped marshes, which are being managed primarily for the production of food, fiber or other agricultural products, through a low input system.

Agricultural operation means all agricultural land and other lands determined by the Chief, whether contiguous or noncontiguous, under the control of the applicant and constituting a cohesive management unit, that is operated with equipment, labor, accounting system, and management that is substantially separate from any other. The minimum size of an agricultural operation is a field.

Applicant means a producer as defined in 7 CFR, part 1469, who has requested in writing to participate in CSP.

Beginning farmer or rancher means an individual or entity who:

(1) Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years, as defined in (7 U.S.C. 1991(a)). This requirement applies to all members of an entity; and

(2) Will materially and substantially participate in the operation of the farm or ranch.

(i) In the case of a contract with an individual, solely, or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.

(ii) In the case of a contract with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

Benchmark condition inventory means the documentation of the resource condition or situation pursuant to § 1469.7(a) that NRCS uses to measure an applicant's existing level of conservation activities in order to determine program eligibility, to design a conservation stewardship contract, and to measure the change in resource conditions resulting from conservation treatment.

Certified Conservation Planner means an individual certified by NRCS who possesses the necessary skills, training, and experience to implement the NRCS nine-step planning process to meet client objectives in solving natural resource problems. The certified conservation planner has demonstrated skill in assisting producers to identify resource problems, to express the client's objectives, to propose feasible solutions to resource problems, and assists the producers to select and implement an effective alternative that treats resource concerns and consistent with client's objectives.

Chief means the Chief of NRCS, USDA or designee.

Conservation district means any district or unit of State or local government formed under State, territorial, or tribal law for the express purpose of developing and carrying out a local soil and water conservation program. Such a district or unit of government may be referred to as a “conservation district,” “soil conservation district,” “soil and water conservation district,” “resource conservation district,” “land conservation committee,” or similar name.

Conservation practice means a specified treatment, such as a structural or land management practice, that is planned and applied according to NRCS standards and specifications.

Conservation Reserve Program (CRP) means the Commodity Credit Corporation program administered by the Farm Service Agency pursuant to 16 U.S.C. 3831-3836.

Conservation stewardship contract means a legal document that specifies the rights and obligations of any participant who has been accepted to receive assistance through participation in CSP.

Conservation stewardship plan means the conservation planning document that builds on the inventory of the benchmark condition documenting the conservation practices currently being applied; those practices needing to be maintained; and those practices, treatments, or activities to be supported under the provisions of the conservation stewardship contract.

Conservation system means a combination of conservation practices, measures and treatments for the treatment of soil, water, air, plant, or animal resource concerns.

Conservation treatment means any and all conservation practices, measures, and works of improvement that have the purpose of alleviating resource concerns, solving or reducing the severity of natural resource use problems, or taking advantage of resource opportunities.

Considered to be planted means a long term rotation of alfalfa or multi-year grasses and legumes; summer fallow; typically cropped wet areas, such as rice fields, rotated to wildlife habitat; or crops planted to provide an adequate seedbed for re-seeding.

Contracting Officer means the NRCS employees delegated by the State Conservationist to approve and administer contracts.

Control means possession of the land by ownership, lease, or agreement; and authority to make decisions about the management and operation of the land.

Cropland means a land cover/use category that includes areas used for the production of adapted crops for harvest, including but not limited to land in row crops or close-grown crops, forage crops that are in a rotation with row or close-grown crops, permanent hayland, horticultural cropland, orchards, and vineyards.

Designated Conservationist means an NRCS employee whom the State Conservationist has designated as responsible for administration of CSP in a specific area.

Enhancement payment means CSP payments available to all tiers as described in Subpart I, 518.90 (f).

Enrollment categories means a classification system used to sort out applications for payment. The enrollment category mechanism will create distinct classes for funding defined by resource concerns, levels of treatment, and willingness to achieve additional environmental performance.

Existing practice component of CSP payments means the component of a CSP payment as described Subpart I, 518.90 (d)

Field means part of an agricultural operation which is separated from the balance of the agricultural operation by permanent boundaries, such as fences, permanent waterways, woodlands, and crop lines in cases where farming practices make it probable that such crop line is not subject to change, or other similar features.

Field Office Technical Guide (FOTG) means the official local NRCS source of resource information and the interpretations of guidelines, criteria, and standards for planning and applying conservation treatments and conservation management systems. It contains detailed information on the conservation of soil, water, air, plant, and animal resources applicable to the local area for which it is prepared. Guides can be reviewed at the local USDA Service Center or online at <http://www.nrcs.usda.gov/technical/efotg/>.

Forage and animal balance means that the total amount of available grazing forage and the addition of any roughage supply (hay, silage, or green chop) is balanced with the amount consumed by the total number of livestock and wildlife to meet their daily consumption needs.

Forest land means a land cover/use category that is at least 10 percent stocked by single-stemmed woody species of any size that will be at least 4 meters (13 feet) tall at maturity. Also included is land bearing evidence of natural regeneration of tree cover (cut over forest or abandoned farmland) that is not currently developed for nonforest use. Ten percent stocked, when viewed from a vertical direction, equates to an aerial canopy cover of leaves and branches of 25 percent or greater. The minimum area for classification as forest land is 1 acre, and the area must be at least 100 feet wide. Exceptions may be made by the Chief for land primarily managed through a low input system for food, fiber, or other agricultural products.

Hayland means a subcategory of “cropland” managed for the production of forage crops that are machine harvested. The crop may be grasses, legumes, or a combination of both.

Incidental forest land means forested land that includes all nonlinear forested riparian areas (i.e., bottomland forests), and small associated woodlots located within the bounds of working agricultural land or small adjacent areas and that are managed to maximize wildlife habitat values and are within the NRCS FOTG standards for a wildlife practice. However, silvopasture that meets NRCS practice standard will be considered as pasture or range land and not incidental forestland since silvopasture is one type of intense grazing system. Areas of incidental forest land are limited individually in size to 10 acres or less and limited to 10 percent in aggregate of the total offered acres.

Incidental parcels as determined by NRCS, may include but is not limited to, land within the bounds of working agricultural land or small adjacent areas (such as center pivot corners, field borders, linear practices, turn rows, intermingled small wet areas or riparian areas).

Indian tribe means any Indian Tribe, band, Nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) that is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

Indian trust lands mean real property in which:

- (1) The United States holds title as trustee for an Indian or Tribal beneficiary; or
- (2) An Indian or Tribal beneficiary holds title and the United States maintains a trust relationship.

Joint operation means a general partnership, joint venture, or other similar business arrangement as defined in 7 CFR 718.2.

Land cover/use means a term that includes categories of land cover and categories of land use. Land cover is the vegetation or other kind of material that covers the land surface. Land use is the purpose of human activity on the land; it is usually, but not always, related to land cover. The National Resources Inventory uses the term land cover/use to identify categories that account for all the surface area of the United States.

Land management practice means conservation practices and measures that primarily use site-specific management techniques and methods to conserve, protect from degradation, or improve soil, water, air, or related natural resources in the most cost-effective manner. Land management practices include, but are not limited to, nutrient management, energy management, manure management, integrated pest management, integrated crop management, resource conserving crop rotations, irrigation water management, tillage or residue management, stripcropping, contour farming, grazing management, and wildlife habitat management.

Limited resource producer means a producer:

- (1) With direct or indirect gross farm sales not more than \$100,000 in each of the previous two years (to be increased starting in FY 2004 to adjust for inflation using Prices Paid by Farmer Index as compiled by National Agricultural Statistical Service (NASS)); and
- (2) Who has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous 2 years (to be determined annually using Commerce Department Data).

Liquidated damages means a sum of money stipulated in the Conservation stewardship contract which the participant agrees to pay NRCS if the participant fails to adequately complete the contract. The sum represents an estimate of the anticipated or actual harm caused by the failure, and reflects the difficulties of proof of loss and the inconvenience or non-feasibility of otherwise obtaining an adequate remedy.

Livestock means animals produced for food or fiber, such as dairy cattle, beef cattle, buffalo, poultry, turkeys, swine, sheep, horses, goats, fish or other animals raised by aquaculture, or animals the State Conservationist identifies with the advice of the State Technical Committee.

Local work group means representatives of local offices of FSA, the Cooperative State Research, Education, and Extension Service, the conservation district, and other Federal, State, and local government agencies, including Indian Tribes, with expertise in natural resources who advise NRCS on decisions related to implementation of USDA conservation programs.

Maintenance means work performed to keep the applied conservation practice functioning for the intended purpose during its life span. Maintenance includes work to prevent deterioration of the practice, repairing damage, or replacement of the practice to its original condition if one or more components fail.

Management intensity means the degree and scope of practices or measures taken by a producer which are beyond the quality criteria for a given resource concern or beyond the minimum requirements of a management practice, and which may qualify as additional effort necessary to receive an enhancement payment.

Measure means one or more specific actions that is not a conservation practice, but has the effect of alleviating problems or improving the treatment of the resources.

Minimum level of treatment means the specific conservation treatment NRCS requires that addresses a resource concern to a level that meets or exceeds the quality criteria according to NRCS technical guides or the minimum tier requirements to address resource concerns as defined in Subpart E, 518.54.

Nationally significant resource concerns means the significant resource concerns identified by NRCS in 7 CFR, part 1469, and in the sign-up notice as basic program eligibility requirements.

New practice payment means the payment as described in Subpart I, 518.90(e).

Operator means an individual, entity, or joint operation who is in general control of the farming operations on the farm at the time of application.

Other land means land on which NRCS determines that conservation treatment will contribute to an improvement in an identified natural resource concern, including areas outside the boundary of the agricultural operation such as farmsteads, ranch sites, barnyards, feedlots, equipment storage areas, material handling facilities, and other such developed areas. Other land must be treated in Tier III contracts.

Participant means one who is accepted into CSP and any signatory to a conservation stewardship contract.

Pastured cropland means a land cover/use category that includes areas used for the production of pasture in grass-based livestock production systems that could support adapted crops for harvest, including but not limited to land in row crops or close-grown crops, and forage crops that are in a rotation with row or close-grown crops. Pastured cropland will receive the same stewardship payment as cropland.

Pastureland means a land cover/use category of land managed primarily for the production of introduced forage plants for grazing animals and includes improved pasture. Pastureland cover may consist of a single species in a pure stand, a grass mixture, or a grass-legume mixture. Management usually consists of cultural treatments: fertilization, weed control, reseeding or renovation, and control of grazing.

Practice life span means the time period in which the conservation practices are to be used and maintained for their intended purposes as defined by NRCS technical references.

Priority resource concern means nationally significant resource concerns and local resource concerns, approved by the Chief, for which enhancement payments will be available.

Producer means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing any crop or livestock; and is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

Quality criteria means the minimally acceptable level of treatment as defined in the technical guide of NRCS, required to achieve a resource management system for identified resource considerations for a particular land use.

Rangeland means a land cover/use category on which the climax or potential plant cover is composed principally of native grasses, grasslike plants, forbs, or shrubs suitable for grazing and browsing, and introduced forage species that are managed like rangeland. This term would include areas where introduced hardy and persistent grasses are planted and such practices as deferred grazing, burning, chaining, and rotational grazing are used, with little or no chemicals or fertilizer being applied. Grasslands, savannas, prairie, many wetlands, some deserts, tundra, coastal marshes and wet meadows are considered to be rangeland. Certain communities of low forbs and shrubs, such as mesquite, chaparral, mountain shrub, and pinyon-juniper, are also included as rangeland.

Resource concern means the condition of natural resources that may be sensitive to change by natural forces or human activity. Resource concerns include the resource considerations listed in Section III of the FOTG, such as soil erosion, soil condition, soil deposition, water quality, water quantity, animal habitat, air quality, air condition, plant suitability, plant condition, plant management, and animal habitat and management.

Resource-conserving crop rotation means a crop rotation that reduces erosion, maintains or improves soil fertility and tilth, interrupts pest cycles, or conserves soil moisture and water and that includes at least one resource-conserving crop, such as 1) a perennial grass, 2) a legume grown for use as forage, seed for planting, or green manure, 3) a legume-grass mixture, 4) a small grain grown in combination with a grass or legume, whether inter-seeded or planted in rotation.

Resource management system means a system of conservation practices and management relating to land or water use that is designed to prevent resource degradation and permit sustained use of land, water, and other natural resources, as defined in accordance with the technical guide of the Natural Resources Conservation Service.

Secretary means the Secretary of the U.S. Department of Agriculture.

Sharecropper means an individual who performs work in connection with the production of the crop under the supervision of the operator and who receives a share of such crop in return for the provision of such labor.

Sign-up notice means the public notification document that NRCS provides to describe the particular requirements for a specific CSP sign-up.

Significant resource concerns means the list of resource concerns, identified by NRCS, associated with an agricultural operation that is subject to applicable requirements under CSP, such as the additional Tier II contract requirement.

Soil quality means resource concerns and/or opportunities related to depletion of soil organic matter content through soil disturbance or by sheet, rill, and wind erosion, and the physical condition of the soil relative to ease of tillage, fitness as a seedbed, the impedance to seedling emergence or root penetration, salinity, and overall soil productivity.

State Conservationist means the NRCS employee authorized to direct and supervise NRCS activities within a specified State, the Pacific Basin, or the Caribbean Area.

State Technical Committee means a committee established by the Secretary in a State pursuant to 16 U.S.C. 3861.

Stewardship payment means the CSP payment component of the payment as described in Subpart I, 518.90(c).

Structural practice means a land-based conservation practice, including vegetative practices, that involves establishing, constructing, or installing a site-specific measure to conserve, protect from degradation, or improve soil, water, air, or related natural resources in the most cost-effective manner. Examples include, but are not limited to, terraces, grassed waterways, tailwater pits, livestock water developments, contour grass strips, filterstrips, critical area plantings, tree planting, wildlife habitat, and capping of abandoned wells.

Technical assistance means the activities as defined in 7 CFR, part 1466.

Technical Service Provider means an individual, private-sector entity, or public agency certified or approved by NRCS to provide technical services through NRCS or directly to program participants, as defined in 7 CFR, part 652.

Tenant means one who rents land from another in consideration of the payment of a specified amount of cash or amount of a commodity; or one (other than a sharecropper) who rents land in consideration of the payment of a share of the crops or proceeds there from.

Tier means one of the three levels of participation in CSP.

Water quality means resource concerns or opportunities, including concerns such as excessive nutrients, pesticides, sediment, contaminants, pathogens and turbidity in surface waters, and excessive nutrients and pesticides in ground waters, and any other concerns identified by state water quality agencies.

Watershed or regional resource conservation plan means a plan developed for a watershed or other geographical area defined by the stakeholders. The plan addresses identified resource problems, contains alternative solutions that meet the stakeholder objectives for each resource, and addresses applicable laws and regulations as defined in the NRCS National Planning Procedures Handbook.

Wetlands Reserve Program (WRP) means the Commodity Credit Corporation program administered by the Natural Resources Conservation Service pursuant to 16 U.S.C. 3837-3837f.