

**Federal Register Notice Announcing Availability of Agricultural
Management Assistance Program Funds, 67 FR 11459
(March 14, 2002)**

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[Notices]
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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Agricultural Management Assistance

AGENCY: Commodity Credit Corporation, United States Department of
Agriculture.

ACTION: Notice of availability of program funds for Agricultural
Management Assistance.

SUMMARY: This notice announces the availability of funds for
Agricultural Management Assistance (AMA) to implement Section 524(b) of
the Federal Crop Insurance Act, 7 U.S.C. 1524(b), as added by Section
133 of the Agricultural Risk Protection Act of 2000, Public Law 106-
224. The Commodity Credit Corporation (CCC) administers the funds under
the general supervision of a Vice President of the CCC who is the Chief
of the Natural Resources Conservation Service (NRCS). CCC is

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announcing the availability of funds under Section 524(b) of the
Federal Crop Insurance Act. Section 524(b) authorizes the Secretary of
Agriculture to use \$10 million of CCC funds annually for cost-share
assistance to producers in 15 States in which participation in the
Federal Crop Insurance Program is historically low. The 15 States
include Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada,
New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah,
Vermont, West Virginia, and Wyoming. The cost-share assistance will
encourage and assist producers in the selected States to adopt natural
resources conservation practices and investment strategies that will
reduce or mitigate risks to their agricultural enterprises.

DATES: March 14, 2002 to September 30, 2002.

ADDRESSES: Address all comments to: Conservation Operations Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, DC 20013-2890.

FOR FURTHER INFORMATION CONTACT: Mark W. Berkland, Director, or Gary Gross, AMA Program Manager, Conservation Operations Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, DC 20013, (202) 720-1845, fax: 202-720-4265; Submit electronic comments to: mark.berkland@usda.gov or gary.gross@usda.gov.

SUPPLEMENTARY INFORMATION:

Background

Section 524(b) of the Federal Crop Insurance Act, 7 U.S.C. 1524(b), was added by Section 133 of the Agricultural Risk Protection Act of 2000, (Pub. L. 106-224, June 22, 2000). Section 524(b) authorizes the Secretary of Agriculture (Secretary) to use \$10 million of CCC funds for cost-share assistance in 15 States where participation in the Federal Crop Insurance program is historically low. The 15 States designated by the Secretary are Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. The Risk Management Agency (RMA), Agricultural Marketing Service (AMS), and NRCS will administer the funds in such amounts per agency as determined by the Secretary.

Section 524(b)(2)(A), (B), and (C), provides for cost-share assistance to producers to: construct or improve water management structures or irrigation structures; plant trees for windbreaks or improve water quality; and mitigate risks through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming.

Section 524(b)(2)(D) and (E), provides for cost-share assistance to producers to: enter into futures, hedging, or options contracts in a manner designed to help reduce production, price, or revenue risk; and enter into agricultural trade options as a hedging transaction to reduce production, price, or revenue risk.

This notice deals with the funding administered by NRCS, approximately \$7 million in fiscal year 2002, to carry out the conservation provisions of Section 524(b)(2)(A), (B), and (C).

The Chief of NRCS, on behalf of CCC, will determine the funds available to the States for financial and technical assistance.

The NRCS State Conservationist, in consultation with the State Technical Committee, will determine eligible practices using a locally led process. Eligible conservation practices will be those practices that improve soil or water management or water quality, or mitigate financial risk through resource conservation. AMA does not provide for incentive payments.

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

The State Conservationist, in consultation with the State Technical Committee, will select applications based on State-developed ranking criteria and a ranking process, taking into account local and state priorities. The State Conservationist may also delegate the selection of applications to the local designated conservationist who will work

in consultation with the local USDA Work Group.

AMA Requirements

CCC will accept applications throughout the year. The State Conservationist, in consultation with the State Technical Committee, will widely distribute information on the availability of assistance and the State-specific goals. Information will be provided that explains the process to request assistance.

Applicants must own or control the land for which assistance is being sought and agree to implement specific eligible conservation practices on the land. The applicants must meet the definition of ``person'' as set out in Section 1001(5), of the Food Security Act, 7 U.S.C. 1308(5), as determined by the Farm Service Agency (FSA). Any cooperative association of producers that markets commodities for producers shall not be considered to be a person eligible for payment. The status of an individual or entity on the date of the application shall be the basis on which the determination of the number of persons involved in the farming operation is made. There will be a 5 to 10 year cost-share agreement period to install eligible practices. Cost-share practices need to be maintained for the life of the practice. The maximum payment to any one person under the AMA program is \$50,000 for any fiscal year.

The Federal share of cost-share payments shall be 75 percent of the cost of an eligible practice(s), based on percent of actual cost, percent of actual cost with not-to-exceed limits, flat rates, or average costs. Producers will be paid upon certification of the completion of the approved practice(s). Producers may contribute to the application of a cost-share practice through in-kind contributions. Eligible in-kind contributions include: personal labor; use of personal equipment; donated labor or materials; and use of on-hand or used materials that meet the requirements for the practice to be installed. In no instance shall the total financial contributions for an eligible practice from all public and private entity sources exceed 100 percent of the actual cost of the practice. Cost-share payments will not be made to a participant who has applied or initiated the application of a conservation practice prior to approval of the cost-share agreement.

Eligible participants must have control of the land for the life of the cost-share agreement period. An exception may be made by the Chief of NRCS in the case of land allotted by the Bureau of Indian Affairs (BIA), tribal land, or other instances in which the Chief of NRCS determines that there is sufficient assurance of control; or the applicant is a tenant of the land involved in agricultural production and the applicant provides CCC with the written concurrence of the landowner in order to apply an eligible practice(s).

Eligible land includes land used as agricultural land on which NRCS determines that assistance is needed to construct or improve watershed management structures or irrigation structures; plant trees to form windbreaks or to improve water quality; or to mitigate financial risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic

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farming. Additionally, land may only be considered for enrollment in AMA if NRCS determines that the land is privately-owned or publicly-

owned where the land is under private control for the length of the cost-share agreement and is included in the participant's operating unit. The conservation practices installed on public land must contribute to an improvement in the identified natural resource concern as well as benefit private land. The applicant must provide CCC with written authorization from the government landowner to apply the conservation practices. Land that is Federally recognized Tribal, BIA allotted, or Indian trust land may be considered for enrollment in AMA.

Applicants must submit an application (CCC-1200 form) to CCC to be considered for participation in AMA. Any producer who has eligible land may obtain and submit an application for participation in AMA at a USDA service center. Producers who are members of a joint operation shall file a single application for the joint operation. A NRCS conservationist will work with the applicant to collect the information necessary to evaluate the application using the State-developed ranking criteria.

Conservation Plan Requirement

A conservation plan is required for the area to be included in the AMA cost-share agreement and becomes the basis for developing the cost-share agreement. The conservation plan must be acceptable to NRCS; be approved by the local conservation district; be signed by the participant, designated conservationist, and the conservation district; and clearly identify the conservation practices that will be cost-shared with AMA funds and the non-cost shared practices needed in the conservation plan.

Cost-Share Agreement Requirements

Participants will enter into a cost-share agreement agreeing to implement eligible conservation practices. An AMA cost-share agreement will incorporate by reference all portions of a unit applicable to AMA and be for a duration of 5 to 10 years.

Cost-share agreements will incorporate all provisions as required by law or statute, including requirements to not conduct any practices on the farm or ranch unit of concern that would tend to defeat the purposes of the cost-share agreement; refund to CCC any AMA payments received with interest, and forfeit any future payments under AMA, on the violation of a term or condition of the cost-share agreement; refund all AMA payments received on the transfer of the right and interest of the producer in land subject to the cost-share agreement, unless the transferee of the right and interest agrees to assume all obligations of the cost-share agreement; and supply information as required by CCC to determine compliance with the cost-share agreement and requirements of AMA. The participant and NRCS must certify that a conservation practice is completed in accordance with the cost-share agreement before CCC will approve any cost-share payments.

With respect to land under an AMA cost-share agreement which is inherited during the cost-share agreement period, the \$50,000 per fiscal year limitation to any person will not apply to the extent that the payments from any cost-share agreements on the inherited land cause an heir, who was party to an AMA cost-share agreement on other lands prior to the inheritance, to exceed the annual limit.

With regard to cost-share agreements on tribal land, Indian trust land, or BIA allotted land, payments exceeding \$50,000 per fiscal year limitation may be made to the tribal venture if an official of the BIA

or tribal official certifies in writing that no one person directly or indirectly will receive more than the fiscal year limitation.

Conservation Practice Operation and Maintenance

The cost-share agreement will provide for the operation and maintenance of the conservation practices applied under the cost-share agreement. The participant will operate and maintain the conservation practices for their intended purposes as agreed-to as part of the cost-share agreement, and form CCC-1245, Practice Approval and Payment Application.

Additional Requirements and Information

Additional requirements and information pertaining to the AMA program relating to cost-share agreements, administrative requirements, and other matters can be found on CCC form CCC-1200, Conservation Program Contract, and the appendix to form CCC-1200, both of which are available at local USDA service centers.

Civil Rights

NRCS and CCC have collected civil rights data on farmers/ranchers participating in conservation programs. Based on past participation, it is estimated that the funding being made available with this notice will not negatively or disproportionately affect minorities, women, or persons with disabilities who are program beneficiaries or applicants for program benefits in NRCS or CCC assisted programs.

Environmental Evaluation

This assistance, administered by NRCS, will be funded at a level for 2002 as determined by the Secretary. Depending on the level of funding, and based on the participation in existing soil and water conservation programs, it is estimated that this assistance could result in approximately 230 cost-share agreements in the 15 States. On each farm or ranch, during the conservation planning process, the environmental effects of any proposed actions are evaluated on a case by case basis. That evaluation is used to determine whether further environmental analysis is required. Accordingly, neither an Environmental Assessment nor an Environmental Impact Statement has been prepared for this notice.

Signed in Washington, DC, on August 23, 2001.
Thomas A. Weber,
Deputy Chief for Programs, Natural Resources Conservation Service.
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