

## Nevada

April 2009

*At a Glance*

# Definitions of Terms in the 2008 Farm Bill

## **Agricultural Operation**

NRCS revises the definition of “agricultural operation” to make it consistent with other conservation programs administered by NRCS. “Agricultural operation” is defined as a “parcel or parcels of land whether contiguous or noncontiguous, which the producer is listed as the operator or owner/operator in the Farm Service Agency (FSA) record system, which is under the effective control of the producer at the time the producer applies for contract, and that is operated by the producer with equipment, labor, management, and production, forestry, or cultivation practices that are substantially separate from other operations.”

## **Agricultural Land**

The definition of “agricultural land” is revised to include those areas identified by EQIP’s authorizing legislation as eligible land.

## **Applicant**

Applicant is defined as follows: a person, legal entity, joint operation, or tribe that has an interest in an agricultural or forestry operation.

## **Beginning Farmer/Rancher**

The definition of “Beginning Farmer or Rancher” did not change in the 2008 Farm Bill.

A Beginning Farmer or Rancher means an individual or entity who:

- a. Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity,
- b. Will materially and substantially participate in the operation of the farm or ranch.
  1. In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with

the practices in the county or State where the farm is located.

2. In the case of a contract with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

## **Conservation Practice**

The definition “conservation practice” is changed to reflect the 2008 Act’s expansion of the definition of “conservation practice” beyond structural and land management practices, to include forest management and vegetative practices, as well as other practices that achieve the program purposes and positive environmental outcomes, like comprehensive nutrient management plans, forest management plans, and other plans determined acceptable by the Chief. NRCS has built upon the statutory examples of planning activities that are comprehensive in nature, such as agricultural energy management plans, dryland transition plans, integrated pest management plans, and other planning activities that meet Field Office Technical Guide (FOTG) requirements, approved by the NRCS State Conservationist, in consultation with the State Technical Committee.

## **Contract**

“Contract” means “a legal document that specifies the rights and obligations of any participant in the program.” An EQIP contract is a binding cooperative agreement for the transfer of assistance from USDA to the participant to share in the costs in applying the conservation practices.

## **Cost Effectiveness**

NRCS revises the definition of “cost effectiveness.” The term “cost effectiveness” means the “least-costly option for achieving a given set of conservation objectives.”

## **Cost-Share Payments**

The term “cost-share payments” is removed to reflect the amended statutory language. To comply with the statutory change, the terms, “cost-share payments” and “incentive payments” have been merged to form one definition, entitled “payments,” which means financial assistance provided to the participant for estimated costs incurred performing or implementing conservation practices, including costs for materials, equipment, labor, design and installation, maintenance, management, or training, as well as the estimated income foregone by the participant for designated conservation practices. The term “payment” replaces the terms “cost-share payments” and “incentive payments” throughout the regulation.

## **EQIP Plan of Operations**

The definition “EQIP plan of operations” is revised to clarify for applicants, participants, and the public that an operation and maintenance agreement and EQIP plan of operations are components of the EQIP contract.

## **Estimated Income Foregone**

The definition of “estimated income foregone” is added to clarify how producers will be compensated in accordance with Section 1240B(d) of the 1985 Act. As defined, “estimated income foregone” means an estimate of the net income loss associated with the adoption of a conservation practice, including a change in land use or land taken out of production or the opportunity cost associated with the adoption of a conservation practice. This shall not include losses of income due to disasters or other events unrelated to the conservation practice.”

## **Historically Underserved Producer**

The term “historically underserved producer” combines the terms “beginning farmer or rancher,” “limited resource farmer or rancher,” and “socially disadvantaged farmer or rancher,” and their respective definitions into one term to simplify terms within the interim final rule. Definitions for “beginning farmer and rancher” and “limited resource farmer and rancher” remain the same as those definitions outlined in EQIP’s final rule published on May 30, 2003.

The definition for “socially disadvantaged farmer or rancher,” which includes members of Indian tribes, has been added in accordance with the 2008 Act which sought to expand EQIP participation to be more inclusive of farmers and ranchers who have been subjected to racial or ethnic prejudices. This definition originates from Section 2501(g) of the Food, Agricultural, Conservation, and Trade Act of 1990, which defines “socially disadvantaged.”

## **Incentive Payments**

NRCS removes the term “incentive payments.” To reflect the statutory language, NRCS merges the terms “cost share payments” and “incentive payments” into one single term entitled “payments.” “Payment” means financial assistance provided to the participant for estimated costs incurred performing or implementing conservation practices, including costs for materials, equipment, labor, design and installation, maintenance, management, or training, as well as the estimated income foregone by the participant for designated practices.

## **Integrated Pest Management**

NRCS inserts the term “integrated pest management.” The definition is the same as the statutory definition which defines integrated pest management as “a sustainable approach to managing pests by combining biological, cultural, physical, and chemical tools in a way that minimizes economic, health, and environmental risks.”

## **Land Management Practice**

NRCS replaces the term “land management practice” with the more inclusive term “conservation practice” to reflect statutory changes. In accordance with the 2008 Act amendments, the term “conservation practice” is expanded beyond structural and land management practices to include forest management and vegetative practices, as well as other practices that fulfill the program purposes, like comprehensive nutrient management plans, forest management plans, and other plans determined to be acceptable by the Chief. NRCS has expanded the definition of conservation practice to include planning activities that are comprehensive and holistic in nature, such as agricultural energy management plans, dryland transition plans, integrated pest management plans, and other assessment and planning activities that meet FOTG requirements, approved by the NRCS State Conservationist in consultation with the State Technical Committee.

## **Limited Resource Farmer and Rancher**

The term “limited resource farmer and rancher” remains the same as the definition included in the former program regulation, with an accommodation made to increase the level of gross farm sales from \$100,000 to \$155,200. Throughout portions of the text, the term has become a subset of the “historically underserved producer,” in order to reduce the number of times it and other associated terms are recited in the regulation.

## **Nonindustrial Private Forest Land**

The term “nonindustrial private forest land” has been inserted based on the definition in the 2008 Act

amendments. Nonindustrial private forest land is rural land, as determined by the Secretary, that has existing tree cover or is suitable for growing trees; and is owned by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity that has definitive decision-making authority over the land.

### **Operation and Maintenance**

NRCS revises the definition of “operation and maintenance” to clarify that participants are expected to maintain EQIP-funded conservation practices for the conservation practice’s lifespan, as set forth in the operation and maintenance agreement. By maintaining the conservation practice for its lifespan, the participant ensures that the conservation practice will function for its intended use and will not cause harm or damage to the environment.

### **Operation and Maintenance Agreement**

NRCS adds the term “operation and maintenance agreement” to describe the document that, in conjunction with the EQIP plan of operations, specifies the Agency expectation that participants will operate and maintain conservation practices installed with EQIP assistance.

### **Organic System Plan**

NRCS adds the term “organic system plan” which is defined as a management plan for organic production or for an organic handling operation that has been agreed to by the producer or handler and the certifying agent. The Organic System Plan includes written plans concerning all aspects of agricultural production or handling.

### **Payment**

The term “payment” has been added and replaces the terms “cost share payments” and “incentive payments.” The term “payment” means financial assistance provided to the participant for estimated costs incurred performing or implementing conservation practices, including costs for materials, equipment, labor, design and installation, maintenance, management, or training, as well as the estimated income foregone by the participant for designated conservation practices. The term “payment” replaces the terms “cost share payments” and “incentive payments” throughout the text.

### **Socially Disadvantaged Farmer or Rancher**

NRCS inserts the term “socially disadvantaged farmer or rancher” and its associated definition. A “socially disadvantaged farmer or rancher” is a farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities.

The definition for “socially disadvantaged farmer or rancher,” which includes members of Indian tribes, has been added in accordance with the 2008 Act which sought to expand EQIP participation to be more inclusive of farmers and ranchers who have been subjected to racial or ethnic prejudices. This definition originates from Section 2501(g) of the Food, Agricultural, Conservation, and Trade Act of 1990, which defines “socially disadvantaged.”

### ***MORE INFORMATION***

For complete definitions and more information on the 2008 Farm Bill, visit the NRCS Web site at <http://www.nrcs.usda.gov/programs/farmland/2008/index.html>, or the USDA Web site at <http://www.usda.gov>.

For more assistance, contact your local USDA Service Center or NRCS office. Nevada NRCS offices can be found online at [www.nv.nrcs.usda.gov](http://www.nv.nrcs.usda.gov).

Please **NOTE: THESE DEFINITIONS ARE SUBJECT TO CHANGE UNTIL THE FINAL RULES ARE PUBLISHED.**