

Key Points

August 2005

Agricultural Management Assistance

- The Agricultural Management Assistance (AMA) program 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 at \$20 million per year for AMA through fiscal year (FY) 2007.
- The Agricultural Risk Protection Act of 2000 authorized AMA to help producers in 15 states where participation in the Federal Crop Insurance Program historically has been low. Those 15 States are: Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.
- The AMA final rule was published in the Federal Register on April 9, 2003.
- NRCS has leadership for the conservation provisions of AMA while USDA's 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.
- A conservation plan is required for the area covered in the application and becomes the basis for developing the AMA contract. NRCS will work with the landowner to develop a conservation plan. Landowners must agree to maintain cost-shared practices for the life of the practice. Contracts are three to ten years in length.
- Producers may construct or improve water management structures or irrigation structures; plant trees for windbreaks or to improve water quality; and mitigate risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming.
- A person may participate in AMA if he or she owns or leases land, or can provide proof of control of the land for the agreement period.
- Land enrolled under other conservation programs is eligible for participation, if:
 - AMA is treating a different natural resource concern.
 - AMA provides a higher or improved level of treatment for a similar natural resource concern than obtained with the other conservation program.
- AMA participants are not subject to the Adjusted Gross Income (AGI) provisions of the 2002 Farm Bill or the Highly Erodible Land and Wetland Conservation provisions of the Food Security Act of 1985.

- 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.
- AMA provides cost-share and incentive payments to agricultural producers to voluntarily address issues such as water management, water quality, and erosion control by incorporating conservation practices into their farming operations.
- 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.
- The program allows for the transition to organic farming practices and the diversification for production of specialty crops. If you have a conservation practice that has been proven to be sound technically, NRCS has a process that establishes it as an interim practice that may be eligible for cost-share or an incentive payment.
- The total AMA payments (from NRCS, AMS, and RMA) shall not exceed \$50,000 per participant for any fiscal year.

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.