



Natural Resources Conservation Service
6013 Lakeside Boulevard
Indianapolis, IN 46278

July 26, 2006

INDIANA BULLETIN NO. 300-6-16

SUBJECT: LTP – Conservation Security Program Fiscal Year 2006 Contract Improvement
Modification Request Period

Purpose: To announce the process and constraints that will be used to allow fiscal year (FY) 2004 and FY 2005 CSP contract participants to request contract improvement modifications during the Modification Request Period, August 1, 2006 through September 15, 2006. This bulletin provides policy to NRCS Indiana employees who will be involved in the modification of FY 2004 and 2005 CSP Contracts. This bulletin forwards the instructions from NB-300-6-44 and adds Indiana's requirements.

Expiration Date: September 30, 2006.

Background. Based on the President's proposed FY 2007 budget and funds needed to satisfy financial and technical assistance obligations in existing CSP contracts, the Agency will proceed with allowing FY 2004 and FY 2005 CSP contract participants to request certain contract improvement modifications, with the projection that a portion of the FY 2007 appropriation will be available for contract improvement modification approvals.

Participants who request contract improvement modifications will be informed there is no certainty of the FY 2007 CSP funding level, or of the amount of funds that will be available for contract improvement modification approvals. In order to limit budget exposure, constraints will be placed on the types of modification requests that will be allowed. The Agency will also reserve the option to prorate the FY 2007 payments for the contract improvements added by approved modification.

Explanation. FY 2004 and FY 2005 CSP contract participants that meet the identified constraints listed below may request the following types of contract improvement modifications during the Modification Request Period, August 1, 2006 through September 15, 2006. Requests from FY 2004 and FY 2005 CSP contract participants for contract improvement modifications that are outside these constraints and types of modifications will not be accepted during this Modification Request Period.

DIST: 0

Modification Type	Constraint
* Tier Transition	Contract modifications will be allowed to advance tiers on the operating unit identified in the benchmark agricultural operation delineation and still under the participant's control. The addition of land identified in the benchmark agricultural operation that will not result in a transition from a Tier I contract to a Tier II or Tier III contract will not be allowed during this modification period.
* Adding Newly Acquired Land	For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add newly acquired land. A modification request to add newly acquired land will trigger the need to update a participant's agricultural operation delineation to include all newly acquired agricultural land under their control. No newly acquired land will be added to Tier I or Tier II contracts during this modification period, unless they are advancing to Tier III.
Adding Enhancements	For Tier III contracts and those contracts that are advancing to Tier III during this modification period, contract modifications will be allowed to add new enhancements that have been established, or that are planned for future application. No new enhancements will be added to Tier I or Tier II contracts that are not advancing to a Tier III contract during this modification period.

** Any land added to a contract by modification (either land within the benchmark agricultural operation delineation of a Tier I contract advancing to a Tier II or Tier III contract, or newly acquired land) must meet:*

- The minimum level treatment requirements in the sign-up announcement from the year the contract was approved, and*
- The criteria for the lowest enrollment category funded during the sign-up when the contract was approved.*

Lowest Enrollment Categories from CSP Sign-ups

2004 – Category H

2005 – Category C

Detailed instructions for entering modifications into ProTracts will be provided to the field offices prior to the modification period. These modification requests will be held as pending until the FY 2007 budget level is known. **Area Conservationists, Area Program Specialists or their designee's are not to approve any contract improvement modifications.** The contract improvement modification approval step will be completed at the National level.

Based on FY 2007 CSP funding level, the Agency intends to approve all the contract improvement modification requests that meet the identified modification types and constraints. The payments for approved contract improvement modifications will begin in FY 2007. If modification request dollars exceed available funds, the FY 2007 payments for the contract improvements added by approved modification will be prorated. This prorating to accommodate modification approvals will apply only to the FY 2007 year of CSP contract payments.

All FY 2004 and FY 2005 CSP contract participants were notified via certified mail of the opportunity and process to request contract improvement modifications. These certified letters were mailed by the state office on July 21, 2006.

Additional Indiana Instructions:

1. Producer evaluations will be done in the field office by September 1, 2006. Modifications will be completed by no later than September 13, 2006. The DC will send an email to the Area Office requesting QA on the modification prior to submitting the contract modification for approval.
2. A checklist on Tier Transitions and ProTracts will be used on all modified contracts. This checklist will be forwarded to all offices by August 1, 2006.
3. To remove land from the Ag Operation the following is required:
 - a. Owned land: Must not be shown on a current AD-1026A from FSA
 - b. Rented land: the current Landlord must sign the original "Control of Land" form revoking that original permission if the tract is being removed from the Ag Operation and is still farmed by the participant. If not farmed then a current AD-1026A which does not contain that tract under the contract holders name is required in the contract folder.
 - c. The DC shall certify in the "Basis for Modification" that the participant has shown proof that they no longer control the land removed from their original Ag Operation. Also include in your statement of "Basis for Modification" what type of modification was done, for example; Tier Transition I to II; Tier Transition I or II to III; if Tier III indicates if additional Enhancements were added.
4. Each contract decision maker shall sign the Participant Modification Certification form attached.
5. Use the attached *CSP Contract Improvement Request.pdf* document to help in the decision process.
6. When modifications are approved by NHQ, which will not occur until after a FY 2007 budget is approved and signed by the President, print out an AD-1156 and get participant signatures prior to or at the same time the 2007 payment is being processed.

Contact: If you have any questions, please contact Harold Thompson, Acting Assistant State Conservationist-Programs at (317) 290-3200, ext. 320 or Joe Williams, CSP Program Manager at (317) 290-3200, ext 311.

/s/ John C. Tippie (acting for)

JANE E. HARDISTY
State Conservationist

Attachments