

United States Department of Agriculture



Natural Resources Conservation Service
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September 11, 2012

NEW MEXICO BULLETIN NO. 440-12-04

SUBJECT: PGM – FARM BILL PROGRAMS – GUIDANCE FOR FY 2013

TO: All Employees

DUE TO STATE CONSERVATIONIST BY: OCTOBER 19, 2012

Purpose: To provide guidance/timetable of activities for Farm Bill Program Implementation for FY 2013.

Expiration Date: September, 30 2013.

New Mexico will implement Farm Bill Programs in 2013 based on 2012 guidance as a result of the 2012 Farm Bill not being approved to date. Our guidance is predicated on the likelihood of a continuing resolution being adopted well into fiscal year 2013. However, if the Farm Bill is enacted sometime in the near future or fiscal year 2013, guidance will be forthcoming as provided by headquarters.

Attached are a schedule of activities (attachment #1), guidance (attachment #2), watershed/small acreage initiative worksheet (attachment #3), proposal template (attachment #4), easement schedule (attachment #5), and CSP schedule (attachment #6) for all Designated and Area Conservationists in New Mexico to use in assisting Local Work Groups (LWGs) in making recommendations on the 2013 EQIP Farm Bill Program Implementation. Designated Conservationists are encouraged to move ahead with developing the EQIP proposal for their Field Office (FO). **The FY 2013 EQIP proposal is due to the State Conservationist by October 19, 2012.**

LWG meetings should be scheduled from August through October 16, 2012. Please keep in mind that LWGs are advisory, not decision making groups. The proposal from the FO is the final recommendation of the Designated Conservationist to the State Conservationist on the various aspects of carrying out the program for FY 2013.

Helping People Help the Land

An Equal Opportunity Provider and Employer

The following information is required as part of your proposal in addition to the information outlined in the template:

- Screening criteria to determine High, Medium and Low Priority
- Technical criteria to address tiebreakers
- Cost caps for high cost practices, if applicable

Practices will use a cost-share rate factor of 75% in developing the payment schedule. The only exception will be to the scenario addressing brush management that involves the Bureau of Land Management as part of a coordinated planning and financial assistance effort.

The cost-share rate factor for successful Beginning Farmer-Rancher, Limited Resource Farmer-Rancher and Socially Disadvantaged applicants will be set at 90%.

The attached template (#3) is one of two options to be utilized for seeking funds for a new watershed project. LWGs/FO wishing to submit a proposal for a watershed project should only submit the proposal as either a state watershed initiative or Cooperative Conservation Partnership Initiative (CCPI) through the national Request for Proposal (RFP) process, but not both. Given the funding challenges nationally, we will be setting aside more of our state allocation for state watershed, small acreage initiatives and other local initiatives. Keep in mind that an application involving federal lands can always be considered under conventional EQIP funding pools, but you will want to coordinate closely with the public land agency.

There will be a Tribal lands initiative based on the acreage contained within each field office similar to the 2012 funding level.

Contact Michael Neubeiser at (505) 761-4419 for additional guidance on these initiatives or submit a proposal as described in attachment #3.

It is important that each FO proposal be submitted in accordance with the guidelines set forth in attachment #2. If the guidelines are not followed, there may be delays in approving and publishing the proposal to the state website. EQIP cannot be implemented in your area until you have received authorization from the State Office.

Recommendations contained in the LWG/FO proposals submitted by the Designated Conservationist may or may not be approved by the State Conservationist. Please do not assume all recommendations will be adopted. State Office staff are tasked with ensuring recommendations can be supported by program statutes, the CFR, national program policies and other applicable federal laws. State Office staff will contact the FO/AO to discuss any issues of concern. The LWG summary and ranking pool, as posted to the state web site, will serve as the State Conservationist approved summary and ranking tool.

Watershed and Small Acreage Initiatives will be matched from a State reserve pool as identified in the field office proposals until all reserve funds have been expended.

FY 2013 State Initiatives

- Small Acreage Farmer-Rancher
- Tribal
- Watershed
- Canadian Watershed
- Animal Feeding Operation (AFO)
- Acequia

National Initiatives

- | | |
|---|---|
| <ul style="list-style-type: none"> • Organic • Cooperative Conservation Partnership Initiative (CCPI) • Agricultural Water Enhancement Program (AWEP) • Ogallala Aquifer Initiative (OAI) | <ul style="list-style-type: none"> • Lesser Prairie Chicken • National Water Quality Initiative (NWQI) • Energy • Working Lands for Wildlife (WL4W) • High Tunnel/Hoop House |
|---|---|

It is anticipated that AWEP and CCPI RFPs will be available sometime in the first quarter with a December 1, 2012 deadline for submitting the RFP.

Payment Schedules

Regional Payment Schedules will be utilized in 2013. The region encompasses Arizona, Colorado, Nevada, New Mexico and Utah. National and Regional Initiatives carry their own payment schedules in most cases.

Practices

The planned depth of all wells (practice 642) must be supported by a geologist report with payment based on the maximum depth identified in the report. This requirement applies to existing and new contracts. Document in tech notes that producer has been informed of this program requirement. In addition, on those wells that the producer elects to drill beyond the maximum depth established by the geologist report, notification must be provided to state geologist of such action if we are providing payment on that well. Again, our payment is based on the depth considered by the geologist to be appropriate for the corresponding area. As always, unforeseen and extenuating circumstances may arise necessitating further consideration.

Pumping plant on irrigated lands may be used when converting from flood irrigation to sprinkle irrigation. In FY 2013 High Tunnel, where appropriate, will be an eligible practice for all EQIP applicants.

Ranking Tools

If a ranking tool for FY 2013 will be the same as FY 2012, just make that statement in the FO proposal. If you are proposing changes, please clearly state what the recommended changes are in the FO proposal. We anticipate ranking tools will be released by December 14, 2012.

Cost Overrun Account

Cost overrun accounts are to be used for the following purpose:

- Add additional funds at time of payment
 - <\$500 quantity increase (modification not required)
 - >\$500 quantity increase (modification required)
 - Increase of (lesser of) <20% of total obligation or \$10,000 (State Office approval required)
- Unused funds return to cost overrun accounts

Staff is encouraged to check the status of cost overrun accounts before initiating modifications.

Index Payment Rate

The rates for prior years, in FY 2012, are listed below. The rates in FY 2013 will change, however, they have not yet been determined by National Headquarters (NHQ). They will be incorporated into the ProTracts software. There is no action required at the field level.

| | <u>EQIP</u> | <u>WHIP</u> | <u>AWEP</u> |
|---------|-------------|-------------|-------------|
| FY 2007 | 24.6% | 24.6% | N/A |
| FY 2008 | 18.8% | 18.8% | N/A |
| FY 2009 | 0 | 7.7% | 7.7% |
| FY 2010 | 0 | 0 | 0 |
| FY 2011 | 0 | 0 | 0 |
| FY 2012 | 0 | 0 | 0 |

Advance Payments (512.67C)

- Available to EQIP and AWEP participants that self-certify as Historically Underserved.
- May only be provided for anticipated “out of pocket” costs associated with purchasing materials, supplies, equipment, and services required for practice installation.
- Cannot exceed 30% of the estimated payment a participant is scheduled to receive for a contract item.
- Requests shall only cover “immediate needs” and the practice must have an approved design prior to the Conservation Program Contracts modification to determine the extent of the payment advance.

- Practice must be completed within thirty days of advance payment approval. (The State Conservationist can approve a waiver and allow additional time with proper justification).

Conservation Stewardship Program (CSP)

The CSP evaluation deadline date is December 21, 2012. Remember, CSP like most other financial assistance programs has a continuous sign-up period. However, NHQ has not provided detail guidance for FY2013.

Easement Programs

A reminder that all easement programs have a continuous sign-up policy.

The State Office Wetlands Reserve Program (WRP) Team consisting of Programs and Resource Technology Staff will handle the majority of the program requirements. However, baseline data such as resource inventories, conservation plans and annual status review require field office participation. The Farm and Ranch Land Protection Program (FRPP) and Grassland Reserve Program (GRP) require the same level of participation by the field offices.

We will again target the eastern counties for the GRP as we did last year.

A tentative schedule of activities/dates for the easement programs is attached (attachment #5). For more information about the easement programs please contact Seth Fiedler at (505) 761-4416.

Conservation Innovation Grant (CIG)

We have not received guidance for FY2013 but we anticipate placing priority on those proposals that include a riparian component for the state proposals. State Conservationists can set aside up to 5% of the EQIP allocation not to exceed \$75,000 per proposal. Our trend is to set aside \$150,000 for the state component.

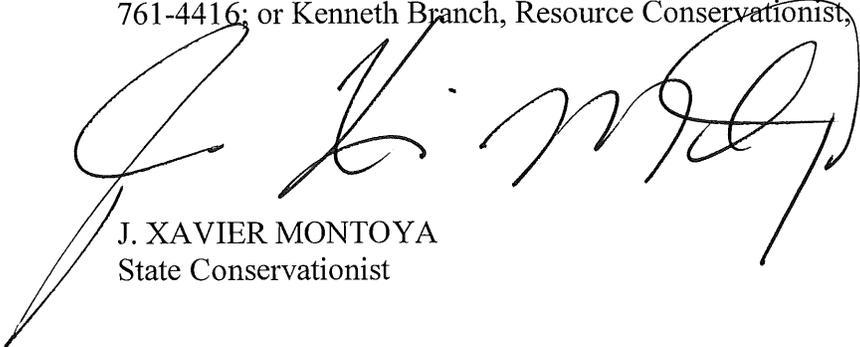
Wildlife Habitat Incentive Program (WHIP)

- Maximum federal costs cannot exceed 75%
- Incentive Payments are not allowed
- Eligible lands include private, state or Tribal lands *'determined by NRCS to be suitable for fish and wildlife habitat development on which agricultural and forest-related products or livestock are produced or have the potential to be produced'*. (517.20H)

The Field Office EOIP proposal must be submitted in electronic format

It is important that you carefully and thoroughly review this bulletin and attachments.

If you have questions on any of the attached information or guidelines, please contact, Norman Vigil, Assistant State Conservation for Programs, at (505) 761-4445; Michael Neubeiser, Resource Conservationist, at (505) 761-4419; Seth Fiedler, Resource Conservationist, at (505) 761-4416; or Kenneth Branch, Resource Conservationist, at (505) 761-4407.

A large, stylized handwritten signature in black ink, appearing to read 'J. Xavier Montoya', is written over the typed name and title.

J. XAVIER MONTOYA
State Conservationist

Attachments (6):

1. Schedule of Activities/Deadlines
2. Guidance
3. Watershed and Small Acreage Initiative Worksheets
4. Field Office Proposal Template
5. Tentative Schedule for Easements
6. CSP Schedule