



Natural Resources Conservation Service
6013 Lakeside Blvd.
Indianapolis, IN 46278

March 14, 2007

INDIANA BULLETIN NO. IN 300-7-18

SUBJECT: LTP- New CNMP FA Initiative

Purpose: To announce the implementation of a financial assistance incentive initiative for comprehensive nutrient management plan (CNMP) development for fiscal year (FY) 2007 livestock-related Environmental Quality Incentives Program (EQIP) contracts.

Expiration Date: September 30, 2007

Background: The EQIP statute and rule make it clear that **FA** incentive payments are available for use to facilitate CNMP development. In order to expedite the use of this payment method for CNMP development, NRCS has decided to implement a nationwide CNMP initiative. All State cost lists were globally modified to add two unique CNMP items. These items are labeled as "CNMP FA Initiative, Acres" for payment rates by acre and "CNMP FA Initiative, Animal Units" for payment rates by animal unit. They were loaded into ProTracts as an AM cost type with \$0 unit price and 100 percent cost share. The \$0 unit price is fully editable to match the payment rates that Indiana has established for CNMP development. States were allowed to calculate CNMP payment rates on both a per acre and/or a per animal unit basis. Indiana has decided to use both.

All 2007 EQIP applications with a CNMP in the plan are eligible for funding under the initiative, including the CNMP-only applications. This initiative fully funds CNMPs with FA funds and frees up currently obligated TA funds. Since the funds are FA, the practices must be completed within 12 months of contract obligation instead of by the end of the fiscal year.

While this initiative is funded with FA funds, participants must use TechReg certified technical service providers (TSPs) and will be responsible for paying the TSP once CNMP development is certified. The producer will need to negotiate actual prices with the TSP. Since the new FA rates are designed as incentives we expect them to cover much more than just the TSP charges.

This initiative applies only to 2007 contracts and applications. All prior year contracts that are eligible will still use TA funds for CNMPs.

We will handle funding as follows:

2007 CNMP-only contracts- District Conservationists will calculate the new value for the CNMP and advise participants of the revised incentive. Unless the producer declines the new incentive and elects to stay with the current contracted FA and TA payments, contracts will need to be modified. The old CNMP (100) practice will be substituted with the new CNMP practices, both in animal units and in acres. **This modification will require the producers' signature on the AD-1156.**

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All other 2007 EQIP **contracts** that contain a CNMP (100) practice- District Conservationists will calculate the new value for the CNMP and advise participants of the revised incentive. Unless the producer declines the new incentive and elects to stay with the current contracted \$1,000 FA incentive payment, contracts will need to be modified. The old CNMP (100) practice will be substituted with the new CNMP practices, both in animal units and in acres. These contracts do not currently have TA allocated to them and will not receive TA funds for the CNMP. **This modification will require the producers' signature on the AD-1156.**

All 2007 EQIP **applications** that are currently in ProTracts as pre-approved, including CNMP-only **applications**, need to be edited to include the new CNMP practices, both in animal units and in acres. **TA funds will no longer be used for 2007 CNMPs and the old CNMP incentive of \$1,000 will need to be removed from the applications.** The edit needs to be completed before the application can be approved.

Since we are into second round funding, the priority for implementing the CNMP initiative will be:

- ◆ First, edit second round applications with a CNMP.
- ◆ Second, modify existing 2007 contracts with a CNMP.
- ◆ Third, edit applications with a CNMP that are eligible for the third round.

Use the attached EQIP FY07 CNMP FA INCENTIVE CALCULATOR to calculate the CNMP incentive using the total value for both acres and animal units. Enter the values into the appropriate practice codes in ProTracts. Use only one species in the calculator. For operations with multiple species, contact Tony Bailey for the correct rates.

EQIP participants may need to contact more than 1 TSP if their TSP is currently not certified in the 'CNMP Total Plan' category. Following are the CNMP TSP certification category options that may be needed:

1. CNMP Plan Development – Total Plan
- OR
1. CNMP Plan Development - Manure and Wastewater Handling and Storage
 2. CNMP Plan Development - Land Treatment
 3. CNMP Plan Development - Nutrient Management

Anticipated questions and answers concerning this initiative have been prepared and are included in Attachment "B".

If you have questions on these changes contact your Area Program Specialist, or Resource Management Specialist.

/s/

JANE E. HARDISTY
State Conservationist

Attachments