Part 530 – Working Lands Conservation Programs Manual

Subpart P – Agricultural Management Assistance (AMA)

530.200 General

A. Purpose

(1) The policy in this subpart applies to all AMA contracts. If conflicts between this subpart and other subparts of part 530 exist, the policy in this subpart will prevail.

(2) The purpose of AMA is to—

(i) Construct or improve watershed management structures or irrigation structures.

(ii) Plant trees to form windbreaks or to improve water quality.

(iii) Mitigate financial risk through production or marketing diversification or the implementation of resource conservation practices including soil erosion control, integrated pest management, or the transition to organic farming.

B. Authority

(1) Statutory Authority

The statutory authority for the policy and procedures contained in this subpart is section 524(b) of the Federal Crop Insurance Act, as amended.

(2) Federal Regulation

The Federal regulation for AMA is located at Title 7 of CFR Part 1465.

(3) This subpart is effective for new enrollments during fiscal year 2020 and forward until superseded. States will continue to administer contracts enrolled prior to 2020 in accordance with the regulations and contract appendix in effect on the date of obligation.

C. Applicability

AMA is available in 16 States in which Federal Crop Insurance Program participation is historically low, as determined by the Secretary of Agriculture. These States are Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming.

D. Responsibilities

NRCS, Risk Management Agency (RMA), and Agricultural Marketing Service (AMS) administer the AMA program.

(i) NRCS is responsible for administration and implementation of AMA's conservation provisions.

(ii) NRCS will work with the Farm Service Agency (FSA) to ensure land offered for AMA is not currently enrolled in the Conservation Reserve Program or the Grassland Reserve Program.

530.201 AMA Funds Management

A. Section 524(b) of the Federal Crop Insurance Act authorizes $10 million of Commodity Credit Corporation (CCC) funds each fiscal year for AMA. The President's Budget, adjustments made to mandatory funds (changes in mandatory programs or "CHIMPs"), or annual appropriations law may affect the authorized funding level. The administering agencies receive a percentage of the authorized funds as follows:

(1) NRCS—50 percent
(2) RMA—40 percent
(3) AMS—10 percent

B. National Priorities and National Measures

(1) To provide guidance to the State and local levels toward achieving the program purposes, NRCS has established the following national priorities:
(i) Reductions of nonpoint source pollution, such as nutrients, sediment, pesticides, or excess salinity in impaired watersheds consistent with total maximum daily loads (TMDLs), where available, as well as the reduction of surface and ground water contamination
(ii) Conservation of ground and surface water resources
(iii) Reduction of emissions, such as particulate matter, nitrogen oxides (NOx), volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards
(iv) Reduction in soil erosion and sedimentation from unacceptable high levels on agricultural land
(v) Promotion of at-risk species habitat conservation
(2) NRCS uses the national priorities to guide annual funding allocations to States and for prioritizing AMA applications for funding.

530.202 AMA Eligibility

A. Producer Eligibility Criteria

To be eligible to participate in AMA, an applicant must meet eligibility criteria as outlined in subpart C, "Application for Assistance," of this manual, with the following exception: AMA is not subject to the highly erodible land and wetland conservation provisions of the Food Security Act of 1985, as amended (16 U.S.C. Sections 3801–3824).

B. Land Eligibility

To be eligible for AMA, the land offered must meet land eligibility criteria as outlined in subpart C, "Application for Assistance," of this manual.

530.203 AMA Planning

A. Improvements available through AMA include structural practices, management practices, vegetative practices, forest management practices, and other improvements that achieve program purposes.

B. The State conservationist will determine the eligible conservation practices for AMA. Those conservation practices approved by the State conservationist must meet the following criteria:

(1) Approved in the Field Office Technical Guide (FOTG) and meet the purpose and definition of the conservation practice standard.
(2) Provide beneficial natural resource conservation or environmental enhancements.
(3) Meet the intent of the program and identified natural resource concerns.
(4) Include appropriate operation and maintenance requirements in the conservation practice design to allow the participant to successfully implement the conservation practice to standards and specifications for the practice life span as determined by the Conservation Practice Data Entry System (CPDES) database.

C. Eligible Conservation Practices

(1) Management Conservation

(i) Land management conservation practices are those associated with management techniques and methods to implement the conservation practice. These conservation practices have a life span of 1 year. Under this program, NRCS limits management practices that address an identified resource concern on the same land unit to a maximum of three separate payments during the term of a contract.

Exception: NRCS limits payments for Conservation Practice Standard (CPS) Cover Crop (Code 340) to a maximum of five separate payments during the term of a single contract on the same land unit when the participant plans and applies CPS Cover Crop (Code 340) as a component of a complete conservation system to address resource concerns related to soil health (such as soil erosion and soil quality degradation).

(ii) Producers may apply for a new AMA contract to apply the same management practice on the same land units if the implementation of the practice will result in a higher level of quality or conservation benefit.

(2) Structural and Vegetative Practices

Structural practices primarily involve the establishment, construction, or installation of a site-specific measure to conserve, protect from degradation, or improve soil, water, or related natural resources in a cost-effective manner. By program definition, structural practices also include vegetative conservation practices.

(3) Structural and vegetative practices have a life span of 2 or more years as documented in the national CPDES database.

NRCS allows a participant to retrofit structural practices provided that the improvement will result in a documented higher level of conservation benefit (e.g., improved irrigation water conservation efficiency) and when it is supported by the practice standard. NRCS will only allow retrofitting if it is more cost efficient than an alternative replacement system and meets the minimum requirements of the conservation practice standard. A payment scenario that supports retrofitting must be available in the cost list in order for the planner to include it in a contract. NRCS does not allow retrofitting to replace components that the producer is required to maintain for normal operation of the system within the approved practice lifespan.

D. Ineligible Conservation Practices

Ineligible conservation practices are those—

(i) Where the sole purpose is to enhance production without an identifiable conservation benefit or does not address a natural resource concern.

(ii) That the producer has already installed to address an identified resource concern on a specific land unit. However, land management practices that address a higher level quality concern may be implemented again on the same land unit. Producers may also apply for AMA financial assistance to implement a management practice to address a resource concern on land within the operation where the producer has not previously implemented the practice.

(iii) Structural or vegetative practices for which the producer received payment on the same land under the same AMA contract unless destroyed for reasons beyond the participant's control. Refer to subpart G, section 530.64, "Reapplication of Failed Conservation Treatment," of this manual.

530.204 AMA Application Processing

NRCS accepts AMA applications on a continuous basis throughout the year. Refer to subparts C, "Application for Assistance," and D, "Application Processing," of this manual for additional information.

530.205 AMA Contracting

The AMA regulatory contract limit is up to 10 years. AMA does not have a minimum contract length.

530.206 AMA Payments and Payment Limitations

A. Eligibility for Payments

Participants who share in the cost of installing the conservation practices required by the AMA contract are eligible to receive AMA financial assistance, with the following exceptions:

(i) Federal and State agencies, political subdivisions, and entities thereof,
(ii) Cooperative associations of producers that market commodities or provide services for producers,
(iii) Producer organizations and cooperatives that provide support to agricultural producers.

B. Payment Rates

AMA payment rates are up to 75 percent of the estimated incurred cost and up to 100 percent of the estimated income forgone. Historically underserved producers may be eligible for a higher payment rate that is not less than 25 percent of the standard payment rate, provided the increase does not exceed 90 percent of the standard payment rate.

C. Program Payment Limitation

(1) Total payments made either directly or indirectly to a person or legal entity from NRCS, RMA, and AMS under the program may not exceed $50,000 in any fiscal year.
(2) NRCS staff must advise AMA participants that by signing the program contract, they are certifying they will not receive payments from AMA more than the payment limitation of $50,000 per fiscal year from all sources (NRCS, RMA, and AMS).

Note: Members of a Tribe are subject to payment limitations, and the Tribe must certify that no Tribal member will receive more than the payment limitation of $50,000 per fiscal year.

(3) To document the producer's self-certification of payments from NRCS, RMA, and AMS, the designated conservationist must have the participant complete Form NRCS-CPA-1263, "Template for Producer Self-Certification – Fiscal Year [enter the current fiscal year] Payments," provided as exhibit 530.220A below, with the following actions:
(i) If the answer is "I will not be receiving AMA payments from the RMA or AMS in this fiscal year," the participant is to sign and date the template and NRCS will continue to process the request for payment.
(ii) If the answer is "I have received or will be receiving AMA payments from the RMA or AMS in this fiscal year," the participant is to state the amount of payment they have received or expect to receive from AMS and RMA, and sign and date the template. NRCS may then have to reduce the amount of the NRCS payment to comply with the $50,000 per-fiscal-year-payment limitation, in accordance with subpart F, section 530.50G of this manual.
(4) NRCS will coordinate with AMS and RMA to determine if an NRCS AMA program participant is also participating in their respective programs. This will ensure that the participant will not receive payments in excess of the $50,000 per-fiscal-year-payment limitation. Field offices will verify AMA fiscal year program payment amounts. If an NRCS AMA payment to a participant results in total payments over $50,000, NRCS must take action to collect the overpayment from the participant.

D. Exceeding Payment Limitation

(1) NRCS must seek collection of any overpayment when a payment exceeds the payment limitation when the overpayment is a result of an NRCS error.
(2) The applicable agency must seek collection of any overpayment when a payment exceeds the payment limitation as a result of an AMS or RMA error.

E. Advance Payments.—Advance payments are not authorized under AMA.

530.220 AMA Exhibits

A. Form NRCS-CPA-1263, "Template for Producer Self-Certification – Fiscal Year Payments"

B. AMA Regulation—7 CFR Part 1465

C. AMA Statute