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# Procedural Issues Relative to Conservation Reserve Program Participation in Montana: Considerations Prior to Making an Offer, Offer Formulation, and Offer Acceptance

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#### Introduction

The Conservation Reserve Program (CRP) was established in the conservation title of the Food Security Act of 1985. It created a long term cropland acreage reserve for the United States. Initially the program, managed by the Farm Service Agency of the United States Department of Agriculture, was targeted towards reducing soil erosion from highly erodible cropland. Through subsequent legislation the environmental emphasis of the CRP has been expanded to also achieve improvements in water quality and more recently to achieve enhancements in wildlife habitat.

Since 1985, federal legislation has expanded and then contracted the maximum number of cropland acres that can be enrolled in the CRP. The 2014 Farm Bill has scheduled a further "step down" in the maximum area in the CRP from 30,000,000 acres in fiscal year 2013 to 24,000,000 acres in fiscal year 2017.

In Montana, in the 2006-2007 fiscal year, nearly 3,500,000 cropland acres, almost 20 percent of the area used as cropland in the state, were enrolled in the CRP. But interest in bidding to enroll cropland (or bidding to reenroll cropland under expiring CRP contracts) has waned. In fiscal year 2013, nearly 365,000 acres of cropland in Montana were covered by CRP contracts expiring at the end of the fiscal year. But just over 185,000 acres of Montana cropland were included in

bids submitted during the early summer 2013 CRP general sign-up period and just over 145,000 acres of Montana cropland were included in accepted bids.

In Montana, and nationally, land owners and operators have enjoyed several years where commodity prices for crops such as corn and wheat have been considerably above their long term averages. The result has been that the acres planted to crops have provided relatively high returns. Concurrently, the national Farm Service Agency (FSA) has sponsored survey efforts to obtain data on cash cropland rental rates. In certain counties, including several Montana counties, the results of these surveys have led the national FSA office to reduce county average cropland rental rates below the levels that have previously been used in setting CRP rental rates.

Commodity prices and returns to cropland from crop production do change over time. As the CRP continues, land owners and operators need to be aware of the processes involved in the general CRP sign-ups. This policy paper addresses eligibility criteria for land to be enrolled in the CRP, the soil rental rate method for determining the CRP *maximum payment rate*, the opportunity costs to the farm of participating in the CRP, the formulation of a CRP offer and the environmental benefits ranking process for determining acceptable participation offers in general CRP sign-up periods.

# Farm Service Agency Eligibility Considerations

Land owners and operators must address all eligibility considerations with personnel in their local Farm Service Agency offices. The following brief discussion of eligibility considerations is not intended to supplant any discussions about eligibility that an owner or operator may have with local FSA personnel. The intent is make cropland owners and operators aware of eligibility considerations for participation in CRP under the general sign-up process.

There are three main eligibility concerns. These are: (1) eligibility of owner and operators; (2) eligible cropping history on land offered; and (3) eligible cropland category (s). Each of these concerns will be briefly reviewed.

First, an assessment is made as to whether the person offering a bid for CRP participation is an eligible owner or operator (Figure 1).

As illustrated in Figure 1, if the person is an owner, there are a variety of forms of business under which ownership could be organized such as: an individual (likely a sole proprietorship), other organizational structures including an Indian tribal venture, corporate structures, and controlled by a state government entity.

If an owner has an acceptable business structure, the owner must meet **one** of the following requirements:

- owned the land for at least 12 months before the close of the general sign-up;
- acquired the land by will;
- acquired the land by succession as a result of a death
- acquired the land for circumstances other than for placement in CRP (as determined by FSA at the national level);
- owns land that is in an expiring CRP contract (length of ownership is not a factor)
- purchased land that was in a CRP contract--may re-offer the land (length of ownership is not a factor).

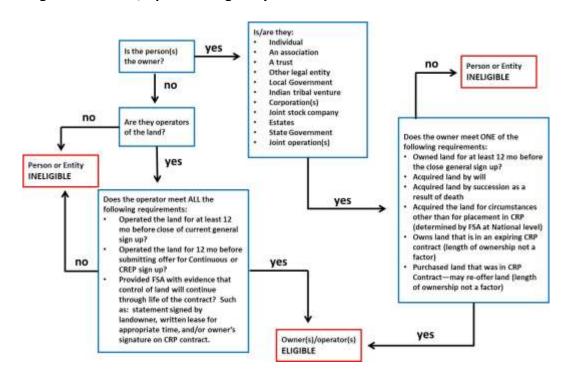


Figure 1: Owner/Operator Eligibility for CRP

So if an owner meets one of these requirements, the owner is eligible for participation in the CRP.

A person who is not an owner may be eligible as an operator if **all** of the following requirements are satisfied:

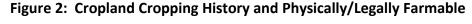
- operated the land for at least 12 months before the close of the current general CRP sign-up
- provided the Farm Service Agency with evidence that control of the land (by the operator) will continue through the life of the contract (CRP contract)
- evidence of such control could be such as: a statement signed by the landowner; written lease for the appropriate time; and/or land owner's signature on the CRP contract.

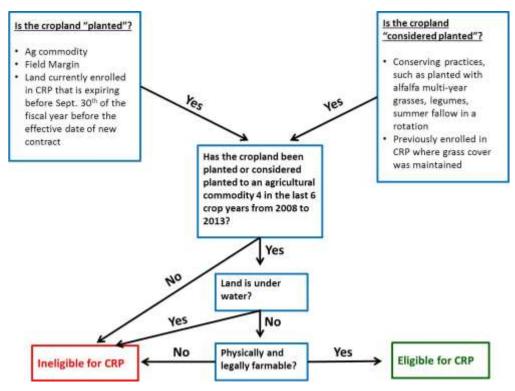
If an operator meets **ALL** of these requirements, the operator is eligible for participation in the CRP.

In most instances the eligibility considerations for owners and operators will be resolved quickly by the county FSA office. However, recent cropland acquisitions and new lease agreements are likely to receive the most detailed scrutiny.

The second eligibility issue is whether the land being offered has an appropriate cropping history and is legally/physically farmable (Figure 2).

Cropland eligibility starts by determining if the cropland is "planted" or "considered planted". These terms take on particular meanings within FSA when determining cropland eligibility for the CRP. The first question is whether the land of interest is "planted". Cropland is "planted" if it is currently producing an agricultural commodity, or if it is a field margin. An entire field/parcel can be offered for CRP under a general sign-up, including the field margins and turn areas. Land in the CRP that is under an expiring contract can also be offered for re-enrollment during a general CRP sign-up period when the existing contract is due to expire before September 30<sup>th</sup> of the year the general sign-up period is conducted.





Cropland being offered for enrollment into the general CRP is "considered planted" if it is in a conserving practice. Such practices include planting the land with alfalfa and multi-year grasses, legumes, or summer fallowing the land in a rotation, or it is cropland that was previously enrolled in the CRP where the conserving use (most often grass cover in Montana) was maintained.

If cropland meets either the "planted" or "considered planted" eligibility tests, two additional eligibility considerations apply. One is whether the cropland has been "planted" or considered "planted" in four of the last six years. Under the provisions of the Agricultural Act of 2014, the land must be cropland that is planted or considered planted to an agricultural commodity four of the previous six crop years from 2008 to 2013, and is physically and legally capable of being planted (no planting restrictions due to an easement or the legally binding instrument) in a normal manner to an agricultural commodity. If cropland passes the use longevity test, there is a subsequent determination as to whether or not the cropland is under water. If the cropland is not under water and the cropland is physically and legally farmable then it is eligible for the CRP.

The third set of eligibility criteria for consideration in a general CRP sign-up are land eligibility criteria. If one or more of the following criteria are met (Figure 3), the cropland is eligible for the CRP:

- If the cropland is currently enrolled in a CRP contract that is expiring before September 30<sup>th</sup> of the fiscal year in which the land is offered for enrollment, then the cropland is eligible.
- If the cropland is currently "planted" or "considered planted" but is not in the CRP, the cropland must have a weighted average erodibility index (EI) for the three predominant soils of eight or greater, the cropland is eligible for a general CRP enrollment.
- If cropland is not in the CRP and does not have an EI greater than eight, the cropland will be eligible for CRP enrollment if it is located in a national or state- designated Conservation Priority Area. Local FSA and/or Natural Resources Conservation Service (NRCS) personnel can assist in determining if cropland is a Conservation Priority Area.
- If the cropland under consideration currently has practices in place that are eligible for continuous CRP, the cropland is eligible for general CRP consideration.

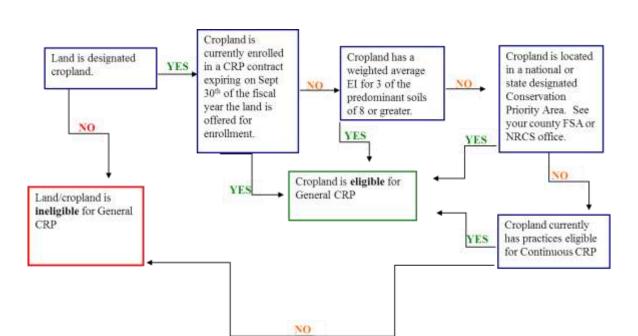


Figure 3: Land Eligibility Criteria for General CRP Sign-ups

A brief clarification is needed with respect to erodibility criterion "that the cropland can be offered for CRP consideration if the erodibility index (EI) for the three predominant soils of the new cropland being offered for the general CRP is eight or greater is offered". The three predominant soils are the three soil map units with the most acreage in the cropland tract being offered. The EI will be based on the most recent soil survey and the EI will be calculated using the RUSLE or WEQ, and these values will not be additive. The RUSLE is the equation used to estimate soil erosion from water and the WEQ is the equation used to estimate soil erosion from wind. Essentially one of these two equations must indicate a weighted average EI of eight or greater to fulfill the criterion.

Once the eligibility criteria are satisfied, an eligible owner or eligible operator can continue the general CRP offer process in collaboration with FSA personnel.

# **Specifying the Cover Practice**

Owners and operators must indicate which cover practice(s) they plan to retain or initiate on cropland offered for enrollment under a general CRP sign-up. Although there are a number of allowable practices for cropland enrolled under the general CRP, most existing CRP acreage in Montana is either in CP-1, permanent introduced grasses and legumes, or CP-2, permanent native grasses and legumes. Expectations about the number of species required for the two practices can be reviewed with FSA personnel, as the number of species will impact the environmental benefits rating for the offer (as will be discussed later). Further guidance will be provided on accepted CRP bids relative to appropriate species, seeding rates, etc., by NRCS personnel, or technical service providers contracted by NRCS.

# The Maximum Payment Rate

Owners and operators will be informed of the maximum per acre payment they can receive for enrolling cropland into the CRP and establishing and maintaining a cover practice. This *maximum payment* 

*rate* is determined by using soil rental rates. (See item 20 in CRP-2, Conservation Reserve Program worksheet, in the appendix).

Soil rental rates reflect the average county-level cash rental rate per acre for non-irrigated cropland, adjusted for productivity. Soil rental rates are specified for each soil map unit area, within a soil survey area, within a county. (When, through the survey process used for determining average county cash cropland rental rates, there are not sufficient observations of cash rent observations in a county, alternative methods that have valued crop share arrangements to obtain average county cropland rental rates have been accepted for certain Montana counties).

When an owner or operator confers with local FSA personnel in formulating a CRP offer, the FSA personnel can display the soil map units in a tract of cropland being offered for CRP enrollment, the soil rental rates applicable to each soil map unit and the *maximum payment rate* for the cropland being offered. By definition, the *maximum payment rate*, is the weighted average of the soil rental rates for the three predominant soil map units (measured by area) in the land tract being offered for enrollment.

Soil map unit rental rates for a limited number of soils in Roosevelt County are shown (Figure 4). Note that the soil map units for which a soil rental rate is applicable are shown to the right of each soil rental rate, i.e., soil rental rate \$30 applies to soil map unit symbols 2, 32, 44, 59, [These soil rental rates are subject to change as updated average cash cropland rental rates are assigned to a county].

To provide an illustration of the determination of the *maximum payment rate* for cropland being offered, consider the following example in which the average county cash cropland rental rate is \$31. A land owner is offering 200 acres of cropland for CRP enrollment and the tract has seven soil map units, each soil map unit of certain acreage with an applicable *soil rental rate* (Table 1).

Figure 4: Example Soil Rental Rates in Roosevelt County

County Weighted Average SRR: \$31.41 <u>1/</u>
County Simple Average SRR: \$31.00 <u>2/</u>

(NON-IRRIGATED CROPLAND) SOIL SURVEY AREA ID: MT661

Soil Rental Rate	Soil Map Unit Symbols
\$26	1 ,11 ,3 ,31 ,34 ,39 ,40 ,41 ,66 ,72 ,76 ,8 ,9 ,33
\$28	6 ,64 ,65 ,67 ,74
\$30	2 ,32 ,44 ,59

Table 1: Determination of the Maximum Payment Rate for a Hypothetical Cropland Tract

Soil Map Unit	SRR	Acres
1	\$26	18
2	30	40
3	26	12
4	27	52
5	34	50
6	28	16
7	35	12

Maximum Payment Rate =  $[(\$30) (40 \text{ acres}) + (\$27) (52 \text{ acres}) + (\$34) (50 \text{ acres})] \div [40 \text{ acres} + 52 \text{ acres} + 50 \text{ acres}] = \$4,304 \div 142 \text{ acres} = \$31.31 \text{ acre}$ 

The three predominant soils in this tract are soil map units 2, 4, and 5 (Table 1). The weighted average of the soil rental rates (SRR) for these three soil map units results in a *maximum payment rate* of \$31.31 per acre. Owners and operators formulating a CRP offer in their local Farm Service Agency offices will be made aware of the applicable *maximum payment rate* for the tract of cropland they are offering for CRP

enrollment. Their *maximum payment rate* will likely be a point of discussion, and it appears on form CRP-2 that is titled the *Conservation Reserve Program Worksheet* (item # 20).

An owner and operator, with knowledge of the applicable *maximum payment rate*, should assess whether "is this enough" for the land to be enrolled in the CRP?

# **Opportunity Costs for CRP Participation**

In the process of developing an offer of cropland for participation in the CRP, the owner or operator will be asked to specify a *Rental Rate Per Acre Offered* (item #9) when working with Farm Service Agency personnel to complete CRP-2, the *Conservation Reserve Program Worksheet*.

If the owner or operator were to offer a *Rental Rate Per Acre* greater than the *maximum payment rate* for the cropland being offered, the offer process would likely have to be reevaluated. It would be useful if owners or operators have some idea of what they intend to offer before entering the actual offer process.

An owner or operator may want to determine what to offer as a CRP rental rate by accessing what the land would provide if it continued to be planted to crops (that is, what the opportunity cost of enrolling the land in the CRP would be).

A CRP offer by a land owner who is a landlord would likely involve considering a CRP rental rate that is equivalent to the cash rent per acre or the market value of crop share they would receive per acre from a tenant.

A CRP offer by a land owner who is also the operator would likely consider a CRP rental rate that is equivalent to the net returns to land from continued crop production.

A CRP offer made by an operator who is not an owner would likely consider a CRP rental rate that is equivalent to the returns the tenant would realize from continued crop production.

Owners and operators recognize that there are differences between receiving an annual cash payment form the United States Department of Agriculture for fulfilling all terms of the CRP contract versus net returns from continued crop production. Essentially, CRP payments will be received with certainty for each of the years of the CRP contract (most which are 10-year contracts in Montana). However, returns from continued crop production (possibly excluding cash rent for a landlord with a reliable tenant) are not so

certain. Crop yields may vary drastically from year to year although adverse economic impacts may be moderated to some degree through indemnities and payments form crop insurance and Federal disaster programs. Additionally crop prices can increase or decrease substantially from year to year, and over a decade. Owners and operators do recognize the difference in certainty of their returns from participation in the CRP and the variability of returns derived from continued crop production. So they are likely to make adjustments in the *rental rate per acre offered* for CRP participation to reflect differences in risks. For instance, they may be willing to reduce the *rental rate per acre offered* below the average market value expected for a landlord's crop share.

How to develop a CRP rental rate offer is addressed in the next section. Publically available software is available to assist owners and operators with this determination. The method to be discussed is a systematic method of estimating the returns to cropland (only) from continued production reflecting some variability in yields and crop prices.

# **Developing a CRP Rental Rate Offer**

A landowner will review a number of different factors before determining a CRP rental rate offer. One of these factors is the past financial returns from the parcel being considered for CRP enrollment. A landowner may have a complete enterprise budget history for that parcel of land with date on input costs, yields, prices, insurance indemnity cash flows and government program receipts. If a landowner does not have that information or lack the time to develop such information, the owner may want to utilize a software program that can help estimate the returns to a landowner over the past 10 years. This software "CRP Decision Software Tool" is available at: www.ampc.montana.edu/briefing.html.

This software will allow a landowner to enter average acres planted to a variety of different crops and it will provide an option of entering the owner's historical yield date. The program will utilize a regional average yield date if the owner chooses not to provide actual yield date. The program will combine this information with historical Montana price date. The chart on the bottom of this page summarizes the historical yields and prices.

The software will also ask the owner to enter in the crop share percentage that the landowner would receive had the land been leased. Evaluating only the landowner's share of the revenues allows for an apple to apples comparison of the land use. Cropland enrolled in CRP requires few, variable inputs (see, fuel, labor, etc) while continued production requires both cropland inputs and land ownership inputs. This assumption allows for a direct comparison. The program then calculates returns for each crop, for each year and adjusts these returns for inflation. A five and a ten year average return from both CRP participation and farming the land on a crop share are then presented. Finally the program allows an owner to make some predictions about future prices, inflation rates and the expected CRP rental rate. The program will then project returns from the land over the next ten years. The program is designed to be one of the several different methods that landowners could utilize to help then evaluate a possible CRP rental rate bid.

#### Example

A landowner is considering enrolling a 320 acre parcel of land. The owner of the land must meet the eligibility requirements discussed previously. The maximum payment rate is computed based on the soil types and the average county cash cropland rental rates. Refer to Figure 4 and Table 1 to understand the maximum payment rate for a particular parcel of land. The maximum payment rate in this example is \$31.41 per acre. The landowner now understands the maximum rental rate that is possible for enrolling a parcel in CRP. The landowner can then compare this maximum payment rate to the expected returns from farming the parcel over the next 10 years. The software program can help the owner evaluate the past returns from farming and possibly help shape their expectations about future returns from farming.

# Offer Acceptance

To summarize where an owner or operator is to this point, a brief review is provided.

The owner or operator has identified cropland that is to be offered into CRP, either an offer to reenroll land previously in the CRP or the enrollment of active cropland into the program. The owner or operator has considered the opportunity costs for participation in the CRP and may have worked through a process to obtain an estimate of the per acre rental rate that would be offered for participation.

#### **Historical Crop Yields (North East Montana Region)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Spring Wheat (bu/acre)	24	31	30	17	23	19	27	35	28	32
Winter Wheat (bu/acre)	32	30	40	18	34	28	31	42	35	41
Lentils (lbs/acre)	1,070	1,420	1,280	590	1,190	760	1,400	1,370	1,150	1,076
Peas (lbs/acre)	1,500	2,020	1,800	1,030	1,820	1,020	1,280	2,010	1,470	1,500
Durum Wheat (bu/acre)	23	34	27	15	24	18	30	33	27	28

#### **Historical Crop Prices (Montana)**

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Spring Wheat (bu)	\$3.78	\$3.69	\$3.80	\$4.58	\$7.49	\$7.36	\$5.72	\$6.87	\$8.36	\$8.85
Winter Wheat (bu)	\$3.56	\$3.41	\$3.51	\$4.49	\$6.69	\$6.31	\$4.79	\$5.81	\$6.74	\$8.20
Lentils (ctw)	\$15.40	\$15.10	\$9.54	\$10.80	\$21.80	\$34.90	\$27.20	\$23.90	\$23.70	\$17.70
Peas (ctw)	\$10.40	\$10.10	\$8.67	\$7.93	\$13.20	\$21.70	\$21.70	\$15.50	\$20.00	\$23.80
Durum Wheat (bu)	\$4.07	\$3.86	\$3.45	\$4.61	\$9.26	\$9.69	\$5.15	\$6.22	\$10.30	\$8.35

At this point the owner or operator has some background to work with when conferring with FSA personnel of developing a CRP offer during a general signup period. Collaboratively there are determinations made relative to the various eligibility criteria. With eligibility established, they can use FSA software to determine the *maximum payment rate* for the cropland offered and the owner or operator can determine whether that equals or exceeds the soil rental rate to be offered. A rental rate per acre less than or equal to the *maximum payment rate* gets the owner or operator "in the game" but it does not say that the owner or operator has an accepted bid. All

general CRP sign up offers are subject to an environmental benefits ranking. An Environmental Benefits Index (EBI) applies to all offers in a general sign-up. Usually a **FSA FACT SHEET** is made available in the months before a general sign-up period that fully describes the EBI. The most recent fact sheet was titled **Conservation Reserve Program sign-up 45 Environmental Benefits Index (EBI),** and would be available online or through the local Farm Service Agency Office.

The EBI, as recently structured, contained six major factors (Table 2).

Table 2: Environmental Benefits Index (EBI)

Factor	Description	Point Ranges	Factor Scoring Impacted by Practice Selected	Practice to be Incorporated in Conservation Plan
N1	Wildlife habitat benefits	0 through 100	Yes	Yes
N2	Water quality benefits from reduced erosion, runoff and leaching	0 through 100		
N3	On-farm benefits of reduced erosion	0 through 100		
N4	Enduring benefits	0 through 50	Yes	Yes, redundant
N5	Air quality benefits	0 through 45	Yes	Yes, redundant
N6	Cost/acre	To be determined		

The factors N1, N4, and N5 are affected by the cover practice selected for the cropland offered for enrollment in the CRP. However, once the practice has been selected for Factor N1, the EBI points for N4 and N5 have been determined. First the three factors influenced by the cover practice decision are discussed. Then the remaining factors and how they are scored are discussed.

EBI factor N1 is crucial in attaining a desirable EBI score and addresses wildlife habitat benefits through three sub-factors. N1a, wildlife cover benefits, offers 10 to 50 points, based on the cover practice established or already in place (Table 3). Under cover practice CP1 (permanent introduced grasses and legumes), an existing stand having one to three introduced grass species would receive 10 EBI points under the N1a subfactor. But if planting a new stand is required, two to

three species of introduced grass would be required for receive 10 EBI points under N1a. However, often successful CRP participation bids require 40 EBI points under N1a. An existing stand would require at least three introduced grasses and one legume to receive 40 RBI points under sub-factor N1a. Sub-factor N1b emphasizes wildlife enhancement and can provide for 0, 5, or 20 EBI points. How these points can be obtained is outlined in Table 2 of the EBI Fact Sheet (as referenced above). Sub-factor N1c depends on whether or not the cropland being offered is in a wildlife priority zones , depends on land parcel's location within such a zone, and must be preconditioned by having a N1a EBI score of 40 or more.

Table 3: CRP Cover Practices Common Used in Montana and EBI Factor N1a Scoring

Cover Practice	N1a Score	
CP1 - permanent introduced grasses and legumes		
Existing stand of one to three species or planting new stand of two species of an introduced grass species and one legume	10	
Existing stand or planting mixture (minimum of four species) of at least three introduced grasses and at least one forb or legume species best suited for wildlife in the area.	40	
CP2 – Establishment of new permanent native grasses and legumes		
New or enhanced stand (minimum of three species) of at least two native grass species and at least one forb, or legume species beneficial to wildlife	20	
Existing stand or planting mixed stand (minimum of five species) of at least three native grasses and at least two of the following: shrub, forb, or legume species best suited for wildlife in the area	50	

Depending on the cover practice selected, there could be EBI points awarded under the N4 factor. This factor is an evaluation of the likelihood of certain cover practices to remain in place beyond the contract period. Reference to Table 4 of the EBI Fact Sheet previously referenced shows that cover practice CP1 and CP2 result in 0 EBI points. It would be unlikely to expect Montana owners and operators to change their selection of a cover practice to obtain points under the N4 EBI factor—that is, extensive acreages of trees and shrubs are unlikely.

EBI factor N5 addresses air quality benefits or reduced wind erosion. Most of the sub-factors are dependent on the human population impacted by improvements and locations relative to soils and air quality zones. But sub-factor N5d is dependent on the cover practice selected. There would be 3 EBI points awarded for carbon sequestration if the cover practices CP1 or CP2 were used. As indicated in Table 5 of the EBI Fact Sheet, certain other practices would result in up to 10 EBI points for this sub-factor, but is unlikely to expect owners or operators to change their cover practices choices to receive more EBI points.

EBI factor N2 addresses water quality benefits. None of the N2 sub-factor point awards are impacted by the cover practice chosen by an owner operator, but are impacted by soil conditions, watershed location, etc. EBI factor N3 addresses soil erosion considerations. Again, N3 EBI factors are not impacted by owner or operator cover practice decisions, but by the erodibility index values of the cropland offered for enrollment in CRP. Some Montana cropland offered for CRP enrollment will receive relatively high EBI point scores under this factor. As shown in Table 3 or the EBI Fact Sheet, an offer for enrollment with a weighted average erodibility index value of 13 would receive 46 EBI points for factor N3.

The last EBI factor considered is N6, the Cost factor. N6a is determined after the general signup period is closed and awards points based on the rental rates offered by owners and operators. The lower the rental rate that is offered, the more points that are awarded. As CRP is a national program, CRP offers in Montana often receive a considerable number of N6a EBI points because rental rate offers in Montana are relatively

low compared to those in other regions of the United States. The N6a sub-factor EBI points are the only EBI points not recorded on form CRP-2, the Conservation Reserve Program Worksheet. EBI factors for other factors and sub-factors are recorded in items # 12 through 16 of the worksheet. The other N6 sub-factor, N6b, awards points if an owner and operator chose to offer less than the maximum payment rate for their cropland offered for CRP enrollment. For instance, as indicated in Table 6 of the EBI Fact Sheet, if an owner or operator offers 10 percent less than the applicable maximum payment rate, there would be 20 EBI points awarded for sub-factor N6b. An owner or operator would have to weigh the value of these points relative to submitting a per acre rental rate below the maximum payment rate and perhaps below his applicable opportunity cost for continued crop production.

### **Bid Acceptance**

In a general CRP sign-up all offers for participation are considered nationally. Based on budget constraints and expected environmental benefits, an EBI threshold is established. All offers for participation equal to or above the EBI threshold are accepted.

State-level offices are notified of accepted offers and local FSA offices notify successful owners and operators. These owners and operators work with local FSA personnel to complete a final eligibility check. Then a local National Resources Conservation Services conservationist or a contracted technical services provider works with the owner and/or operator to develop a conservation plan for the cropland parcel accepted into CRP.

# Appendix A: CRP Form 2

This form is available electronically at:

http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/CRP2.PDF

This form is availa	ble electronicall	y.					(See Page	2 for Privacy	Act and Publi	c Burden Statements)	
CRP-2	ı	J.S. DEPARTME					1. Tract N	umber	2. Pro	gram Year	
(02-07-11)		Farm S	ervice Agency								
C	ONSERVAT	ION RESER (For Ge	VE PROG neral Signup)		VORKSH	EET	3A. Sign l	Jp Number		fective Date M-00-YYYY)	
4A. Farm Number	4B Name	and Address Of	Producer (7ii	n Code):			5A. State & County Code 5B. S			State & County Code	
47. I dill Nulliber	VD. Name	and Address Of	r rouder (z.)	p code;			Admi	n. Location	Pł	Physical Location	
			6. Contrac	ct Number	7. Acr	res for Enrollment					
		And the second s									
4C. County FSA Off	County FSA Office     Telephone No. (Include Area     Code):				8. Signup	Type ENERAL		Rental Rate Per Acre     Offered     \$			
10. PRACTICES:							<u> </u>		(Enter the a	ATEGORY BY mount eligible for	
A. Practices	B. Practice Status	C. Acres	D. E. Length Total C/S		F. N1A Point Value		El 8 or Greater				
	Section 2		<b>(\$)</b>					National CP	Α		
								State CPA	10		
							1				
				4			٥	Expiring CRP			
							7				
12. National Rankin	g Factors:	925					13. N1 8	Subfactors:			
N1	N2	N3	N4		N5		N1a		N1b	N1c	
14. N2 Subfactors:	s			15. N5	Subfactors:		- 10				
N2a	N2b		N2c		N5a		N5b N5c			N5d	
16. N6 Subfactors:	g/s	15	Đ	Ü.		17. HUC Number:					
*		N6b									
18. Soil Map Data a	and Maximum Pa	yment Rate Calc	ulations:			Dis					
	A. Physical Location		B.		C. nit Symbol		D. Acres	Soil Ren		F. Total Rent	
(1) Primary						8	x	S	=	\$	
(2) Secondary							х	S	1.5	\$	
(3) Tertiary							×	S	-	\$	
	0.75				TOTALS	00.11				\$	
19. Weighted Avera	age Soli Rental R	ate (Col. 18F tota	al divided by (	uol. 18D ta	otal)	20. Ma	iximum Payn	nent Rate (Pe	r Acre)		

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