



# Farm Bill 2002

## Fact Sheet

March 2006

## Grassland Reserve Program

### **Overview**

The Grassland Reserve Program (GRP) is a voluntary program that helps landowners and operators restore and protect grassland, including rangeland, pastureland, shrubland, and certain other lands, while maintaining the areas as grazing lands. The program emphasizes support for working grazing operations; enhancement of plant and animal biodiversity; and protection of grassland and land containing shrubs and forbs under threat of conversion to cropping, urban development, and other activities that threaten grassland resources.

GRP is authorized by the Food Security Act of 1985, as amended by the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill). The USDA Natural Resources Conservation Service (NRCS) and USDA Farm Service Agency (FSA) administer the program. Funding for the GRP comes from the Commodity Credit Corporation (CCC).

### **Benefits**

Restoring and protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations, and improves environmental quality.

### **How GRP Works**

Applications may be filed for an easement or rental agreement with NRCS or FSA. Participants voluntarily limit future development and cropping uses of the land while retaining the right to conduct common grazing practices; produce hay, mow, or harvest for seed production (subject to certain restrictions during the nesting season of bird species that are in significant decline or those

that are protected under Federal or State law); conduct fire rehabilitation; construct firebreaks and fences; and conduct common grazing practices and operations related to the production of forage and seed.

GRP contracts and easements prohibit the production of crops (other than hay), fruit trees, and vineyards that require breaking the soil surface and any other activity that would permanently disturb the surface of the land, except for appropriate land management activities included in a grassland conservation plan.

Each state will establish ranking criteria that will prioritize enrollment of working grasslands. The ranking criteria will consider threats of conversion, including cropping, invasive species, urban development, and other activities that threaten plant and animal diversity on grazing lands.

The program offers several enrollment options:

*Permanent Easement.* This is a conservation easement in perpetuity. Easement payments for this option equal the fair market value, less the grassland value of the land encumbered by the easement. These values will be determined using an appraisal.

*Thirty-year Easement.* USDA will provide an easement payment equal to 30 percent of: the fair market value of the land, less the grassland value of the land of the land encumbered by the easement.

For both easement options, USDA will provide all administrative costs associated

with recording the easement, including appraisal fees, survey costs, title insurance, and recording fees. Easement payments may be provided, at the participant's request, in lump sum or annual payments (equal or unequal amounts) for up to 10 years.

*Rental Agreement.* Participants may choose a 10-year, 15-year, 20-year, or 30-year contract. USDA will provide annual payments in an amount that is not more than 75 percent of the grazing value of the land covered by the agreement for the life of the agreement. Payments will be disbursed on the agreement anniversary date each year.

*Restoration agreement.* An approved grassland resource management plan identifying required restoration activities will be incorporated within the rental agreement or easement. CCC may provide up to 90 percent of the restoration costs on lands that have never been cultivated, and up to 75 percent of the cost on restored grasslands and shrub lands that were previously cropped. Participants will be paid upon certification of the completion of the approved practice(s). Participants may contribute to the application of a cost-share practice through in-kind contributions. The combined total cost-share provided by Federal or State Governments may not exceed 100 percent of the total actual cost of restoration.

### ***Eligibility***

Landowners who can provide clear title on privately owned lands are eligible to participate for either easement option. Landowners and others who have general control of the acreage may submit an application for a rental agreement.

There is no national maximum limitation on the amount of land that may be enrolled by a participant in the program. However, there is a minimum requirement established in law. Offers for enrollment must contain at least 40 contiguous acres, unless special circumstances exist to accept a lesser amount. These special

circumstances are determined by the NRCS State Conservationist.

The Adjusted Gross Income provision of the 2002 Farm Bill impacts eligibility for GRP and several other 2002 Farm Bill programs. Individuals or entities that have an average adjusted gross income exceeding \$2.5 million for the three tax years immediately preceding the year the contract is approved are not eligible to receive program benefits or payments. However, an exemption is provided in cases where 75 percent of the adjusted gross income is derived from farming, ranching, or forestry operations.

Eligible land includes privately owned and Tribal lands, such as grasslands; land that contains forbs (including improved rangeland and pastureland or shrubland); or land that is located in an area that historically has been dominated by grassland, forbs, or shrubland that has the potential to serve as wildlife habitat of significant ecological value. Incidental lands may be included to allow for the efficient administration of an agreement or easement.

### ***For More Information***

If you need more information about GRP, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. Information also is available on the World Wide Web at: <http://www.nrcs.usda.gov/programs/farmbill/2002/> and <http://www.fsa.usda.gov/dafp/GRP/default1.htm>



Visit USDA on the Web at:  
<http://www.usda.gov/farmbill>

**Note:** This is not intended to be a definitive interpretation of farm legislation. Rather, it is preliminary and may change as USDA develops implementing policies and procedures. Please check back for updates.