



Emergency Conservation Program & Adjusted Gross Income Provisions 2007

Overview

On May 25, 2007, President Bush signed into law the "U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007" (2007 Act). The 2007 Act provided \$16 million in Emergency Conservation Program (ECP) funding. However, unlike other ECP funds, the \$16 million is subject to Adjusted Gross Income (AGI) provisions, which limits payments to producers who earn more than \$2.5 million a year.

USDA Farm Service Agency's (FSA) ECP provides emergency funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought. Congress appropriates funding for ECP.

Program Administration

FSA state and county committees administer ECP. FSA's national office authorizes ECP payments for drought. ECP payments are subject to funding availability.

Land Eligibility

FSA county committees determine land eligibility based on on-site

inspections of damage, taking into account the type and extent of damage. For land to be eligible, the natural disaster must create new conservation problems that, if untreated, would:

- Impair or endanger the land;
- Materially affect the land's productive capacity;
- Represent unusual damage which, except for wind erosion, is not the type likely to recur frequently in the same area; and
- Be so costly to repair that federal assistance is or will be required to return the land to productive agricultural use.

Conservation problems existing prior to the applicable disaster are ineligible for ECP assistance.

Payments

ECP program participants receive cost-share assistance of up to 75 percent of the cost to implement approved emergency conservation practices, as determined by FSA county committees.

County committees approve individual or cumulative requests for cost-sharing of \$50,000 or less per person, per disaster. State committees approve cost-sharing from \$50,001 to \$100,000. FSA's national office approves cost-sharing over \$100,000. Payment

limits are \$200,000 per "person" per disaster.

USDA's Natural Resources Conservation Service may provide technical assistance under ECP.

Adjusted Gross Income (AGI)

Regulations at 7 CFR Part 1400, Subpart G, provides for a \$2.5 million AGI limitation where an individual or entity shall not be eligible for certain program benefits during a crop, program or fiscal year if the three-year average of the AGI for the individual or entity exceeds \$2.5 million and less than 75 percent of the average AGI is derived from farming, ranching or forestry operations.

Emergency Conservation Practices

To rehabilitate farmland, ECP program participants may implement emergency conservation practices, such as:

- Remove debris;
- Restore fences and conservation structures; and
- Provide water for livestock in drought situations.

With approval from FSA state committees and FSA's national office, FSA county committees may authorize other conservation measures.

Sign-up Periods

Producers should check with their local FSA service center about ECP sign-up periods, which are set by FSA county committees.

For More Information

More information on FSA programs is available online at: <http://www.fsa.usda.gov>.

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