



Natural Resources Conservation Service
210 Walnut Street, Room 693
Des Moines, IA 50309-2180

January 30, 2012

IOWA BULLETIN NO. IA440-12-3

SUBJECT: PGM – ACCEPTING GRASSLAND RESERVE PROGRAM APPLICATIONS

ACTION REQUIRED BY: March 2, 2012 APPLICATION PACKETS TO BE RECEIVED IN THE FIELD OFFICE

March 16, 2012 APPLICATION PACKETS FORWARDED FROM THE FIELD OFFICES TO THE STATE OFFICE

PURPOSE: To provide guidance on accepting Grassland Reserve Program (GRP) applications.

EXPIRATION DATE: September 30, 2013

Sign up for the Grassland Reserve Program (GRP) is continuous. Applications received by March 2, 2012, will be considered for fiscal year 2012 (FY12) funding. The GRP manual is available at <http://www.ocio.usda.gov/directives/doc/DM9500-012.htm>. Follow the procedures in this bulletin for implementing 2012 GRP.

Both a Farm Service Agency (FSA) county office and a Natural Resources Conservation Service (NRCS) field office may accept GRP applications. Applicants will apply for the program using an AD-1153, Application for Long-term Contracted Assistance. Ensure that applicants properly complete an AD-1153 (correct program, enrollment option, legal description, signatures, etc.). The AD-1153 form and instructions are available at <http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/AD1153.PDF>. Also see the attached GRP Application Package checklist.

Information Available to Prospective Applicants

Field offices are to provide all prospective applicants the following GRP information:

- Easement option
 - National GRP Key Points Fact Sheet (attached).
 - A sample Form NRCS-CPA-255, GRP Conservation Easement (attached).
 - The Notification of Grassland Reserve Program Requirements sheet (attached).
 - Iowa GRP Fact Sheet (attached).

- Rental contract option
 - National GRP Key Points Fact Sheet (attached).
 - A sample Form CCC-920, Grassland Reserve Program Contract and Appendix (attached).
 - The Notification of Grassland Reserve Program Requirements sheet (attached).
 - Iowa GRP Fact Sheet (attached).

Enrollment

- Iowa will receive approximately \$500,000.00 for GRP funding for 2012.
- Easement option: only landowners can submit applications. Up to 60 percent of GRP funds can be in easements.
- Rental contract option: both landowners and operators can submit applications. Operators must provide control-of-the-land documentation for the length of the contract. GRP funds not used for easements will be allocated to rental agreements.

Enrollment Options

- Easement option: permanent easement only.
- Rental contract option: 10-year, 15-year and 20-year.

Eligible Land

- Privately owned grasslands for which grazing is the predominant use.
- Land enrolled in the CRP with an expiring contract in the next 12 months.

Applicant Eligibility

- The GRP is a 2008 Farm Bill conservation program; applicants are required to meet the adjusted gross income, highly erodible land and wetland conservation provisions.
- All applicants (including all members of trusts, limited liability companies, corporate shareholders, etc.) must have up-to-date profiles in the Service Center Information Management System (SCIMS) at the FSA.
- If an applicant is not in SCIMS, or has not updated his/her profile, the application will not be considered for funding.

Applying for GRP

The applicant is to provide the following to the FSA county office or NRCS field office:

- A completed and signed AD-1153.
- Information for completing the GRP ranking worksheet (to the NRCS field office).
- Easement option: a copy of the ownership deed of the land. If the landowner is an entity—such as a trust or corporation—the entity must also provide to the local FSA county office a list of the individuals comprising the entity, including the percent ownership for each individual.
- Rental contract option: proof (e.g. ownership document or written lease) that he/she will have control of the land for the duration of the contract.

Applications

- An applicant may apply for both an easement and rental contract on the same parcel, but two separate applications and ranking worksheets must be completed.
- One contiguous parcel is preferred; however, multiple parcels may be accepted.

Deferred Applications

- Application packets previously submitted for the GRP must be resubmitted with any additional changes (and provide the other necessary documents) to be considered for FY12 funding.
- The NRCS field offices and FSA county offices may coordinate notification of unfunded applications from the FY11 GRP sign up, and follow up with the applicants to determine if they are still interested in GRP.

Easement Values and Rental Contract Rates

- Easement values cannot exceed the fair market value of the property less its grazing value.
- Easement values will be determined by using the lowest of:
 1. market analysis or appraisal,
 2. geographical area rate cap, or
 3. landowner offer.
- The Iowa NRCS State Office has received approval from NHQ to use a Geographic Area Rate Cap (GARC) of \$806 per acre for easement applications.
- Approved rental contract participants will receive \$16.50 per acre, as determined by FSA, as an annual payment for the length of the contract.
- Landowners that submit an easement value at least 10 percent less than the GARC receive additional ranking points. A signature on the attached Easement Value Reduction Agreement is required.

Processing Applications and Ranking

- The NRCS field offices will complete the GRP ranking worksheet. The Iowa 2012 GRP ranking worksheet is located on the field office server at F:\geodata\project_data\nrcs\grp\GRP_ranking_sheet_2012.xlsx.
- The NRCS field offices will submit application packets to the State Office by March 16, 2012. Application packets will include a GRP application checklist and supporting documentation. Applications are to be saved to the field office server at F:\geodata\project_data\nrcs\grp\2012_application\Applicant Name (instructions on ranking worksheet).

Funding Decisions

- The NRCS State Office will pull county ranking information after the application cut-off date and generate a statewide ranking list.
- The NRCS State Conservationist and FSA State Executive Director will make funding decisions based on the statewide ranking list.
- The NRCS State Office will notify NRCS field offices of applications that are tentatively approved for funding.
- The NRCS field offices will notify applicants who were not selected for funding due to lack of funds (applications to be deferred) or ineligibility.

Fund Obligation

- For funded (Option Agreement to Purchase Form offer to landowner) easement applications all landowners are to receive a CCC-927 or CCC-928 with instructions to send the completed form directly to the Internal Revenue Service (IRS).
- For funded Rental Agreement applications (CCC-920) participants are to receive a CCC-927 or CCC-928 with instructions to send the completed form directly to the IRS.

Application Packets

Forward application packets to Paul Goldsmith, Acting Assistant State Conservationist – Programs, 210 Walnut Street, Room 693, Des Moines, Iowa 50309 by March 16, 2012. Share this information with your FSA office. If you have questions, contact Paul Goldsmith, GRP Coordinator, at 515/284-4353 or paul.goldsmith@ia.usda.gov.



Richard Sims
State Conservationist

- Attachments:
- GRP Keypoints
 - CCC-920
 - CCC-920 Appendix
 - Notification of Grassland Reserve Requirements
 - CPA-255
 - GRP Application Checklist
 - Easement Value Reduction Agreement
 - Iowa GRP Fact Sheet