

Program Description

August 2005

Agricultural Management Assistance

Overview

Agricultural Management Assistance (AMA) is a voluntary program that provides financial assistance through long-term contracts to agricultural producers on private lands to construct or improve water management structures or irrigation structures; to plant trees for windbreaks or to improve water quality; and to mitigate risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming.

USDA's Natural Resources Conservation Service (NRCS) has leadership for the conservation provisions of AMA. The Agricultural Marketing Service (AMS) is responsible for an organic certification cost-share program and the Risk Management Agency (RMA) is responsible for mitigation of financial risk through an insurance cost-share program.

Authority

AMA is authorized under Title I, Section 133, of the Agricultural Risk Protection Act of 2000. This Act, which is Public Law 106-224, amended the Federal Crop Insurance Act by adding Section 524(b), Agricultural Management Assistance (AMA). Section 524(b), was further amended by the Farm Security and Rural Investment Act of 2002, (Farm Bill), Public Law 107-171, May 13, 2002. This public law authorizes funding for AMA through fiscal year (FY) 2007.

Scope

AMA is available in the following 15 States: Connecticut, Delaware, Maine, Maryland,

Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. These states were designated by the Secretary of Agriculture where participation in the Federal Crop Insurance Program is historically low.

Eligibility

Applicants must own or control the land and agree to implement specific eligible conservation practices. Applicants must meet the Food Security Act's definition of "person." Eligible land:

- Cropland
- Hayland
- Pasture and rangeland
- Land used for subsistence purposes
- Other land (such as forestland) that produces crops or livestock where risk may be mitigated through operation diversification or change in resource conservation practices.

Funding

AMA is budgeted at \$20 million per year for each of the fiscal years 2003 through 2007. Funds are distributed to the applicable states using an allocation formula which is based on environmental factors which characterize the resources of the state.

Eligible Practices and Cost-Share Rates

The NRCS State Conservationist, in consultation with the State Technical Committee, determines eligible practices using a locally led process. The Federal cost-share rate shall be 75 percent of the cost of an eligible practice, based on the percent of actual

cost, or percent of actual cost with not-to-exceed limits, or flat rates. Participants will be paid based upon certification and verification of completion of the approved practice.

Incentive payments may be made to encourage a producer to perform land management practices, such as nutrient management, manure management, integrated pest management, irrigation water management and wildlife habitat management.

Contract Terms and Payment Limitations

The AMA final rule published on April 9, 2003, provides that contracts shall be three to ten years in duration and permits financial assistance in the form of cost-share or incentive payments. The total AMA (NRCS, RMA, and AMS) financial assistance payments paid per person shall not exceed \$50,000 for any fiscal year.

Sign-up Period

There will be a continuous signup, with periodic ranking cutoff dates as determined by the State Conservationist in consultation with the State Technical Committee.

Contract Determinations

The State Conservationist, with advice from the State Technical Committee, develops a process to collect and categorize AMA applications in order to rank eligible applications for funding.

In-Kind Contributions

Participants may contribute his or her portion of the cost of practice installation through in-kind contributions, including labor and materials, if the materials being contributed meet the NRCS Field Office Technical Guide standards and specifications for the practice being installed.

For More Information

If you need more information about AMA, 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/ama/>



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.