



Conservation Programs Manual (CPM)
440-PGM
Circular No. 1, (Part 512, 521, and 515)

SUBJECT: PGM – Conservation Program Contracting

Purpose. To provide guidance to States on the maximum number of payments for the Cover Crop practice.

Effective Date. This circular is effective upon receipt.

Background. Title 440, Conservation Program Manual (CPM), Part 512, "Program Contracting Policy"; Part 521, "Agricultural Management Assistance (AMA) Policy," and Part 515, "Environmental Quality Incentives Program (EQIP) Policy," currently limit management practices to a maximum of three separate payments in a single program contract. Research and experience has shown that conservation benefits for the Cover Crop practice (CP 340) provides continuing and increased benefits for soil health related resource concerns, such as soil erosion and soil quality degradation. The anticipated full conservation benefits are often not realized until five years of implementation when applied as part of a complete conservation system to address soil health (soil erosion and soil quality degradation). NRCS technical specialists have estimated that application of CP 340 for a period up to 5 years as part of a complete conservation system will typically provide the desired conservation benefit. For the specific purpose to address resource concerns associated with improving soil health, agency policy is revised to allow up to a maximum of five separate program payments to support implementation of CP 340 on the same land unit in a single contract when CP 340 is planned and applied as a component of a complete conservation system to address soil health (soil erosion and soil quality degradation).

It is unlikely soil health benefits will accrue by the use of cover crops as a standalone practice. This is why the application of CP 340 must be part of an overall conservation system that fully addresses the soil health concern.

Policy Revision. When addressing resource concerns related to soil health, NRCS policy will allow approval of a contract that includes up to a maximum of five separate payments for CP 340, Cover Crop on the same land unit when CP 340 is planned and applied as a component of a complete conservation system to address soil health (soil erosion and soil quality degradation).

Revised Policy. The following exception will be added to policy, as follows:

440-CPM, Part 512, Subpart D, Section 512.34A:

- (1) Management practices have a maximum practice lifespan of 1 year and are applied annually. Payments for management practices are limited to a maximum of three separate payments during the term of a single contract. Payment schedule scenarios may be constructed to allow for varying payment amounts that may be supported with multiple payments within a single program contract, depending upon the variation in costs incurred and foregone income for each year of payment for the same management practice.

Exception: Payments for CP 340 Cover Crop are limited to a maximum of five separate payments during the term of a single contract on the same land unit when CP 340 is planned and applied as a component of a complete conservation system to address resource concerns related to soil health (such as soil erosion and soil quality degradation).

440-CPM, Part 515, Subpart I, Section 515.81D:

(1) Management Practices

- (i) Management practices are those associated primarily with management techniques, methods and support activities to implement the practice.
- (ii) As established in 440-CPM, Part 502, and Part 512, Subpart D, management practices have a maximum lifespan of 1 year, as documented in the national CPS database. Contracting and program policy establish that payments for management practices are limited to a maximum of three separate payments during the term of a contract.

Exception: Payments for CP 340 Cover Crop are limited to a maximum of five separate payments during the term of a single contract on the same land unit when CP 340 is planned and applied as a component of a complete conservation system to address resource concerns related to soil health (such as soil erosion and soil quality degradation).

440-CPM, Part 521, Subpart G, Section 521.61C(1):

C. Eligible Practices and Activities with Policy Restrictions

(1) Land Management Practices

Land management practices are those that require primarily management techniques and methods to implement the practice. These practices have a lifespan of 1 year.

- Payments for land management practices are limited to a maximum of three separate payments during the term of the contract. Payment schedule scenarios may be constructed to allow for varying payment amounts depending upon the variation in costs incurred and income forgone for each year of payment. Only payment schedules associated with management practices may include scenarios for multiyear payments.

Exception: Payments for CP 340 Cover Crop are limited to a maximum of five separate payments during the term of a single contract on the same land unit when CP 340 is planned and applied as a component of a complete conservation system to address resource concerns related to soil health (such as soil erosion and soil quality degradation).

Note: This revision does not change any other existing technical or programmatic policy requirements such as the existing program requirement that management practices may only be reapplied to the same land unit if the practice will address a higher-level quality concern. Also, the revision only applies to CP 340 Cover Crop.

Contact. If you have any questions regarding this circular, please contact the director of Financial Assistance Program Division at (202) 720-1844.