

Farm and Ranch Lands Protection Program - 2013

Parcel Application Instructions

A completed Parcel Application is required for each parcel submitted for consideration for Farm and Ranch Lands Protection Program (FRPP) funding. FRPP applications can be accepted on a continuing basis; **however, Parcel Application(s) along with a signed and dated Program Application (Form NRCS-CPA-1200) are to be completed and submitted to the Natural Resources Conservation Service (NRCS) State Office no later than close-of-business (4:00 pm) on February 15, 2013 to be considered for available 2013 funding.** All landowners must meet the USDA eligibility criteria by complying with the Food Security Act Highly Erodible Land Conservation and Wetland Conservation Provisions. All application material must be printed single-sided. Electronic submissions will not be accepted. Applications may be mailed or hand-delivered to:

Assistant State Conservationist for Easement Programs
USDA – Natural Resources Conservation Service
4407 Bland Rd., Suite 117
Raleigh, NC 27609
(919)873-2103

Highlight of FRPP Policies

- Each entity applying to FRPP is responsible for the appraisal, survey, and title search and associated costs.
- Easements will be held by the cooperating entity only. The United States will not pay or hold title insurance on deeds.
- The 2008 Farm Bill rule will allow deeds to have a ‘Right of Enforcement’ clause. The United States no longer has the right to assume ownership of the easement if the entity does not enforce the provisions of the conservations easement deed.
- The 2008 Farm Bill and Rule allow cooperating entities to choose a standard on which to base compensation. Appraisals may be either USPAP or USPAP/UASFLA (Yellow Book) and NRCS FRPP appraisal instructions.
- All appraisals used for acquisition of FRPP easements must undergo a technical appraisal review meeting NRCS policy. In no case will a closing take place before meeting this requirement.

- Cooperating entities will submit conservation easement deed form for approval within 30 days of signing the cooperative agreement. Cooperating entities submit appraisals and title commitment for review as soon as possible, but at a minimum, six months before anticipated closing date.

The following instructions are intended to provide additional guidance in the completion of the Parcel Application, but if there are questions not addressed below, please contact the North Carolina NRCS Easements Staff for clarification.

Preliminary FRPP Qualifications and USDA Program Eligibility:

The parcel must meet at least one of the conditions as identified on the Parcel Application. If the parcel has historic or archeological resources, include relevant supporting documentation. Likewise, if the land supports the policy of a state or local farm land protection program, please provide documentation of the policy as well as a statement regarding how the land offered for FRPP relates to the state or local policy.

An AD-1026 form must be completed for each landowner listed on the deed of conveyance. If the landowner is an entity, i.e. a Limited Liability Corporation, Partnership, Incorporation, etc., then the members of that entity must be identified. The form CCC-901 should be used to identify the members of an entity. The AD-1026 and CCC-901 should be completed with the local Farm Service Agency. NRCS does not need copies of the AD-1026. If a CCC-901 is needed, NRCS must have a copy of that document.

As of September 30, 2012 the average Adjusted Gross Income limitations under the 2008 Act have expired. As of November 30th, 2012 legislation has not been enacted to reauthorize or extend the AGI limitations beyond the 2012 crop, program, or fiscal years. Effective October 1, 2012, and **until further notice**, FY 2013 program participants are not subject to compliance with average AGI limitations.

Landowner and Parcel Information:

1. The Parcel/Farm Name is the name by which the farm is usually referred. This may simply be the landowner's name, but it does not have to be.
2. The landowner's name should include everyone that is listed on the deed of conveyance, which also must be submitted with the application. If the landowner is an entity, anything other than an individual person(s), then the members of the entity must also be identified by completing a CCC-901. The CCC-901 is filled with FSA, but a copy must also be provided to NRCS. When there are multiple landowners it is required to indicated each individual share of ownership and the last four digits of their Social Security Numbers.
3. Decision Maker refers to the primary individual responsible for making decisions regarding the land being offered for FRPP.

Note: numbers 4 through 10 on the Parcel Application are self-explanatory.

11. This form, NRCS-CPA-1200, is the application for NRCS programs. There are versions of this form which do not have the Farm and Ranch Land Protection Program listed, in which case it must be written in. The CPA-1200 has a question related to Historically Underserved Individuals and Groups which includes: New and Beginning Farmers, Limited Resource

Farmers, and Socially Disadvantaged. All landowners need to indicate whether or not they identify with any of these groups.

A New and Beginning Farmer or Rancher is defined as an individual or entity that has operated a farm or ranch for less than 10 consecutive years. For entities, all members must fit this description, and the individual members must materially and substantially participate in the operation of the farm or ranch.

A Limited Resources Farmer or Rancher has:

- direct or indirect gross farm sales of not more than the current indexed value in each of the previous two years;
- a total household income at or below the national poverty level for a family of four; or
- less than 50 percent of county median household income in each of the previous two years.

An entity or joint operation can be a limited-resource farmer or rancher if all individual members independently qualify. Applicants may also use the Limited Resource Farmer Self-Determination Tool at www.lrftool.sc.egov.usda.gov

A Socially Disadvantaged Farmer or Rancher is a farmer or rancher who is a member of a socially disadvantage group, defined as one whose members have been subjected to racial or ethnic prejudice because of their identity as members of the group, without regard to their individual qualities. These groups include:

- American Indians or Alaska Natives
- Asians
- Blacks or African Americans
- Native Hawaiians or other Pacific Islanders
- Hispanics

At least 50 percent ownership in the farm business must be held by socially disadvantaged individuals for an entity landowner to be considered Socially Disadvantaged. Gender alone is not considered Socially Disadvantaged.

- Each individual, or member of an entity (e.g. LLC, Partnerships, or Trusts) which owns the parcel applying for FRPP, as well as the entity itself, needs to indicate if they identify as one of the above groups. For example:

A parcel owned by Healthy Happy Farm, LLC has applied for FRPP. Healthy Happy Farm, LLC could identify as a New and Beginning Farmer or Rancher, a Limited Resource Farmer or Rancher, and/or a Socially Disadvantaged Farmer or Rancher. The members of Healthy Happy Farm, LLC are husband and wife Hank and Helen Hunter, and they would also individually identify whether or not they qualify as one of the Historically Underserved groups.

- Except for ranking points for Socially Disadvantaged Farmer or Rancher, neither identifying with, nor not identifying with New and Beginning or Limited Resources Farmer or Rancher will have any impact or influence upon the selection of parcels for funding with the Farm and Ranch Land Protection Program.

USDA is an Equal Opportunity Provider and Employer

12. The form FSA-211, Power of Attorney is an optional form which can be used when the land is owned by more than one individual or by an entity. Be sure to **use the version dated 12-17-08** or later, as earlier versions did not cover NRCS programs. This form's authority does not extend to the signing of a conservation easement deed, but can be used to simplify completing some USDA program related forms.

Note: Numbers 13 through 16 on the Parcel Application are self-explanatory.

17. The location map needs to show the location of the parcel in relation to the county at-large and provide road labels for some of the main roads in the vicinity of the parcel. If there are any towns or cities within the print area of the location map, please label those as well.

The proximity to protected parcels map should support the points earned on the ranking sheet. Include a one-mile radius line to show how many acres there are of nearby protected land (i.e. National, State or Local Parks, Forests, Refuges, etc., other easements, etc.). In order to justify ranking point if the area is not clearly dominated (75% or more) by agriculture; please also make a map identifying how many acres of agricultural land are within a one mile radius.

The aerial map needs to clearly identify the boundary of the offered acres. If there are notable features, such as historic or archaeological features, please identify those as well. Please also delineate and identify which areas are cropland, forestland, and wetland, including a legend giving the total acres of each land-use to document the acres listed for #19 of the Parcel Application. If there is too much data to put on one map, it is acceptable to submit multiple aerial maps, i.e. one for land-use, one for historic archaeological and/or farm infrastructure (i.e., fence, water troughs, barns, etc.)

The soils map needs to show the soils polygons and include the map unit label for the soil type. The inventory report is to identify the name of the soil indicated by the map unit label, and indicate which are prime, statewide or locally important. Please also identify the total acres for each soil type, and provide the total percentage of soils that meet the prime, statewide or locally important soils criteria.

Please include the date of aerial photography used in any maps.

18. NRCS needs of a copy of the deed or deeds, with a legal description, for the acres offered for FRPP. If there are multiple deeds, the deeds must have identical ownership to be considered one parcel, if there is one person different on one tract it will have to be submitted as a separate parcel.
19. Mostly self-explanatory. For the sake of the FRPP application, wetlands are land that has wetland hydrology, hydric soil indicators, and hydrophytic vegetation. Areas labeled with soil map units that are hydric, or potentially hydric, do not automatically signify that the area is a wetland. Conversely, areas that are not labeled as soil map units that are hydric, may still qualify as wetland. For the FRPP application, wetlands do not need to be officially delineated, but can be "unofficially" delineated by someone with enough training and skills to recognize the three wetland criteria.

20. The acres listed should be supported by the Soils Map and Inventory Report. The total acres of important farmland include prime, unique, and statewide or locally important soils.

Note: Number 21 on the Parcel Application is self-explanatory.

22. The estimated landowner donation is the difference between the estimated purchase price and the estimated appraised fair market value. The landowner donation counts towards the cooperating entities required match of 50% of the appraised fair market value of the easement.*
23. The estimated contribution by the cooperating entities is dependent upon how much the landowner chooses to donate, but the cooperating entity contribution must be at least 25% of the easements purchase price.*
24. The requested federal contribution cannot be greater than 50% of the appraised fair market value. However, in cases where the landowner chooses to donate more than or equal to 1/3 of the appraised fair market value, the federal contribution is reduced in relation to the minimum amount required to be contributed by the cooperating entity.

**FRPP statute & regulation*

- *The Federal Cash Contribution cannot exceed 50% of the Estimated Fair Market Value of the Easement.*
- *The Cooperating Entity Cash Contribution Paid to the Landowner must be at least 25% of the Purchase Price.*
- *If there is no Landowner Donation, the Cooperating Entity Cash Contribution must be greater than or equal to 50% of the Estimated Fair Market Value.*

25. The written “pending offer” for the purchase of the conservation easement should match the estimated purchase price that the Cooperating Entity is pursuing on behalf of the landowner. A copy of the Cooperating Entity’s pending offer, accepted and signed by the landowner(s) and Cooperating Entity, needs to be provided with the application materials. The figures in the pending offer should match those listed in the Parcel Application, as well as on the signed “Estimate of matching funds and stewardship fees worksheet”.
26. Estimated cooperating entity’s stewardship fee is self-explanatory. If stewardship fee is greater than 2% of the appraised fair market value, then detailed specifications for the itemized stewardship is required to be submitted with the application. Stewardship fees equal to or greater than \$20,000 must be reviewed and approved by NRCS Headquarters.

Note: Numbers 27 through 30 on the Parcel Application are self-explanatory.

31. The explanation of existing agriculture infrastructure is a description of what exists in support of the particular farm being offered for FRPP. For example, the offered acres may be comprised solely of pasture for a beef cattle operation. Therefore the on-site infrastructure may be pasture fields with fencing with sub-divided pastures for grazing management and four watering troughs. The off-site infrastructure may be a cattle co-op that sells cattle together in order to have a full load of cattle for a transfer truck, and a local butcher and farmers market that the farm works with to sell beef locally. If the offered acres are for a more complex farming operation, a bullet list of infrastructure may be appropriate.

Note: Number 32. through the appraisal summary information should be self-explanatory or discussed and explained in other application materials.

Cooperating Entity Certification of Application Material and Information

The person from the Cooperating Entity who gathered the data for the application should sign the certification of the Parcel Application. If more than one person is involved, then the primary person responsible for the Parcel Application may sign to certify the information. This would be the person we would contact with questions regarding the application.