

EQIP

Contracting Guidance Document – FY 2022

Conservation Practice Payment Methods:

PR – Payment Rate: The Payment Rate is the unit cost rate of compensation to be received by the participant. The Payment Rate for each practice or component has been established at the National and/or Regional level. Payment rates are based on the **average cost** to implement a practice.

Payment based on Payment Rates do not require the participant to submit bills or receipts. However, invoices, receipts, and other supporting documentation may be required to support that the work performed meets practice standards and specifications.

TSP Payments – Actual cost, not to exceed a specified maximum, will be used for technical service provider (TSP) payments, receipts are required. To obtain local rates: <https://tspr.sc.egov.usda.gov/>, click on “Obtain Local Payment Rate Prices” button, Select year, state, county, and practice. Enter the number of units and select view payment rates.

EQIP funds may be combined with other funds. EQIP does not pay for the same practice on the same land as any other USDA program. The participant should consult other program rules for maximum payment and other limitations.

FI = Foregone Income - Foregone income includes lost net income from a change in land use or land taken out of production, or the opportunity cost of accepting less farm income, with the aim of improving natural resource conditions for the landowner and the public at large.

Scenario Selection – When selecting the appropriate scenario, select the scenario which best represents field conditions. Reference scenario descriptions on the NRCS Web page or the SharePoint site.

PROGRAM PROVISIONS

1. Conservation Practice Payments are authorized for practices:
 - a. Implemented following the contents of the NRCS Field Office Technical Guide & site specific designs.
 - b. Implemented following the:
 - i. General Provisions, and
 - ii. Specific provisions for each practice
 - c. Where positive environmental benefits from the benchmark condition can be documented.
 - d. Starting Practices – Applicants who start a practice before the contract is approved and final design provide (as applicable) by NRCS, causes the applicant to be ineligible for EQIP financial assistance for that practice. A waiver may be granted, under approved conditions, if the practice has not been started at the time of application and, the practice has not been started until after the waiver is granted 530.403 H (3)
2. Program Rates for 2022 EQIP contract is amount per unit as listed in the cost list. These rates are the amount the participant will receive upon completion of the practice, regardless of the cost of installing the practice.
3. In selecting a treatment option that will address the identified resource concern in the most cost-effective manner, the least-cost principle applies only to the payment scenario chosen and does not limit the conservation practice or activity that the participant can select. (530.13 A) GM 180, Part 600.52, Step 6 of the conservation planning process should fully consider evaluation of construction, operation, and maintenance costs over the practice lifespan from the producer’s standpoint in evaluating alternatives. In some cases, non-economic factors, such as safety aspects of installing a VFD on a stockwater pump to avoid the need for a well pit and pressure tank, may also legitimately drive selection of an alternative.
4. Payment is limited to installing the conservation practice to the extent necessary to meet the resource concern(s) addressed by the conservation plan. The practice must meet NRCS technical criteria to be

- eligible for payment. This does not preclude NRCS from working with the applicant or participant to plan a conservation practice or activity that exceeds the minimum requirements. 530.31 C (2)
5. Financial assistance for practices must be on land that is currently within contracted acres. Payments on land outside of the contracted acres are considered an improper payment.
 6. The practice scenario selected should be the **best technical match** for what is being installed/implemented under that technical standard.
 7. For certified Historically Underserved (HU) participants (Limited Resource Farmers, Beginning Farmers, and Socially Disadvantaged Farmers) the payment rate will be HU rate shown in the cost list. **For Participant who certify as a Historically Underserved participant, field staff MUST select the HU component in the cost list.** Checking the Limited Resource, Beginning Farmer, Socially Disadvantaged Farmer or Veteran Farmer (along with additional requirements) in ProTracts Participant Information, will not automatically result in a higher payment rate.
 8. For High Priority Practices, designated by the State Conservationist and State Technical Committee, these practices will be noted with “Pr” on the cost list. These rates can be used throughout the state within all funding pools.
 9. For Source Water Protection Practices, designated by the State Conservationist, Community Water Systems and State Technical Committee, these practices will be noted with a “Wp” on the cost list. These practice rates can only be used within the Designated Source Water Protection Areas within all funding pools.
 10. Technical assistance (TA) through technical service provider (TSP) may be paid through EQIP contracts for FY 2022.
 11. Practices or activities on the EQIP schedule of operations must be based upon an agency approved conservation plan developed using NRCS planning procedures and technical planning. 530.31
 12. NRCS is responsible for planning (Needs & Feasibility), NRCS will present CAP’s as an alternative.
 13. Program applicants must comply with the provisions for protecting the interest of tenant and sharecroppers, including the provisions for sharing payments on a fair and equitable basis. Consent must be obtained, in writing, from each identified tenant or sharecropper before excluding them from a contract to ensure that all parties having a share in the agricultural operation receive equitable treatment. 530.22 D (4) Enclosure C

GENERAL PROVISIONS

- NRCS Wetland Policy as found in the General Manual 190, Part 410 must be followed. This policy provides direction to the agency for compliance with the National Environmental Policy ACT (NEPA). This policy prohibits NRCS from providing technical or financial assistance to participants that will adversely affect wetlands, unless the lost functions are fully mitigated.
- Land Management Practices – 440-502 A Conservation practices that primarily require site-specific management techniques and methods to conserve, protect from degradation, or improve soil, water, or related natural resources in the most cost-effective manner. Land Management Practices have a lifespan of 1 year (this includes 340-CoverCrops).
- Ineligible Conservation Practices – are those that have already been installed to address an identified resource concern on a specific land unit. If a producer is already meeting the FOTG requirements of a conservation practice on the planning land units (regardless of whether they have received payment or not), that practice will be considered as an existing practice and will be loaded into CART as such. All resource concerns addressed by that practice on CPPE will be considered treated to the extent possible by that practice. If a resource concern still exists, a higher-level practice will be needed.
- When there is a change in the production system (i.e. cropland to grazing land), conservation practices are eligible when the change results in a higher level of environmental benefits and the producer implements management practices that may be written into the contract, to support the change. 530.403 C (2)
- Payments for management practices shall be limited to the number of years necessary for the participant to fully implement the practice, not to exceed 3 consecutive years.
- Land enrolled in other conservation programs are eligible under EQIP provided EQIP does not pay for the same practice on the same land as any other USDA program.
- CRP land may only be offered for enrollment during the last year of the CRP contract and no EQIP practices may be applied until after the CRP contract has ended.
- NRCS has the authority to provide payment for the development of Conservation Activity Plans (CAPs). Only

certified TSPs may develop a CAP for payment. Under no circumstance shall an NRCS employee develop an EQIP funded CAP. Certification requirements for TSPs are available on the TSP website. It is expected that the CAP will be completed within the first year. See Roles and Responsibilities for Engineering Technical Assistance to USDA Program Participants document found on the ND NRCS Engineering website. CAPs shall not be confused with the implementation of a management system.

- At least one conservation practice or activity must be implemented within the first 12 months of the contract. The State Conservationist may approve a waiver to extend this timeframe if NRCS determines that the participant is unable to complete the conservation practice or activity for reasons beyond their control. 530.41 B (iv)
- Since program applicants may not modify or change their application once submitted, all applicants must be provided an equal opportunity to make informed decisions regarding their choices for selection of practices prior ranking of the application.
- Certain practices may only be eligible under special initiatives.
- Practice waivers and/or variances must be granted prior to contract obligation.
- Practices are to be maintained for a given lifespan following installation. A complete, up-to-date set of practice lifespans can be found by accessing the Conservation Practice Data Entry System (CPDES) Web Portal at <https://smartech.sc.egov.usda.gov/> Select North Dakota under Select Practice List dropdown menu. A list of Conservation Practice Standards and Practice Lifespan is in the last column.
- Management practices needed to support the proper operation and maintenance of a financially assisted conservation practice are required in the schedule of operation (1155) and/or conservation plan.
- Water developments on cropland are not eligible for financial assistance through EQIP.