

For: AL, FL, LA, MS, and TX State and County Offices

Emergency Forestry Conservation Reserve Program (EFCRP) Procedure Clarification

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

After the 2005 hurricanes, EFCRP was authorized to restore and enhance private, nonindustrial forestland (PNIF) damaged because of hurricanes. Program availability was limited to counties with Presidential- or Secretarial-designation because of 2005 hurricanes.

Eligible owners and operators could enroll applicable PNIF in EFCRP.

In 2007, OIG conducted an audit of early-stage EFCRP. OIG reviewed fifty five EFCRP offers and associated acres in Alabama, Mississippi, and Texas. The assessment included an evaluation of the effectiveness of EFCRP delivery and the adequacy of FSA management controls over the selection and funding of offers and the eligibility of producers and land.

OIG recommended that FSA clarify EFCRP procedure to:

- ensure consistency among States and State forestry agency personnel
- require second party or supervisory reviews to ensure that offers are eligible **before** approving EFCRP contracts
- take appropriate corrective action on all questionable offers identified during OIG’s review.

B Purpose

This notice clarifies policy and provides additional guidance to ensure consistent implementation of EFCRP administrative procedures.

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

2 EFCRP Policy

A Offers Involving Acres Where Trees Have Been Clear-Cut

OIG's audit found that EFCRP offers involving acres that had been clear-cut were assigned 100 percent economic loss. In July 2007, FSA issued 2-CRP, Amendment 11 to clarify consideration of EFCRP offers involving clear-cut acres. The amendment instructed State forestry agency personnel to give their best professional judgment in determining percent of loss for land already cleared, restored, and/or replanted, based on aerial photography, site visits, and/or knowledge of damage in the vicinity. State forestry agencies were encouraged to use pre- and post-hurricane satellite imagery to more accurately determine economic value loss on clear-cut acreage.

County Offices **must** manually enter, on the CRP-2F worksheet, the statement, "Producer certifies that forester's assessment of pre-hurricane value accurately accounts for clear-cutting/thinning activities" **before** the producer signs CRP-2F, block 22. By signing CRP-2F, block 22, producers certify that the acres offered were merchantable timber and PNIF at the time of the hurricane. During the offer process, producers **must** identify any offered acres that were clear-cut **after** the hurricanes and provide mill receipts or other documentation confirming the timing of the clear-cuts.

B PNIF

OIG's audit indicated that the PNIF definition was interpreted differently by FSA offices.

PNIF, as defined in 2-CRP, is land with existing tree cover that is owned by an individual, group, association, corporation, Indian Tribe, other legal private entity, or person who receives concurrence from the landowner for practice implementation, or State school trust land.

Corporations whose stocks are publicly traded or owners or lessees principally engaged in the primary processing of raw wood products are **excluded** from the definition. Private entities that are principally engaged in the primary processing of raw wood products, include, but are **not** limited to, owners of sawmills, pulp mills, paper mills, plywood plants, oleoresin plants, and power or other companies providing public utility services.

PNIF with operating sawmills and making incidental use of the lumber on their farm or ranch, and **not** principally engaged in the primary processing of raw wood products for sale, and otherwise eligible, may participate in EFCRP.

PNIF in the business of growing timber and **not** in the primary processing of raw wood products, and otherwise eligible, can participate in EFCRP.

Note: EFCRP applicants that are employees of or own shares in a private, industrial forestland corporation may participate in EFCRP on their individually owned land provided they meet the PNIF criteria for establishing eligibility.

2 **EFCRP Policy (Continued)**

C Determining Timber Value

OIG's audit found that State forestry agencies were using different methodologies to determine timber value. Following a meeting in September 2007, FSA and the State forestry agencies in Alabama, Florida, Louisiana, Mississippi, and Texas agreed to a common set of EFCRP eligibility determination protocols.

State forestry agencies **must** establish representative plots on the acres offered. Plot radius is to be 26.33 feet. On each plot, the number of trees is to be tallied by species type and degree of damage (undamaged pine, damaged pine, undamaged hardwood, and damaged hardwood) and by diameter at breast height (4.5 feet above ground). Local volume tables (which consider height in their calculations) are then consulted to derive timber damage estimates. Appropriate (Second Quarter 2006) Timber Mart South figures are then used to determine estimated timber value.

D Calculating Economic Loss

OIG's audit found discrepancies between State forestry agencies in their manner of calculating economic loss. Before and after hurricane values will be calculated by State forestry agencies based on their damage assessment determinations, based on EFCRP-established eligibility determination protocols and Timber Mart South figures.

3 **Administering EFCRP**

A Supervisory Reviews

CED review of **all** EFCRP offers is **required before** contracts are approved by COC.

B Technical Service Provider Considerations

CRP-2F, Section 14, and associated documentation verifying timber damage and economic loss, **must** be certified by a representative of the State forestry agency qualified to calculate tree damage and timber value assessments. If an EFCRP applicant hires a professional private forester, that forester's recommendation may assist the technical service provider's opinion and FSA's eligibility determination. However, the recommendation alone is insufficient and **cannot** serve as the basis for an eligibility determination.

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4 Action

A State Office Action

State Offices shall:

- distribute this notice to applicable County, NRCS, and State forestry agency Offices
- comply with the provisions of this notice.

B County Office Action

County Offices shall comply with the provisions of this notice.