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October 3, 2012

NEW MEXICO BULLETIN NO. 440-13-03

SUBJECT: PGM – ADMINISTRATION OF CONSERVATION PROGRAM
AUTHORIZATIONS THAT EXPIRED SEPTEMBER 30, 2012 UNDER THE CURRENT FISCAL
YEAR (FY) 2013 CONTINUING RESOLUTION

TO: All Employees and Partners

Purpose: To provide information on conservation program authorizations that expired
September 30, 2012.

Expiration Date: September 30, 2013.

Background.

MANDATORY FUNDED PROGRAMS:

Under the Food, Conservation, and Energy Act of 2008 (the 2008 Act), authorities to enroll participants or fund new activities for several conservation programs expired on September 30, 2012. While the conservation programs themselves remain “on the books” and are still currently authorized to implement prior-year activities, beginning in Fiscal Year (FY) 2013 the authority has ended to enroll new participants into the Grassland Reserve Program (GRP), and the Wetlands Reserve Program (WRP), as well as the Conservation Reserve Program (CRP) administered by the Farm Service Agency (FSA). Additionally, several framework provisions and within-program provisions were not extended.

We have an apportionment from the Office of Management and Budget (OMB) for the following mandatory funded programs: Agricultural Management Assistance (AMA), Agricultural Water Enhancement Program (AWEP), Conservation Reserve Program (CRP), Conservation Security Program (CSP), Conservation Stewardship Program (CStP), Environmental Quality Incentives Program (EQIP), Farm and Ranch Lands Protection Program (FRPP), Grassland Reserve Program (GRP), Wetlands Reserve Programs (WRP), and Wildlife Habitat Incentive Program (WHIP).

You can proceed with executing technical assistance (TA) to service prior-year contracts in these programs. Do not expend TA to obligate new FY 2013 financial assistance (FA) until you receive further guidance on the use of TA and FA.

Unlike other programs, enrollment authority for the Conservation Stewardship Program (CStP) has been extended through FY 2014. Even so, the FY 2013 Continuing Resolution limits the amount

of funding available to administer the program and therefore the Natural Resources Conservation Service (NRCS) has not made a decision about the potential for a FY 2013 CStP sign-up. Please continue accepting CStP applications as the program offers a continuous sign up, but do not take any action on those applications until further notice.

Effective October 1, 2012, and until further notice, this bulletin identifies how NRCS will administer the expired 2008 Act provision in FY 2013 under the current Continuing Resolution.

NRCS Program Applications for GRP, WRP and CRP

NRCS will continue to service prior-year contracts and enrollments for GRP, WRP and CRP. However, NRCS is not accepting applications for new contracts or enrollments at this time. Prospective applicants should be informed that due to the expiration of these program's funding authorities, NRCS is not accepting applications. As a courtesy, we should offer to collect their application information and to notify them should the program be authorized to enroll new projects later this fiscal year. Additionally, recommend updating their files or establishing files with FSA in the event re-authorization occurs.

Area Offices and Field Offices should limit their technical assistance (TA) expenditures in processing any existing, unfunded applications for GRP, WRP or CRP. Additionally, NRCS should not review existing, unfunded application packages for completeness, make any eligibility determinations, or conduct rankings for these applications.

We recognize that some CTA may be expended in association with managing applicant expectations. Please inform prospective applicants that:

- the program they wish to apply for is expired and is not currently funded;
- NRCS will service applications if the program is reauthorized;
- if the program is funded later in the fiscal year, additional eligibility paperwork will be required at that time; and
- general technical conservation planning assistance is still available.

Note: FSA is also not accepting FY 2013 CRP or GRP applications at this time.

In order to avoid confusion amongst our customers, please notify any partners with whom we have an agreement to conduct outreach activities that they should not be soliciting or processing new applications for GRP, WRP or CRP. These partners can continue to provide services for existing enrollments under these programs.

Program-Specific Information

Wetlands Reserve Program (WRP)

NRCS cannot enroll any new acreage into WRP in FY 2013. The funding authority to enroll new acres has expired. NRCS can continue to close, restore, and monitor land currently enrolled in the program. Adjustments to acreages as a result of final surveys on existing enrollments are authorized, however the addition of new acres not originally contemplated at the time of initial enrollment are not authorized.

Grassland Reserve Program (GRP)

Similar to WRP, NRCS cannot enroll any new acreage into GRP in FY 2013. NRCS can continue to close, monitor, and conduct status reviews on land currently enrolled in the program. Additionally, NRCS can complete grazing management plans for acreage currently enrolled in the program. Adjustments to acreages as a result of final surveys on existing enrollments are authorized, however the addition of new acres not originally contemplated at the time of initial enrollment are not authorized.

Conservation Reserve Program (CRP)

FSA does not have authority to enroll new acres into CRP through either continuous CRP or through a general sign-up. NRCS should continue to service existing continuous and general sign-up contracts. Any questions that NRCS receives from customers about CRP sign-up should be directed to FSA.

Other 2008 Act Authorities with September 30, 2012 Expiration Dates

Air Quality (CIG-b)

Section 1240G(b) of the Food Security Act of 1985 required that NRCS make available at least \$37.5 million of EQIP funding to address air quality concerns from agricultural operations. While the requirement for this minimum funding level expired September 30, 2012, NRCS will continue to fund air quality concerns from agricultural operations through the Air Quality Initiative in FY 2013.

EQIP Livestock 60 percent

Section 1240B(f) of the Food Security Act of 1985 required that for each of fiscal years 2002 through 2012, 60 percent of EQIP funding be targeted at practices related to livestock production. NRCS will continue to target 60 percent of EQIP funding at practices related to livestock production in FY 2013.

Adjusted Gross Income (AGI)

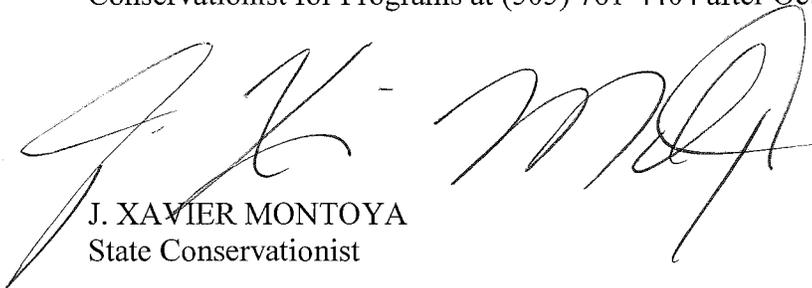
The average AGI limitations under the 2008 Act expired on September 30, 2012 and legislation has not been enacted to reauthorize or extend the average AGI limitations beyond the 2012 crop, program, or fiscal years. **Effective October 1, 2012, and until further notice, FY 2013 program participants are not subject to compliance with average AGI limitations.** No AGI self-certifications are currently required for FY 2013 program participation, and they will not be accepted and processed by FSA. ProTracts will be adjusted to accommodate this change, and AGI will not be required for any easement program applications until further notice.

Prior-year program participants continue to be subject to AGI provisions under 7 CFR 1400. With respect to contracts for conservation programs approved between October 1, 2008 and September 30, 2012, the payment limitation rules in 7 CFR Part 1400 in effect on September 30, 2012 will continue to be applicable. Successors in interest to prior-year program contracts who do not have AGI certifications on file will be provided a yet-to-be-issued form to certify compliance with these provision for the three years preceding their succession to the contract.

Program payment limitations, including applicable annual limitations and aggregate limitations, as well as contract limitations established by statute or individual program regulations will continue to be applicable.

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If you have any questions related to this bulletin, please contact Norman Vigil, Assistant State Conservationist for Programs at (505) 761-4445 or Clifford E. Sánchez, Assistant State Conservationist for Programs at (505) 761-4404 after October 6, 2012.

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

J. XAVIER MONTOYA
State Conservationist