



APPLYING FOR THE CONSERVATION STEWARDSHIP PROGRAM (CSP)

A Plain Language Guide from the New Entry Sustainable Farming Project



IN THIS GUIDE, YOU WILL LEARN ABOUT:

Eligibility for the Conservation Stewardship Program

How to Apply

Benefits and Requirements

How to Seek Technical Assistance

NEW ENTRY SUSTAINABLE FARMING PROJECT

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April 2010

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Production of this document was supported by the SARE Professional Development Grant ENE05-092, USDA CSREES 2501 Program, and by USDA Risk Management Agency (RMA Partnership Agreement No. 06IE08310159).

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PURPOSE OF THIS GUIDE

Who should read this guide?

This guide is written for farmers interested in applying for the Conservation Stewardship Program. Farmers begin applying for the Conservation Stewardship Program (CSP) by filling out a CSP Producer Self-Screening Checklist. This can be found in Appendix A at the end of this guide. The Checklist is used by farmers to find out if they are able and willing to meet all of the requirements for the CSP. The first part of the Checklist will help you understand whether or not you should read this guide. It asks farmers to answer the following three questions:

1) Are you willing to commit time to inventory and document your conservation activities and production system to determine eligibility and ranking?

This question is asking how much time you have to put into the Program. The application asks for important details on what you grow and how you grow it. It especially wants information on how your methods prevent soil erosion, reduce the use of pesticides, and other things that help protect the environment. If you feel that you have time to record all of that information, you can answer “yes” to this question.

2) Do you have records of your farming activities and are you willing to continue maintaining records to document your conservation activities? Records will be used during NRCS field visits to verify accuracy of application information before contracts are approved.

This question is similar to the first question. However, it is also asking if you have been recording that information in the past and if you would be willing to record that information in the future. Recording this information is necessary for the CSP to know that you are committed to conservation.

3) Are you ready to enter into a 5 year contract requiring you to apply additional conservation activities and to improve, maintain, and manage existing conservation activities?

This question is asking if you are ready to fulfill a contract with the CSP. CSP contracts last for five years. To receive CSP funding, you may have to apply new conservation methods to your farm. This will require more time and labor.

If you answered yes to these three questions, then the Conservation Stewardship Program may be right for you! This guide may also be helpful to you if you have applied for the CSP in the past but want to apply again. Many of the rules of the CSP changed in 2008. This guide will be helpful in understanding some of the new rules.

What is Plain Language?

This guide is presented in a format called **Plain Language**. Plain Language provides clear, simple, and accessible text for readers in order to reduce misunderstandings, errors, and lack of comprehension. It also helps guide you to take action steps to practice what you learn, and gives examples of other people using the information. We present this guide in Plain Language in order to make the topic accessible to everyone.

It may be helpful for you to use this workbook with someone who can guide you to more farming information, such as an experienced farmer, staff member of a farm service organization, or other service provider.

A list of useful terms can be found in the Glossary at the back of this guide. Words in quotation marks (“ ”) are defined there.

WHAT IS THE CONSERVATION STEWARDSHIP PROGRAM?

The Conservation Stewardship Program (CSP) is a program run by the “Natural Resources Conservation Service (NRCS)”. It rewards farmers for being good “stewards” of their land. This means that farmers who prevent “soil erosion,” protect wildlife, work to keep water clean, or take other steps to protect the environment on their farms could receive annual payments from the CSP.



How does the program work?

The CSP application asks a number of questions about a farmer’s property and practices. They are looking for information on two things:

- 1) What kind of practices the farmer uses to protect the environment.
- 2) What other conservation practices the farmer could begin in the future.

The NRCS takes the answers to those questions and decides if the farmer is using a conservation system that meets the threshold necessary to receive a “CSP contract”. A CSP contract is a five year agreement between a farmer and the NRCS. It requires that farmers maintain their existing conservation practices, and also begin at least one new practice. The CSP contract states the payment a farmer will receive each year in exchange for those new and existing practices. You can receive as much as \$50,000 per year from your CSP contract, although payments are usually much lower.

AM I ELIGIBLE FOR THE CSP?

If you answered yes to all three questions in the introduction, then there is a good chance that you are eligible for the CSP. This section will help you decide:

- 1) if you are fully eligible; and
- 2) how to become eligible if you are not.

The CSP is not an “entitlement program”. In other words, *being eligible does not guarantee that you will receive payments*. It only means that your application will be considered for the Conservation Stewardship Program.

Important note:

Read this section with the CSP Producer Self-Screening Checklist available to look at. The Checklist can be found in Appendix A at the end of this guide or on-line at: http://www.attra.org/csp/docs/CSP_Producer_Self_Screening_Checklist.pdf

Important changes to CSP made in 2008:

The 2008 Farm Bill made a few important changes to the way the CSP works. Some of the most important changes were related to land eligibility.

- The CSP is no longer limited to certain “watersheds.” Now, any land in the United States is eligible for the CSP.
- Before 2008, the CSP allowed farmers to apply just part of their land to the CSP, but now all cultivated farm property, including “other land,” must be included in the application.
- Farmers can now also apply any private nonindustrial forested land on their property. However, farmers do NOT have to include forested land as part of their application. All private nonindustrial forested land will be “ranked” separately from other property.

HOW IS ELIGIBILITY DETERMINED?

There are three types of eligibility for the CSP:

- applicant (you)
- land (your farm)
- stewardship threshold (which will be explained later)

Applicant Eligibility Requirements

The following is a list of the requirements in order for you, as a farmer, to be eligible for the CSP (see page I of the Checklist). Each requirement is followed by an explanation.

“Is the operator of record in Farm Service Agency (FSA) record system or establish FSA records prior to application.”

This means that you must be on record with the “Farm Service Agency (FSA)”. If you have ever received loans or other kinds of payments from the United States Department of Agriculture (USDA), then you are registered with the FSA.

However, if you are a new farmer, then you are probably not registered with the FSA. When you go to an NRCS office to apply for the CSP, you can register with the FSA at the same time. The NRCS and FSA offices are usually in the same building, at an “FSA Service Center.”

To register with the FSA you should have an idea of how much land or acreage you are farming.

“Has documented control of the land for the term of the contract (5 years).”

CSP contracts are five years long. When you are applying for the CSP, you must show that you are the “primary operator” of your farm. This does *not* mean that you must be the owner of the land. The CSP wants to know that you are the farmer of that land, even if you only rent or lease it.

In order to prove that you are the primary operator of your farm, you must provide one of three things:

- 1) a deed or other proof of ownership of the land
- 2) a written lease agreement, signed by you and the owner of the land
- 3) other agreement or “legal conveyance”.

Applicant Eligibility Requirements (continued)

“Is in compliance with highly erodible land and wetland conservation provisions.”

NRCS programs like the CSP are not a set of laws that farmers must follow. They are voluntary and must be applied for. However, the government does require that farmers fulfill some environmental standards. Fulfilling these standards is called “compliance”.

The USDA requires compliance with “highly erodible land” and “wetland conservation” provisions in order to receive any kind of payments, including for the CSP. If you are already receiving any kind of payments from the USDA, then you have already submitted the proper forms that show that you are compliant. If you are not receiving any payments and have not shown your compliance, then you must fill out Form AD1026, Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification. This form can be found in Appendix C. It must be submitted to the NRCS.

“Is in compliance with average adjusted gross income provisions. If the average adjusted gross nonfarm income is greater than \$1 million, the person or legal entity is not eligible unless 66.66 percent or more of the average adjusted gross income is attributable to farming activities.”

This requirement says that you cannot receive CSP payments if you make more than \$1 million per year. You must prove it by filling out Form CCC-926, Average Adjusted Gross Income (AGI) Statement. This form can be found in Appendix B.

Also, it is important to note that you must make at least \$1,000 in farm income per year in order to be considered a farmer by the government.



Land Eligibility Requirements

The most important land eligibility requirement is that your land is not publicly owned. The Checklist says that your farm must be on “private/tribal agricultural land”. It can be under private ownership or Tribe ownership (land owned by American Indian tribes), but not “public lands”.

The Checklist also says that you can include “private nonindustrial forested land.” This is land on your property that is covered by trees and can also be harvested for commercial products, such as timber or wood pulp, but the lumber mill cannot be on the property. You can be rewarded for stewardship on these acres of your property, too. Having a forest management plan is important to receiving a CSP contract for private nonindustrial forested land.

Again, *you do not have to be the owner of the your land*. You only must be a primary operator of the farm on that land. As long as the owner of the land is a private citizen or an American Indian tribe, and not the government, then your land is eligible for the CSP.

There are no acreage requirements but you should know that nationally, CSP acreage is given to states based on the amount of agricultural land in that state. This is not a minimum acreage requirement for apply to the CSP.

There are other important requirements in order for your land to be eligible. The following list is from the CSP Producer Self-Screening Checklist. Each point is followed by an explanation:

Must include the entire agricultural operation (land for which you are the operator in FSA farm records management system)

Your application must record all cultivated land on your farm, including “other land”.

Applicant elects whether to include the nonindustrial private forest land component

You can also include private nonindustrial forested land that is on your property, but you do not have to.



By: Paul Fusco

Land ineligible for CSP includes land enrolled in CRP, WRP, GRP, Conservation Security Program, public land, and land used for crop production not planted or considered planted 4 of 6 years prior to June 2008

If you are currently receiving payments from the “Conservation Reserve Program”, the “Wetland Reserve Program”, the “Grassland Reserve Program”, or the “Conservation Security Program”, then you cannot receive CSP payments. You should not apply for the CSP if you receive funding from these other programs.

The second part of this requirement is also important. It says that, if the land that you are applying to the CSP is used for growing crops, then you must have been growing crops on it for 4 out of the 6 years before 2008.

Stewardship Threshold Eligibility Requirements

This is the most important section of eligibility requirements. However, it is also the most complicated. If it is difficult to answer all of the questions, you should review this section of the CSP Producer Self-Screening Checklist with an employee of your local NRCS office. They will be able to explain what the points in this section of the Checklist mean.

They can also explain what the NRCS is looking for when they are ranking your application. Below is a summary of the “stewardship threshold” eligibility requirements. A complete list of suitable conservation practices can be found at http://www.ri.nrcs.usda.gov/programs/eqip/FY_2010_EQIP_Eligibility.pdf

This section of the Checklist is asking you to identify the conservation practices that you use on your farm. It is divided into different land types: “cropland”, “pasture land”, “rangeland”, other land, and forested land. For each land type, it asks how you manage that land on your property.

For cropland, pasture land, rangeland, and other land, this section wants to know:

- 1) Do you try to prevent soil erosion on your farm?
- 2) Do you try to prevent nutrients from running off of your fields?
- 3) Do you try to keep animals (if you have them) out of waterways on your property?
- 4) Do you try to minimize your water use?
- 5) Do you try to protect and/or enhance wildlife habitats on your property?

Different questions are asked for forested land, if you have it. It asks questions about erosion control, wildfire control, and the management of your trees.

NEXT STEPS

The CSP Producer Self-Screening Checklist is not an application. It only helps you decide if you are eligible and if you have the ability to complete a CSP contract.

The next step after completing the Checklist is to fill out an application (the first two pages are found in Appendix B). The NRCS offices in your state are willing and available to provide “technical assistance” in filling out the CSP application. *It is suggested that you take advantage of this technical assistance.* It will be the easiest way to get through the application process.

The following is a list of the other forms and information that you will need before you can finish the application process. This list is only to help you feel prepared for meeting with the NRCS. You do not need to have these forms prepared ahead of time. You will receive and fill out these forms at the FSA Service Center:

- **Form AD-1026:** By signing this you agree that you do not and will not produce agricultural products on wetlands or highly erodible land.
- **Form CCC-926:** Filling out this form provides the USDA with information about how much money you make and your income eligibility.
- **Form CCC-901:** This form identifies all of the members of your business.
- **Certification of control of the land:** This can be any of several forms that show that you are in control of the land, which can be through ownership or lease agreement. This can include: a deed to the land, property tax forms, a written lease agreement, or another kind of written agreement.
- **Beginning/Limited Resource/Socially Disadvantaged Farmer or Rancher eligibility:** You may have a greater chance of receiving a CSP contract if you qualify as a beginning, limited resource, or socially disadvantaged farmer or rancher. You can use this simple on-line tool to determine if you are a limited resource farmer: <http://www.lrftool.sc.egov.usda.gov/tool.asp>

You are a Beginning Farmer or Rancher if:

Your operation is not more than 10 years old

You are a Limited Resource Farmer or Rancher if:

1. You made less than \$100,000 per year from farm sales
2. You made money at or below the federal poverty level for a family of four, or made less than 50% of the median county income

You are a Socially Disadvantaged Farmer or Rancher if:

You belong to a nationality or social group that has been historically discriminated against

ONE GROWER'S STORY

Phillippa has been cultivating her 60-acre farm in Tennessee for the last eight years, using conventional tillage techniques. A few years ago, she noticed that she was losing more and more of her soil to erosion. It would drain out after heavy rainstorms and end up in the stream that borders her fields.

She recognized that if she did not change her cultivation practices, she would lose soil fertility and decrease her yields. She also knew that allowing less soil to flow into the stream would be better for the health of the water, especially since she often fertilized with phosphorus and nitrogen.

Over the course of the next year, she began using a mixture of reduced-till and no-till systems and began using cover crops in between harvested crops. She also began applying less nitrogen to her fields and relying more on composted manure, and when she applied phosphorus, she used a special injector to apply it three inches below the soil surface. After the first year of using these techniques, she found that she was not losing as much soil to erosion, so she decided to make these techniques part of her regular practices.

When she received her USDA survey this year, it came with a newsletter. The newsletter talked about the Conservation Stewardship Program, and that the Program rewards farmers for being good stewards of their land. She wondered if she could receive payments from the CSP since she was using conservation tillage and new fertilization techniques.

ONE GROWER'S STORY (CONTINUED)

Phillippa went to the NRCS website and looked at the CSP Self-Screening Checklist (<http://www.lrftool.sc.egov.usda.gov/tool.asp>). After filling out the application as much as she could, she felt that she might be eligible for the CSP but she needed help filling out third section about stewardship eligibility requirements.

She called her local FSA office, and the agent there helped explain the questions and how to answer them. When she was done, the agent said that it sounded like she was eligible for the CSP and should come in to the office to begin filling out an application. He also said that it would be helpful to bring information on her control of the land, her income status, co-owners of the property, and, because she has been farming less than 10 years, proof that she is a beginning farmer.

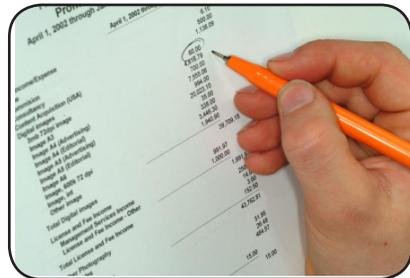
After filling out the necessary forms, Phillippa created a conservation plan that includes increasing “riparian buffers” and wildlife habitat on her property over the next five years. She then completed the application and submitted her paperwork. After a month, she heard back from the NRCS that she had received a CSP contract that would pay her \$800 annually to continue to implement these conservation practices on her farm.

SURVEY

Thank you for your interest in this plain language guide. If you could take a few minutes to fill out a four question survey, please go to: <http://survey.constantcontact.com/survey/a07e2zvt47ogcxq26iq/start>

1) How would you describe your background?

- Farmer
- Home Gardener
- Educator or Researcher
- Rancher
- Non-Profit Professional
- Government Agent
- Other



2) How useful was this guide?

Not Useful

Most Useful

3) Where did you learn about this guide?

- Friend
- Internet
- Co-Worker
- New Entry Staff
- Other

4) How will you use the information in this guide? Please write 2 or 3 action items.

Additional comments, corrections, or suggestions.

Please write to us with additional comments, suggestions, corrections or to sign-up for the New Entry newsletter.

Survey results can be sent to:

New Entry
155 Merrimack Street, 3rd Floor
Lowell, MA 01852



GLOSSARY

Beginning Farmer: According to the USDA, someone who has farmed for fewer than 10 years is a beginning farmer. Also, if your farm operation is fewer than 10 years old, you are also considered a beginning farmer.

Compliance: The state of a person acting within the rule of law; in this case, the state of a farmer fulfilling the minimal standards for highly erodible land and wetland conservation set by the county, state or federal government.

Conservation Reserve Program (CRP): An NRCS program that encourages farmers to convert highly erodible cropland or other environmentally sensitive acreage to vegetative cover, such as tame or native grasses, wildlife plantings, trees, filterstrips, or riparian buffers; you cannot receive CSP payments for land that is also enrolled in the CRP.

Conservation Security Program: The name of the Conservation Stewardship Program before the 2008 Farm Bill.

Cropland: Land that is used for growing commercial crops; to be eligible for CSP, cropland must have been planted to crops for 4 of the last 6 years before 2008.

CSP contract: An agreement between a farmer and the NRCS that states what CSP payments a farmer will receive, a schedule for all conservation practices to be maintained, and a list of new practices to be used.

Entitlement program: Any government program for which you must receive benefits if you are eligible; the CSP is not an entitlement program.

Farm Service Agency (FSA): An agency of the USDA that administers many of the USDA's programs by keeping records of farms and farmers, and distributing payments to farmers who have received contracts through commodity and conservation programs; your farm must be in FSA records to receive CSP payments.

Grassland Reserve Program (GRP): An NRCS conservation program that emphasizes support for working grazing operations, enhancement of plant and animal biodiversity, and protection of grassland under threat of conversion to other uses; you cannot receive CSP payments for land that is enrolled in the GRP.

GLOSSARY

Legal Conveyance: A written document which transfers property from one person to another.

Limited Resource Farmer: A farmer or rancher who makes less than \$100,000 each year in farm sales for the past two years. Also, farmers or ranchers who earned at or below the federal poverty level for the past two years. Farmers and ranchers who make less than half (50%) of the median country average income are also part of this category.

Natural Resources Conservation Service (NRCS): An USDA agency that helps farmers and other landowners to implement and maintain conservation programs and practices on their land; the NRCS administers the CSP.

Other land: Includes incidental areas that are not in agricultural production, or developed areas on the farm or ranch such as farm headquarters, ranch sites, barnyards, feedlots, manure storage facilities, machinery storage areas, and material handling facilities (from NRCS).

Pasture land: Land suitable for grazing animals on that is usually planted with a preferred seed mixture.

Primary operator: The person who runs a farm, making day-to-day decisions, regardless of ownership.

Private nonindustrial forested land: Rural land with existing tree cover or is suitable for growing trees (from NRCS).

Private/tribal agricultural land: Land that is owned by an individual citizen, or is found on American Indian tribal land; such land is not owned by any agency of government.

Public lands: Land that is owned by the government.

Rangeland: Uncultivated land suitable for grazing animals.

Ranking: The process by which the NRCS decides which farms will receive payments, and how much they will receive; for the CSP, ranking is based on what conservation practices a farmer is currently doing and how much they are willing to do in the future.

GLOSSARY

Soil erosion: The relocation of soil, usually caused by movement in water and wind; this causes both a loss of valuable soil from farmland and damage to the environment.

Steward: A person who treats their land with respect and considers the long-term effects of their actions on the environment and other people.

Stewardship threshold: A minimum level of conservation practices being used on a farm in order to meet basic CSP eligibility.

Technical assistance: Knowledge and skills provided to help someone in the completion of a task; in this case, the NRCS will help you complete the CSP application and decide what sort of conservation activities to apply at your farm.

FSA Service Center: These are locations where customers can reach FSA, NRCS, and Rural Development Agencies. To locate the Service Center near you, see the Additional Resource section in this guide for contact information.

Watershed: The total land area from where a body of water, town, city, or state draws its water; for example, the Chesapeake Bay watershed extends from Delaware to New York State.

Wetland conservation: The environmental protection of wetlands, which are areas that are usually covered in water and are vital to biodiversity and the environment; the USDA does not give payments of any kind to farmers who harm or destroy wetlands.

Wetland Reserve Program (WRP): An NRCS program offering landowners the opportunity to protect, restore, and enhance wetlands on their property; you cannot receive CSP payments for land that is also enrolled in the WRP.

ADDITIONAL RESOURCES

NRCS Massachusetts Field Offices

Massachusetts State Office

451 West Street
Amherst, MA 01002
Tel: 413. 253.4350

Holden Field Office

52 Boyden Road, Room 10
Holden, MA 01520
Tel: 508. 829.4477 ext. 3

Barnstable Field Office

270 Communications Way, Unit 1G
Hyannis, MA 02601
Tel: 508. 771.6476

Pittsfield Field Office

319 Littleton Road, Suite 302
Westford, MA 01186
Tel: 978. 692.1904 ext. 3

Greenfield Field Office

55 Federal Street, Room 290
Greenfield, MA 01301
Tel: 413. 772.0384 ext. 3

West Wareham Field Office

15 Cranberry Highway
West Wareham, MA 02576
Tel: 508. 295.5151 ext. 2

Hadley Field Office

195 Russell Street, Suite B6
Hadley, MA 01035
Tel: 413. 585.1000 ext. 3

Online Resources

Limited Resource Farmer and Rancher Self-Determination Tool

<http://www.lrftool.sc.egov.usda.gov/tool.asp>

Farmers' Legal Action Group (FLAG)

<http://www.flaginc.org/>

Massachusetts NRCS/CSP

http://www.ma.nrcs.usda.gov/programs/new_CSP/index.html

NRCS/CSP

http://www.nrcs.usda.gov/programs/new_csp/csp.html

USDA Service Center Locator

<http://offices.sc.egov.usda.gov/locator/app>

APPENDIX A: CSP CHECKLIST



Conservation Stewardship Program (CSP)

** Now available nationwide * Continuous sign-up.*

CSP encourages agricultural producers to improve conservation systems by undertaking additional conservation activities and improving, maintaining, and managing existing conservation activities.

Producer Self-Screening Checklist

Is CSP right for you?

- Are you willing to commit time to inventory and document your conservation activities and production system to determine eligibility and ranking?
- Do you have records of your farming activities and are you willing to continue maintaining records to document your conservation activities? Records will be used during NRCS field visits to verify accuracy of application information before contracts are approved.
- Are you ready to enter into a 5 year contract requiring you to apply additional conservation activities and to improve, maintain, and manage existing conservation activities?

If you answered "yes" to these questions, complete the CSP Self-Screening Checklist items below.

Self-Screening Checklist

To participate in CSP, a producer must meet:

- Applicant Eligibility
- Land Eligibility
- Stewardship Threshold Requirement

Applicant Eligibility Requirements (all requirements must be met)

- Is the operator of record in Farm Service Agency (FSA) record system, or establish FSA records prior to application
- Has documented control of the land for the term of the contract (5 years)
- Is in compliance with highly erodible land and wetland conservation provisions
- Is in compliance with average adjusted gross income provisions. If the average adjusted gross nonfarm income is greater than \$1 million, the person or legal entity is not eligible unless 66.66 percent or more of the average adjusted gross income is attributable to farming activities.

Helping People Help the Land
An Equal Opportunity Provider and Employer

August 2008

APPENDIX A: CSP CHECKLIST

Land Eligibility Requirements (all requirements must be met)

- Private/Tribal agricultural land or nonindustrial private forest land
 - Must include the entire agricultural operation (land for which you are the operator in FSA farm records management system)
 - Applicant elects whether to include the nonindustrial private forest land component
 - Land ineligible for CSP includes land enrolled in CRP, WRP, GRP, Conservation Security Program, public land, and land used for crop production not planted or considered planted 4 of 6 years prior to June 2008

Stewardship Threshold Requirements

If you can check two or more of the statements for each land use you have, you may be a good candidate for CSP.

Cropland:

- Fields are managed with few signs of erosion or soil being carried to field edges or water bodies.
- Crop residues remain on fields after harvest, or cover crops are planted.
- Grass or woody buffer areas intercept field runoff prior to entering streams, ditches, lakes, etc.
- Nutrients are applied according to land grant university recommendations.
- Areas on your farm are actively managed for wildlife habitat.
- If you irrigate your cropland, water application is scheduled based on soil moisture monitoring and/or evapotranspiration monitoring.

Pastureland:

- Pastures show few signs of erosion from livestock trails, feeding areas and watering areas.
- There is a healthy stand of grass and enough forage for your livestock.
- Livestock access to streams, ponds and lakes, is managed.
- Pastures or areas adjacent to your pastures are actively managed for wildlife habitat.
- If you irrigate your pastureland, water application is scheduled based on soil moisture monitoring and/or evapotranspiration monitoring.

Rangeland:

- Rangeland shows few signs of erosion from livestock trails, feeding areas and watering areas.
- There is a healthy stand of vegetation and enough forage for your livestock.
- Livestock access to streams, ponds, and lakes, is managed.
- Rangeland is actively managed for wildlife habitat.

Nonindustrial private forest land:

Nonindustrial private forest land" is rural land with existing tree cover or is suitable for growing trees. Applicants elect whether or not to submit nonindustrial private forest land for funding consideration. Nonindustrial private forest land will be ranked separately for funding approval against other nonindustrial private forestland.

APPENDIX A: CSP CHECKLIST

Forest/woodland is “green certified” by one of the following recognized programs: Tree Farm System, Green Tag, Smart Wood, Forest Stewardship Council, or Sustainable Forestry Initiative.

One or more improvements have been made to your forest/woodland in the past 10 years according to a written forest management or stewardship plan that was prepared with assistance from a certified/licensed natural resource professional. Examples of improvements may include prescribe thinning, tree planting, establishing a firebreak, etc.

There is no apparent erosion on harvested or burned areas, roads, skid trails and landings.

Native trees are appropriately stocked on the property (except temporarily for areas being reforested) and wildfire risk (in wildfire-prone areas) is minimized by strategically placed narrow firebreaks and wider fuel breaks (which may include roads, streams, riparian areas, and other areas managed to slow fire spread).

Other Land:

These areas are within the bounds of your operation. They include incidental areas that are not in agricultural production, or developed areas on the farm or ranch such as farm headquarters, ranch sites, barnyards, feedlots, manure storage facilities, machinery storage areas, and material handling facilities. All these areas must meet the following condition for stewardship eligibility to be met.

Other lands do not have readily observable erosion or point sources of contamination such as gullies, manure runoff or pesticide runoff.

Payments

Payments will be made for conservation performance payment points estimated for each agricultural operation by the Conservation Measurement Tool (CMT). Conservation performance payment points are unique for each agricultural operation and will be based on existing and proposed activities.

Basic Payment types:

- Annual payment for existing and additional conservation performance estimated by the CMT by land use and;
- Supplemental payment for the adoption of a resource conserving crop rotation.

If you think you meet applicant, land, and stewardship eligibility, and are interested in CSP, contact your local NRCS office for the next step in the application process.

If you are not currently eligible for CSP, NRCS can assist you with your conservation needs. Contact your local NRCS office or visit our Web site at <http://www.nrcs.usda.gov/programs>.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (800) 728-2800 (voice and TDD). To file a complaint of discrimination write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20258-9410 or call (800) 795-3272 (voice) or (800) 728-4302 (TDD). USDA is an equal opportunity provider and employer.

APPENDIX B: CSP APPLICATION

US DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

NRCS-CFA-1200
OMB 0578-0013 expiration 5/31/2012

CONSERVATION PROGRAM APPLICATION

Name:	Application Number:
Address:	Application Date:
	County and State:
Telephone:	Watershed:
	Subaccount:
Location (Legal Description or Farm and Tract Number):	

(Please note that not all questions apply to all Programs)

1. This is an application to participate in the:

<input type="checkbox"/> Agricultural Management Assistance (AMA)	<input type="checkbox"/> Environmental Quality Incentives Program (EQIP)
<input checked="" type="checkbox"/> Conservation Stewardship Program (CSP)	<input type="checkbox"/> Wildlife Habitat Incentives Program (WHIP)
<input type="checkbox"/> Agricultural Water Enhancement Program (AWEP)	<input type="checkbox"/> Chesapeake Bay Watershed Initiative (CBWI)

2. Yes No Do you have farm records established with the appropriate USDA Service Center Agency?

If no, you must establish them with the appropriate USDA Service Center Agency prior to submitting this application.

3. Are you applying to participate in a conservation program as an (check one of the following):

Individual

a) Please enter your legal name and tax identification number:

Name:

Tax Number:

Entity (Corporation, Limited Partnership, Trust, Estate, etc.)

a) Please enter entity legal name and tax identification number:

Name:

Tax Number:

b) Yes No Do you have appropriate documents including proof to sign for the entity?

Joint Operation (General Partnership, Joint Venture)

a) Please enter joint operation legal name and tax identification number:

Name:

Tax Number:

b) Yes No Do you have appropriate documents including proof to sign for the joint operation?

4. A Dun & Bradstreet Data Universal Numbering System (DUNS) number is necessary for federal grants or contracts to entities equal to or more than \$25,000. If you do not have a number, information is available at <http://fedgov.dnb.com/webform/displayHomePage.do>

DUNS Number:

APPENDIX B: CSP APPLICATION

US DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

NRCS-CPA-1200
OMB 0578-0013 expiration 5/31/2012

5. Is the land being offered for enrollment used for crop or livestock production?
- Crop Production Crop Type:
 Livestock Production Livestock Type:
6. The land offered under this application is (check all that apply):
- Private Land
 Public Land (Federal, State, or Local Government)
 Tribal, Allotted, Ceded or Indian Land
7. Certification of control of the land offered under the application:
- Deed or other evidence of land ownership
 Written lease agreement
 Years of control are through
 Other agreement or legal conveyance (describe):
 Years of control are through
8. Yes No Is the land offered under this application enrolled in any other conservation program?
9. Are you applying for program benefits as one of the following participant types?
- Limited Resource Farmer or Rancher
 Beginning Farmer or Rancher
 Socially Disadvantaged Farmer or Rancher
If you wish to apply in any of these categories, you must meet the self certification requirements. For more information please go to this website: <http://www.lrftool.sc.gov.usda.gov>
10. Yes No If applying for the EQIP and if the application includes irrigation practices, has the land been irrigated at least 2 of the last 5 years?
11. Yes No If applying for the EQIP, are you engaged in livestock or agricultural production, and have you produced at least \$1000 of agricultural products in a year?
(Forest agricultural producers may select yes as they are exempt from the \$1,000 requirement)

On the farm(s) identified above, the Applicant agrees to participate in the identified program if the offer is accepted by the NRCS. The undersigned person shall hereafter be referred to as the "Participant." The participant understands that starting a practice prior to contract approval causes the practice to be ineligible for program financial assistance. The participant will obtain the landowner's signature on the contract or provide written authorization to install structural practices.

The Participant agrees not to start any financially assisted practice or activity or engage the reimbursable services of a certified Technical Service Provider before a Contract is executed by Commodity Credit Corporation (CCC). The Participant may request, in writing, a waiver of this requirement for financially assisted practices by the NRCS State Conservationist.

All participants that certify eligibility as a Farmer or Rancher under the Limited Resource, Beginning, or Socially Disadvantaged groups will provide all records necessary to justify their claim as requested by a NRCS representative. It is the responsibility of the participant to provide accurate data to support all items addressed in this application at the request of NRCS. False certifications are subject to criminal and civil fraud statutes.

The Participant acknowledges that highly erodible land conservation/welland conservation, adjusted gross income certifications, and member information for entities and joint operations are on file with the appropriate USDA Service Center Agency.

APPENDIX B: CSP APPLICATION

US DEPARTMENT OF AGRICULTURE
NATURAL RESOURCES CONSERVATION SERVICE

NRCS-CPA-1200
OMB 0578-0013 expiration 5/31/2012

12. Yes No I have received a copy of the program appendix where an appendix is applicable.

Applicant Signature	Date
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PUBLIC BURDEN STATEMENT

In accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0578-0013. The time required to complete this information collection is estimated to average 45 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

NONDISCRIMINATION STATEMENT

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its program and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2800 (voice and TDD). To file a complaint of Discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-0410, or call (800) 795-3272 (voice) or (202) 720-8382 (TDD). USDA is an equal opportunity provider and employer.

PRIVACY ACT STATEMENT

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). This information is used to track contract or agreement progress. The authority for requesting the following information is 7 CFR 630 (Long Term Contracting); 7 CFR 1410 (CRP); 7 CFR 631 and 702 (IEQP); 7 CFR 638 (WHIP); 7 CFR 622 (WPFPP); 7 CFR 1485 (AMA); 7 CFR 1489 (CSP); 7 CFR 625 (HFR); 7 CFR 1484 (FRFP); and 7 CFR 1487 (WRP). Furnishing information is voluntary and will be confidential; however, it is necessary in order to receive assistance.

APPENDIX C: FORM AD 1026

(HIGHLY ERODIBLE LAND CONSERVATION AND WETLAND CONSERVATION)

This form is available electronically.
AD-1026 Appendix (09-25-03)

U.S. DEPARTMENT OF AGRICULTURE

Form Approved - DMB No. 0580-0185

Appendix to Form for AD-1026 Highly Erodible Land Conservation (HELIC) and Wetland Conservation (WC) Certification

The following conditions of eligibility are required for persons to receive any USDA loans or other program benefits that are subject to highly erodible land and wetland conservation provisions, unless an exemption has been granted by USDA.

By signing Form AD-1026, Item 13, the producer certifies receipt of this form, and unless an exemption has been granted by USDA, agrees to the following on any farms in which such person has an interest.

A	NOT to plant or produce an agricultural commodity on highly erodible fields unless actively applying an approved conservation plan or maintaining a fully applied conservation system.
B	NOT to plant or produce an agricultural commodity on wetlands converted after December 23, 1985.
C	NOT to convert wetlands by draining, dredging, filling, leveling, or any other means that would allow the planting of any crop, pasture, agricultural commodity, or other such crops.
D	NOT to use proceeds from any FSA farm loan, insured or guaranteed, received after December 23, 1985, for a purpose that will contribute to the conversion of a wetland to produce an agricultural commodity, or contribute to excessive erosion of highly erodible land as determined by NRCS.

NOTE: Signature on Form AD-1026 gives representatives of USDA authorization to enter upon and inspect all farms in which the producer has an interest for the purpose of confirming the above statements.

Any questions concerning the requirements of the Food Security Act of 1985, as amended, shall be directed to your County FSA Office personnel before signing AD-1026 in Item 13.

NOTE: The following statements are made in accordance with the Privacy Act of 1974 (5 USC 552a) and the Paperwork Reduction Act of 1995, as amended. The authority for requesting the following information to be supplied on this form is the Food Security Act of 1985, Part I, 96-108, and regulations promulgated under the Act (7 CFR Part 12). The information will be used to determine eligibility for program benefits and other financial assistance administered by USDA agencies. The information may be furnished to other USDA agencies, IRS, Department of Justice, or other State and Federal law enforcement agencies, and in response to orders of a court, magistrate or administrative tribunal. Furnishing the Social Security Number is voluntary. Furnishing the other requested information is voluntary; however, failure to furnish or correct, complete information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA agencies. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 371, 641, 1001; 15 USC 714a; and 31 USC 3729, may be applicable to the information provided by the producer on this form.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0580-0185. The time required to complete this information collection is estimated to average 15 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. RETURN THIS COMPLETED FORM AD-1026 TO YOUR COUNTY FARM SERVICE AGENCY (FSA) OFFICE (address printed on Item 4 of AD-3828A).

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD). To file a complaint of discrimination, write: USDA, Director, Office of Civil Rights, Room 326-H, Wildlife Building, 1400 Independence Avenue, SW, Washington, D.C. 20250-6419 or call (202) 720-6064 (voice or TDD). USDA is an equal opportunity provider and employer.

APPENDIX C: FORM AD 1026

(HIGHLY ERODIBLE LAND CONSERVATION AND WETLAND CONSERVATION)

AD-1026 (09-25-03)

U.S. DEPARTMENT OF AGRICULTURE

Form Approved - CMB No. 0560-0105

HIGHLY ERODIBLE LAND CONSERVATION (HELCS) AND WETLAND CONSERVATION (WCS) CERTIFICATION

(See Page 2 for Public Service and Privacy Act Statements)

1. Name of Producer	2. I.D. Number (Last 4 digits only)	3. Current Crop Year
4. Do all your farming interests have current NRCS determinations? <i>If "NO", contact your County FSA Office before completing this form.</i>		
5. Are you a landlord on any farm that will not be in compliance with HELC and WC provisions? <i>If "YES", enter the farm number at the end of this account, or contact your County FSA Office before completing this form.</i>		
6. Do any of your landlads refuse to comply with HELC requirements on any farms? <i>If "YES", enter the farm number at the end of this account, or contact your County FSA Office before completing this form.</i>		
7. List affiliated persons with farming interests. See Page 2 for an explanation. Enter "NONE", if applicable.		
8. During the crop year entered in Item 3 above, or the term of a requested USDA loan, did or will you plant or produce an agricultural commodity on land for which a highly erodible determination has not been made?		
9. On any land in which you have an interest, has anyone conducted any activities (since December 23, 1985) or will anyone conduct any activities (during the current crop year or the term of a requested USDA loan) to: (a) Create new drainage, conduct land leveling, filling, dredging, land clearing, or stump removal that has not been evaluated by NRCS? Indicate year if answered "YES": _____ (b) Maintain, improve, or modify an existing drainage that has not been evaluated by NRCS? Indicate year if answered "YES": _____		
10. Will you conduct any activities for fish production, trees, vineyards, shrubs, building construction, or other non-agricultural purposes on lands for which a wetland determination has not been completed by NRCS?		

If answers to Item 8, 9, or 10 are: } **"YES"** for any one of these items, sign and date in Item 11 below. A "YES" answer authorizes FSA to refer this AD-1026 to NRCS to make a HELC and/or certified wetland determinations. **DO NOT** sign in Item 13 until the NRCS determination is complete.

"NO" for all of these items, complete Item 13. (Contact your County FSA Office if you are unsure about the answers to Items 9 or 10.)

11. Signature of Producer	I hereby certify that the information on this form is true and correct to the best of my knowledge.	Date: (MM-DD-YYYY)
12. Referral to NRCS (Completed by FSA)	Enter a checkmark if a NRCS determination is needed because "YES" is answered in Items 8, 9, or 10. <input type="checkbox"/>	Signature of FSA Representative
		Date (MM-DD-YYYY)

NOTE: Before signing in Item 13, Read AD-1026 Appendix.

Continuing AD-1026 Certification

I understand and agree that my eligibility for certain USDA program benefits is contingent upon this certification of compliance with the highly erodible land and wetland conservation provisions of the 1985 Food Security Act as amended. This agreement shall serve as a continuing certification and agreement for subsequent crop years. For current and subsequent crop years:

- I agree to the terms and conditions stated on AD-1026 Appendix on all land in which I have or will have an interest.
- I agree that if there are any changes in my operation or activities that may affect compliance with these provisions, I will file a revised AD-1026.
- I agree to file any required exemption requests for each applicable crop year.
- I understand that affiliated persons are also subject to compliance with these provisions and their failure to comply or file AD-1026 will result in loss of eligibility to persons or enterprises with whom they are affiliated. (Affiliated person rules are printed on Page 2 of this form.)

13. Producer Sign Here	Date (MM-DD-YYYY)
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The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, gender, religion, age, disability, political beliefs, sexual orientation, and marital or family status. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (800) 785-3849 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, Room 808-H, 1400 Independence Avenue, SW, Washington, D.C. 20250-4104 or call (800) 785-3849 (voice or TDD). USDA is an equal opportunity provider and employer.

ORIGINAL - FSA COPY NRCS COPY PRODUCER'S COPY

APPENDIX D: FORM CCC-926

(AVERAGE ADJUSTED GROSS INCOME STATEMENT)

This form is available electronically.

<p>CCC-926 (11-20-08)</p> <p style="text-align: center;">U.S. DEPARTMENT OF AGRICULTURE Commonly Used Corporation</p> <p style="text-align: center;">AVERAGE ADJUSTED GROSS INCOME (AGI) STATEMENT</p>	<p>1. County FSA Office or Service Center Address (include Zip Code)</p>
<p>NOTE: The primary authority for requesting and safeguarding the information described on this form is the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-249). Additionally, the authority for requesting this information is 7 CFR Part 1400 and 7 CFR Part 1410. The information requested is necessary for CCC in assessing eligibility for program benefits. Information about the average Adjusted Gross Income limitations can be found in the regulations at 7 CFR Part 1400. Furnishing the requested information is voluntary. Failure to furnish the requested information will result in a determination of ineligibility for certain program benefits and other financial assistance administered by USDA. The information collected as a result of this form may be released to USDA employees, USDA contractors, or authorized USDA cooperators who are bound to safeguard the information under Section 7079 of the Food, Conservation, and Energy Act, the Privacy Act of 1974, the E-Government Act of 2002, and related authorities. This information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-249, Title I, Subtitle F—Administration). The provisions of criminal and civil fraud statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</p>	
<p>2. Name and Address of Person or Legal Entity (include Zip Code)</p>	<p>3. Identification Number (Last 4 digits of SSN or Tax ID No.)</p>
<p>NOTE: Please read and complete all items. Definitions of terms such as "nonfarm income" and "farm income" are contained on Page 2.</p>	
<p>CERTIFICATION OF AVERAGE ADJUSTED GROSS INCOME</p>	
<p>4. Select the program year for which program benefits are requested (Check only one).</p>	
<p>A. <input type="checkbox"/> 2009</p> <p>The applicable 3-year period for calculation of the average AGI will be the taxable years of 2007, 2008 and 2009.</p>	<p>C. <input type="checkbox"/> 2011</p> <p>The applicable 3-year period for calculation of the average AGI will be the taxable years of 2009, 2010 and 2011.</p>
<p>B. <input type="checkbox"/> 2010</p> <p>The applicable 3-year period for calculation of the average AGI will be the taxable years of 2008, 2009, and 2010.</p>	<p>D. <input type="checkbox"/> 2012</p> <p>The applicable 3-year period for calculation of the average AGI will be the taxable years of 2010, 2011 and 2012.</p>
<p>5. Was the average adjusted gross nonfarm income \$500,000 or less for the applicable 3-year period for the program year selected in item 4?</p> <p>A. <input type="checkbox"/> YES B. <input type="checkbox"/> NO</p>	
<p>6. Was the average adjusted gross farm income \$750,000 or less for the applicable 3-year period for the program year selected in item 4?</p> <p>A. <input type="checkbox"/> YES B. <input type="checkbox"/> NO</p>	
<p>7. Was the average adjusted gross nonfarm income \$1,000,000 or less for the applicable 3-year period for the program year selected in item 4?</p> <p>A. <input type="checkbox"/> YES B. <input type="checkbox"/> NO</p>	
<p>8. Was the average adjusted gross farm income for the applicable 3-year period selected in item 4 at least 60.00 percent of the average adjusted gross income (that is, both farm and nonfarm income)?</p> <p>A. <input type="checkbox"/> YES B. <input type="checkbox"/> NO <i>If "Yes" is checked, and if income includes the sale of farm equipment or production inputs and services to farmers, ranchers, foresters, and farm operations, see definition of Farm Income on Page 2.</i></p>	
<p>By signing this form:</p> <ul style="list-style-type: none"> - I acknowledge that I have read and reviewed all definitions and requirements on Page 2 of this form; - I certify that all information contained within this certification is true and correct; - I take responsibility to timely notify FSA in writing of any changes to the farming, ranching, or forestry operation, or a change in financial status that may affect this certification; - I certify that my income certifications are consistent with the tax returns filed with the Internal Revenue Service (IRS) and with the definitions specified on Page 2 of this form; - I agree that at least every three years beginning no later than for the 2011 program year, or the year this person or legal entity ceases operation if that occurs first, I will submit evidence such as tax records, business documents (for review only, not for retention), or a signed third-party verification deemed acceptable by CCC to verify the average adjusted gross income, average adjusted gross farm income, and average adjusted gross nonfarm income, and that I will take the necessary actions to provide such documents or certification; - If requested, I agree to authorize CCC to obtain tax data from the IRS for AGI compliance verification purposes and I will take all necessary actions required by the terms and conditions of the IRS disclosure laws so that CCC can obtain such data. 	
<p>9. Signature (By)</p>	<p>10. Title/Relationship (printed/typed in the representative capacity)</p>
<p>11. Date (MM/DD/YYYY)</p>	

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, sex, disability, and where applicable, age, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance program. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (800) 725-6888 (voice and TDD). To file a complaint of discrimination, write to USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, or call (800) 795-5272 (voice) or (800) 725-6888 (TDD). USDA is an equal opportunity provider and employer.

APPENDIX D: FORM CCC-926

(AVERAGE ADJUSTED GROSS INCOME STATEMENT)

CCC-926 (11-2010)

Page 2 of 2

GENERAL INFORMATION ON AVERAGE ADJUSTED GROSS INCOME

Limitations related to income levels are a statutory payment eligibility provision for a number of commodity and conservation programs administered by CCC. This certification is needed to assist in program administration. Except as may be provided in applicable program regulations, any person or legal entity requesting certain program payments, either directly or indirectly, shall be subject to this provision. Any person or legal entity that is determined to have an average adjusted gross income that exceeds specified limits shall be ineligible for the program payment subject to that limit for the applicable crop, fiscal, or program year. Further, any covered benefit issued to a legal entity, general partnership, or joint venture shall be reduced by an amount that is commensurate with the direct or indirect ownership interest in the legal entity, general partnership, or joint venture of each person or legal entity whose relevant average adjusted gross income for the relevant period exceeds the average adjusted gross income limit. These determinations will be made pursuant to, and subject to, regulations issued on behalf of the Secretary. As of the time this form was created, the applicable limits were as follows:

For commodity, price support benefits, disaster assistance programs, and for the Milk Income Loss Compensation Program, if the person or legal entity has:

- average adjusted gross nonfarm income greater than \$600,000, the person or legal entity is not eligible for payments and benefits from these programs.
- average adjusted gross farm income greater than \$750,000, the person or legal entity is not eligible for direct payments under the Direct and Counter-cyclical Program.

For new contracts or participation in conservation programs after October 1, 2009, if the person or legal entity has:

- average adjusted gross nonfarm income greater than \$1 million, the person or legal entity is not eligible, unless 66.66 percent or more of the average adjusted gross income is attributable to activities related to farming defined as "farm income" below.

Please note as indicated above that payments are further limited if persons and legal entities with an interest, either directly or indirectly, in a legal entity or partnership exceeds these same levels. These persons and legal entities must also submit this form.

DEFINITIONS

Adjusted Gross Income is the individual's or legal entity's IRS-reported adjusted gross income. A three-year average of that income will be computed for the three years of the relevant base period. Base periods vary by program year as indicated on the first page of this form.

Adjusted Gross Farm Income is for a year that part of the adjusted gross income that is farm income as defined below. The amount will be computed for each year separately and then averaged.

Adjusted Gross Nonfarm Income is the difference for the year between the filer's adjusted gross income and the filer's adjusted gross farm income. The difference shall be computed for each year of the base period, and then averaged.

Farm Income means income related to the following: production of crops, livestock, fish and aquaculture for food; the feeding and raising of livestock; products produced or derived from livestock; production of specialty crops and unfinished raw forestry products; processing, packing, storing and transporting farm, ranch and forestry commodities including renewable energy; production of farm-based renewable energy; the sale of land used for agriculture; sale of land or sale of easements and development rights in agricultural land, water and hunting rights; and environmental benefits; rental or lease of land or equipment used in farming, ranching, forestry operations; payments and benefits from risk management practices, crop insurance indemnities, catastrophic risk protection plans, conservation programs and government farm program payments. Proceeds from the sale of farm equipment and from production inputs to farms and ranches are generally considered nonfarm income. However, for a year not less than 66.66 percent of the average adjusted gross income of the person or legal entity is derived from farming, ranching, or forestry operations, the person's or legal entity's farm income shall also include the sale of equipment to produce farm, ranch, or forestry operations, and the production inputs and services to farms, ranches, forests, and farm operations.

Legal Entity is a corporation, joint stock company, association, limited partnership, charitable organization, or similar entity, including any such entity or organization participating in the operation as a partner in a general partnership, a participant in a joint venture, a partner in a revocable trust, or as a participant in a similar entity, including joint ventures and general partnerships as determined by the Secretary.

Program year means the relevant program year as determined by CCC, for which a specific benefit is made available under a program authorized by legislation such as the Direct and Counter-cyclical Program, Milk Income Loss Contract Program, Conservation Reserve Program, Noninsured Crop Disaster Assistance Program, Supplemental Revenue Assistance Program. FSA may require additional information as necessary to make the relevant program payments.

Third-party verification means a signed statement from a certified public accountant (CPA) or an attorney that the person or legal entity meets the applicable AGI provisions for payment eligibility.

HOW TO DETERMINE ADJUSTED GROSS INCOME

Person. For persons that file the IRS Form 1040, specific lines on that form represent the adjusted gross income and the income from farming, ranching or forestry operations.

Trust or Estate. For a trust or estate, the adjusted gross income is the total income and charitable contributions reported to IRS.

Corporation. For a corporation, the adjusted gross income is the total of the final taxable income and any charitable contributions reported to IRS.

Limited Partnership (LP), Limited Liability Company (LLC), Limited Liability Partnership (LLP) or Similar Entity. For an LP, LLC or LLP, the adjusted gross income is the total income from trade or business activities plus guaranteed payments to the members as reported to the IRS.

Tax-exempt Organization. For a tax-exempt organization, the adjusted gross income is the unrelated business taxable income excluding any income from non-commercial activities as reported to the IRS.

