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## Archived Publication

This information provided in this document is for reference. Please be aware that the information in this document may be outdated or superseded by additional information.



EPA promulgated regulations for Concentrated Animal Feeding Operations (CAFOs) in February 12, 2003 that expanded the number of operations covered by the CAFO regulations and included requirements to address the land application of manure from CAFOs. The rule became effective on April 14, 2003. NPDES-authorized states were required to modify their programs by February 2005 and develop state technical standards for nutrient management. On February 28, 2005, in response to litigation brought by various organizations, the Second Circuit court issued its decision in *Waterkeeper Alliance et al. v. EPA*, 399 F.3d 486 (2d Cir. 2005). EPA has updated the CAFO rule to reflect the changes requested by the Court. Visit [www.epa.gov/npdes/caforule](http://www.epa.gov/npdes/caforule) to view the 2008 CAFO Final Rule and supporting documents.



# **Financial Assistance Summaries for AFOs**

U.S. Environmental Protection Agency  
Office of Water  
Washington, DC

February 2005

## **Disclaimer**

This document was prepared by the United States Environmental Protection Agency (EPA) to provide basic information concerning the availability and use of funding sources for addressing water quality related improvements at animal feeding operations (AFOs) and concentrated animal feeding operations (CAFOs). It is based on publicly available information collected prior to February 2005. Many of the programs included in this document are dynamic, and as such, availability and program requirements may differ from those described in this document. The location and content of the Web sites mentioned in this document may also change. Links and information from non-EPA sources are provided solely as references to information on funding sources that may be useful to the intended audience.

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# Introduction

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*Financial Assistance Summaries for AFOs* is a reference source for owners and operators of animal feeding operations (AFOs) and concentrated animal feeding operations (CAFOs) to learn about the federal financial and technical assistance programs available to address environmental concerns. This document includes summaries of information from various sources describing the federal programs that provide grants and loans available to AFOs and CAFOs.

Because of the current trends in the livestock industry, more stringent regulations might require owners and operators of AFOs and CAFOs to develop nutrient management plans and to implement best management practices (BMPs) to address water quality concerns. This document presents a number of federal programs available for AFOs and CAFOs to obtain financial and technical assistance in developing nutrient management plans and BMPs to reduce impacts on water quality and public health. Financial cost-share and loan programs can help defray the costs to install structural BMPs, such as waste storage facilities, or to implement management practices, such as use of conservation buffers or rotational grazing systems, to protect water quality. Most financial assistance programs require the recipients to agree to implement particular practices as a condition of receiving funding.

The following financial and technical assistance programs are described in this report:

- Agricultural Management Assistance (AMA)
- Clean Water State Revolving Fund (CWSRF)
- Environmental Quality Incentives Program (EQIP)
- Farm Ownership and Operating Loans
- Pollution Control Loan Program
- Section 319 Nonpoint Source Implementation Grants
- Conservation Reserve Program (CRP)
- Conservation Reserve Enhancement Program (CREP)
- Conservation Technical Assistance (CTA)
- Wetlands Reserve Program (WRP)

*Financial Assistance Summaries for AFOs* provides the following information, as available, for each program:

- Program overview – General description of the program, including purpose of the program and the type and amount of assistance available (e.g., financial or technical assistance, grants or loans, etc.).
- Who is eligible to receive assistance? – Identification of the types of facilities and projects that are eligible for funding, with an emphasis on how the funds may be used by AFOs and CAFOs.
- What are the application requirements? – Description of the application process and, where available, identification of the required forms and documentation.
- Sponsoring agency and legislative authority – Identification of the federal agency responsible for administering the program, and the statute or regulation that authorizes the program.
- Where to find more information – Suggested sources for more information on the program, including application details and program contacts.
- References – Reference information for the documents that were used to prepare the summary.

Additional information on the federal programs included in this document is available in the General Services Administration's *Catalog of Federal Domestic Assistance*, available on the Internet at <http://www.cfda.gov>.

EPA's *Catalog of Federal Funding Sources for Watershed Protection*, available on the Internet at <http://cfpub.epa.gov/fedfund/>, also includes additional information on many of the programs summarized in this document.

In addition, an increasing number of states offer programs that supplement or enhance assistance available through the federal programs described in this document. AFO and CAFO owners and operators may participate in state and local programs to improve water quality and to develop and implement plans and practices to minimize water quality impacts from their operations. The last section of this document, *Local Funding Sources*, provides information on two national associations of local organizations that offer technical and financial assistance to agriculture producers. Local government organizations can often provide additional information on state-sponsored assistance

programs, as well. Using U.S. Department of Agriculture (USDA), U.S. Environmental Protection Agency (EPA), and state and local programs together as tools, AFO owners and operators can leverage available resources for addressing water quality and public health impacts.





# Agricultural Management Assistance

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## Program overview

Agricultural Management Assistance (AMA) provides cost-share payments to agricultural producers to voluntarily address issues such as water management, water quality, and erosion control by incorporating conservation into their farming operations. AMA also provides cost-share fund to assist producers in implementing conservation systems and addressing regulatory requirements. CAFO owners/operators may use program funds to develop and implement Comprehensive Nutrient Management Plans (CNMPs). AMA is administered by the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS).

The program's objectives include the construction or improvement of watershed management structures. The construction of cattle feed and waste management facilities and temporary storage areas for dry animal waste are possible projects for funding.

A conservation plan is required for the area covered in the application and becomes the basis for developing the AMA contract. NRCS will work with the landowner to develop a conservation plan. AMA contracts are 3 to 10 years in length. The landowner must agree to operate and maintain cost-shared conservation practices for the life span of each practice, which might exceed the length of the contract.

The NRCS State Conservationist, in consultation with a State Technical Committee, will determine eligible structural and/or vegetative conservation practices using a locally led process. AMA provides 75 percent of the cost for eligible projects; a 25 percent nonfederal match is required. Producers may contribute the matching cost of a practice through in-kind sources. In-kind sources include donated materials, use of personal equipment, and personal labor. Participants are paid based upon certification of completion of the approved practice.

AMA is budgeted to provide eligible applicants with a total of \$20 million per year. Funds are distributed to states according to an allocation formula based on 29 environmental factors. Total AMA payments from all sponsoring agencies cannot exceed \$50,000 per participant for any fiscal year or \$150,000 over the course of the contract. Contracts with more than one person might be eligible for more than \$50,000 per fiscal year. NRCS administered \$14 million in fiscal year 2004.

AMA is available to agricultural producers in 15 states where Federal Crop Insurance Program participation is historically low.

AMA eligibility is limited to agricultural producers in the following states:

- Connecticut
- Delaware
- Maine
- Maryland
- Massachusetts
- Nevada
- New Hampshire
- New Jersey
- New York
- Pennsylvania
- Rhode Island
- Utah
- Vermont
- West Virginia
- Wyoming

### **Who is eligible for AMA funding?**

Both AFOs and CAFOs are eligible for AMA funding for conservation practices if the owners or operators meet all the requirements listed below.

The following persons<sup>1</sup> are eligible for AMA funds:

- A farmer, rancher, or member of a federally recognized tribal government who is an agricultural producer with an interest in the farm or ranch within the designated states and has control of the land for the life of the proposed contract
- An individual, entity other than an individual, or entity that is a member of a joint operation to be considered a separate person who has a separate and distinct interest in the land or the crop involved, exercises separate responsibility for that interest, and maintains funds or accounts separate from those of any other individual or entity for such interest

Federal agencies, state agencies, or political subdivisions of states are not eligible for AMA funding.

Eligible land includes cropland, hayland, pasture and rangeland, land used for subsistence purposes, and other land on which crops or livestock are produced where risk might be lowered through a change in operation or resource conservation practices.

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<sup>1</sup> In order to be eligible, agricultural producers must meet the “person” determination as defined in section 1001(5) of the Food Security Act (USDA NRCS, 2001b, 521.20a).

## **What are the application requirements for AMA funding?**

To apply, the applicant must complete form CCC-1200 and submit it to the local NRCS or Conservation District Office. The form is available from the local NRCS office or on the Internet (see *Where to find more information on AMA*, below). A list of local NRCS offices is provided at <http://www.sci.usda.gov/sci/>. The application process is continuous. Priority is given to practices that emphasize:

- Construction or improvement of watershed management or irrigation structures
- Planting trees for windbreaks or to improve water quality
- Mitigating risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming

## **Sponsoring federal agency and legislative authority for AMA**

NRCS has leadership for the conservation provisions of AMA. The Agricultural Marketing Service (AMS) is responsible for an organic certification cost-share program and the Risk Management Agency (RMA) is responsible for mitigation of financial risk through an insurance cost-share program. The farm service agency (FSA) is responsible for determining eligibility and disbursing cost-share funds.

Agricultural Marketing Service  
U.S. Department of Agriculture  
14th and Independence Ave., SW  
Washington, DC 20250  
<http://www.ams.usda.gov>

Farm Service Agency  
Public Affairs Staff  
1400 Independence Ave., SW  
Stop 0506  
Washington, DC 20250-0506  
Telephone: 202-720-7807  
<http://www.fsa.usda.gov/pas>

Natural Resources Conservation Service  
P.O. Box 2890  
Washington, DC 20013-9770  
202-720-1873  
<http://www.nrcs.usda.gov>

Risk Management Agency  
USDA/RMA/Stop 0801, Room 3053-South  
1400 Independence Ave., SW  
Washington, DC 20250  
202-690-2803  
[RMA\\_mail@wdc.usda.gov](mailto:RMA_mail@wdc.usda.gov)

The legislative authority for the AMA policy and procedures is the Agricultural Risk Protection Act of 2000, Title I, Section 133 (Public Law 106-224), which amended the Federal Crop Insurance Act (Title 7 of the *United States Code* [U.S.C.], Section 1501 et seq.) by adding section 524(b).

The Commodity Credit Corporation (CCC) Charter Act (15 U.S.C. 714) was amended by the Federal Agriculture Improvement and Reform Act of 1996 to provide authorization for the CCC to fund conservation and environmental programs.

### **Where to find more information on AMA**

- NRCS's *Agricultural Management Assistance (AMA) Program* web site provides more information on the program and links to the required forms:  
<http://www.nrcs.usda.gov/programs/ama/>
- Your local NRCS office or conservation district can provide more information. Your local USDA Service Center is listed in the telephone book under U.S. Department of Agriculture. Local Service Center information, including location and contact information, is also available on the Internet at [http://offices.usda.gov/scripts/ndCGI.exe/oip\\_public/USA\\_map](http://offices.usda.gov/scripts/ndCGI.exe/oip_public/USA_map). Click on your state and county to contact information for a nearby Service Center.

### **References**

USDA NRCS (U.S. Department of Agriculture, Natural Resources Conservation Service). 2001. *Agricultural Management Assistance Program (AMA)*, Fact Sheet. <<http://www.md.nrcs.usda.gov/programs/ama/ama.htm>>. Accessed January 2005.

USDA NRCS. 2001. AMA Policy. Part 521 - Agricultural Management Assistance. *440-Conservation Program Manual*. 440-V-CPM, First Edition, Amend. 4, May 2001. <<http://www.nrcs.usda.gov/programs/ama/>>. Accessed January 2005.



# Clean Water State Revolving Fund

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## Program overview

The U.S. Environmental Protection Agency's (EPA) Clean Water State Revolving Fund (CWSRF) programs fund low interest loans for water quality protection projects including wastewater treatment, nonpoint source pollution control, and watershed and estuary management. The CWSRF program provides funds to establish or capitalize revolving loan programs for each state and Puerto Rico. States, in turn, use the funds to provide low-cost financing for water quality projects. As loan recipients make payments back into the fund, money becomes available for new loans.

To date, CWSRFs have provided over \$43.5 billion through more than 14,200 for water quality protection projects. For nonpoint source pollution control and estuary protection projects, CWSRFs provide over \$100 million annually, exceeding a total of \$1.7 billion to date. Because the program is managed within each state, funding varies according to the priorities of the states.

CWSRF programs in several states support the purchase of land or conservation easements to preserve riparian ecosystems and to protect waterways from nonpoint source pollution. Fifteen states use the CWSRF for agriculture or forestry BMPs for projects focusing on livestock waste management, erosion control, and chemical use reduction. In addition, CWSRF monies may be used to fund direct purchase of wetlands, riparian corridors, or groundwater recharge lands. Other qualifying projects include well sealing, chemical and petroleum storage containment structures, chemical spray equipment, irrigation systems, and education programs.

CWSRF loans have several benefits:

- A CWSRF loan can cover 100 percent of a project's cost with no cash up front, whereas a grant might require a nonfederal match of funds up to (and in some cases more than) 40 percent of the project's total cost.
- CWSRF loans provide significant cost savings over the life of the loan.
- Financing a project with a CWSRF loan usually means complying with fewer federal requirements than financing with a federal grant.



## Who is eligible for CWSRF funding?

Because CWSRF program funding priorities are established separately for each state, project eligibility varies according to each state's program. Communities, nonprofit organizations, businesses, farmers, homeowners, and watershed groups are eligible in many states.

In general, for an AFO project to be eligible for CWSRF funding, the project must either help implement the state's Nonpoint Source Management Plan under section 319 of the Clean Water Act (see *Section 319 Nonpoint Source Implementation Grants* on page 29 of this document) or be included in a National Estuary Program Comprehensive Conservation and Management Plan (CCMP) under section 320 of the Clean Water Act (see below).

### *National Estuary Program*

The National Estuary Program (NEP) is authorized by section 320 of the Clean Water Act to identify, restore, and protect nationally significant estuaries. For each estuary in the NEP, a Comprehensive Conservation and Management Plan (CCMP) is developed to restore and protect water quality. CCMPs often address problems such as eutrophication and contamination from pathogens, which can be caused by storm water and agricultural runoff. To date, 28 estuaries have been admitted to the NEP:

- Albemarle-Pamlico Sounds
- Barataria-Terrebonne Estuarine Complex
- Barnegat Bay
- Buzzards Bay
- Casco Bay
- Charlotte Harbor
- Coastal Bend Bays and Estuaries
- Lower Columbia River Estuary
- Delaware Estuary
- Delaware Inland Bays
- Galveston Bay
- Indian River Lagoon
- Long Island Sound
- Maryland Coastal Bays
- Massachusetts Bays
- Mobile Bay
- Morro Bay
- Narraganset Bay
- New Hampshire Estuaries
- New York-New Jersey Harbor
- Peconic Bay
- Puget Sound
- San Francisco Estuary
- San Juan Bay
- Santa Monica Bay
- Sarasota Bay
- Tampa Bay
- Tillamook Bay

Contact information for each NEP is provided at [www.epa.gov/nep/sheds.htm](http://www.epa.gov/nep/sheds.htm).

Because CAFOs are defined as point sources under the Clean Water Act, CAFO projects cannot be funded through CWSRF as nonpoint source projects. However, if CAFO-related water pollution is addressed in a National Estuary Program CCMP, then

CAFO projects that fall within the CCMP study area boundaries would be eligible to receive financial assistance from the state's CWSRF.

### **What are the application requirements for CWSRF?**

Like funding priorities and eligibility requirements, application requirements for CWSRF funding vary from state to state. Your CWSRF state contact can provide information on the application requirements and process in your state. State CWSRF contact information is available on the Internet at <http://www.epa.gov/owm/cwfinance/cwsrf/contacts.htm>.

### **Sponsoring federal agency and legislative authority for CWSRF**

U.S. Environmental Protection Agency  
Office of Wastewater Management, CWSRF Branch  
Municipal Support Division (4204)  
Ariel Rios Bldg, 1200 Pennsylvania Ave., NW  
Washington, DC 20460

The Clean Water State Revolving Fund (CWSRF) was authorized by the Clean Water Act Amendments of 1987. Regulations include Title 40 of the *Code of Federal Regulations* (CFR) Part 31 and the SRF regulations at 40 CFR Part 35, Subpart K, which were issued in March 1990.

### **Where to find more information on CWSRF**

- More information on CWSRF is available at EPA Office of Water's CWSRF web site: <http://www.epa.gov/owm/cwfinance/cwsrf>
- Links to more information on the CCMPs developed for each of the estuaries in the NEP is available on EPA Office of Wetlands, Oceans, and Watershed's CCMP web site: <http://www.epa.gov/owow/estuaries/ccmp/index.htm>

### **References**

GSA (General Services Administration). 2004. 66.458 Capitalization Grants for Clean Water State Revolving Funds. *Catalog of Federal Domestic Assistance*. GSA Office of Governmentwide Policy, Office of Acquisition Policy, Regulatory and Federal Assistance Publication Division (MVA)  
<[http://12.46.245.173/pls/portal30/CATALOG.PROGRAM\\_TEXT\\_RPT.SHOW?p\\_arg\\_names=prog\\_nbr&p\\_arg\\_values=66.458](http://12.46.245.173/pls/portal30/CATALOG.PROGRAM_TEXT_RPT.SHOW?p_arg_names=prog_nbr&p_arg_values=66.458)>. Accessed January 2005.

USEPA (U.S. Environmental Protection Agency). 2001. *Policy on Using the Clean Water State Revolving Fund to Finance § 320 Comprehensive Conservation and Management Plan Projects*. Memorandum CWSRF-01-06. USEPA Office of Water, Washington DC. <<http://www.epa.gov/owm/cwfinance/cwsrf/enhance/DocFiles/srf01-06.pdf>>. Accessed January 2005.

USEPA. 2002. *Watersheds of the NEP*. USEPA Office of Water. <<http://www.epa.gov/nep/sheds.htm>>. Accessed February 2005.

USEPA (U.S. Environmental Protection Agency). 2003. *Funding Nonpoint Source Activities with the Clean Water State Revolving Fund*. EPA 832-F-03-009. USEPA Office of Water, Washington DC. <<http://www.epa.gov/owm/cwfinance/cwsrf/final.pdf>>. Accessed February 2005.

USEPA (U.S. Environmental Protection Agency). 2004. *Clean Water State Revolving Fund (CWSRF)*. U.S. Environmental Protection Agency, Office of Water, Washington DC. <<http://www.epa.gov/owm/cwfinance/cwsrf/>>. Accessed January 2005.

# **Environmental Quality Incentives Program**

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## **Program overview**

The Environmental Quality Incentives Program (EQIP) was reauthorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill) to provide a voluntary conservation program for farmers and ranchers that promotes agricultural production and environmental quality as compatible national goals. EQIP offers financial and technical help to assist eligible participants install or implement structural and management practices on eligible agricultural land.

EQIP offers contracts with a minimum term that ends one year after the implementation of the last scheduled practices and a maximum term of ten years. These contracts provide incentive payments and cost-shares to implement conservation practices.

EQIP may cost-share up to 75 percent of the costs of certain conservation practices. Incentive payments may be provided for up to three years to encourage producers to carry out management practices they may not otherwise use without the incentive. Limited resource producers and beginning farmers and ranchers may be eligible for cost-shares up to 90 percent. Farmers and ranchers may elect to use a certified third-party provider for technical assistance. An individual or entity may not receive, directly or indirectly, cost-share or incentive payments that exceed a total of \$450,000 for all EQIP contracts entered during the term of the Farm Bill.

EQIP activities are carried out according to an EQIP plan of operations developed in conjunction with the producer that identifies the appropriate conservation practice or practices to address the resource concerns. The practices are subject to Natural Resources Conservation Service (NRCS) technical standards adapted for local conditions. The local conservation district approves the plan..

## **Who is eligible for EQIP funding?**

Persons who are engaged in livestock or agricultural production on eligible land may participate in the EQIP program. Eligible land includes cropland, rangeland, pasture, private non-industrial forestland, and other farm or ranch lands, as determined by the Secretary of Agriculture.

EQIP funds can be used by livestock and poultry producers, including AFO and CAFO owners or operators, who wish to develop Comprehensive Nutrient Management Plans

(CNMPs) or implement conservation practices on their operations. CAFO operators are required to have CNMPs to receive EQIP cost-shares. By statute, at least 60% of EQIP financial assistance funds must be used for livestock and poultry operations, both confined and grazing.

### **What are the application requirements for EQIP?**

Applicants must apply for EQIP funding through a local USDA Service Center. Local Service Center information, including location and contact information, is available at <http://www.sci.usda.gov/sci/> using the State Office Locator. The application forms can be found at <http://www.nrcs.usda.gov/programs/eqip/>.

Applicants must provide evidence that they have control over the land to be entered into contract, and all EQIP activities must be carried out according to a site-specific conservation plan, as described above. CAFO operators must develop CNMPs to be eligible for EQIP funds.

### **Sponsoring federal agency and legislative authority for EQIP**

U.S. Department of Agriculture  
Natural Resources Conservation Service  
Attn: Deputy Chief, Natural Resources Conservation Programs  
P.O. Box 2890  
Washington, DC 20013-9770  
202-720-1845

Farm Security and Rural Investment Act of 2002 (Farm Bill)

### **Where to find more information on EQIP**

- More information on EQIP can be available on NRCS's EQIP web site:  
<http://www.nrcs.usda.gov/programs/eqip>.

### **References**

GSA (General Services Administration). 2004. 10.912: Environmental Quality Incentives Program. *Catalog of Federal Domestic Assistance*. GSA Office of Governmentwide Policy, Office of Acquisition Policy, Regulatory and Federal Assistance Publication Division (MVA).  
<[http://12.46.245.173/pls/portal30/CATALOG.PROGRAM\\_TEXT\\_RPT.SHOW?p\\_arg\\_names=prog\\_nbr&p\\_arg\\_values=10.912](http://12.46.245.173/pls/portal30/CATALOG.PROGRAM_TEXT_RPT.SHOW?p_arg_names=prog_nbr&p_arg_values=10.912)> Accessed February 2005.

USEPA (U.S. Environmental Protection Agency). 2001. *Catalog of Federal Funding Sources for Watershed Protection*. "Environmental Quality Incentives Program." USEPA Office of Water. <<http://cfpub.epa.gov/fedfund/>>. Accessed February 2005.

USDA NRCS (U.S. Department of Agriculture, Natural Resources Conservation Service). 2002. Farm Bill 2002, Environmental Quality Incentives Program Fact Sheet, June 2002. <<ftp://ftp-fc.sc.egov.usda.gov/WI/Pubs/EQIPFactSheetWI.pdf>>. Accessed February 2005.

USDA NRCS (U.S. Department of Agriculture, Natural Resources Conservation Service). 2003b. Farm Bill 2002, Environmental Quality Incentives Program Fact Sheet, June 2003. <<http://www.nrcs.usda.gov/programs/farbill/2002/pdf/EQIPFct.pdf>>. Accessed June 2004.



# Farm Ownership and Operating Loans

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## Program overview

For family farmers and ranchers who are unable to obtain private commercial credit, USDA's Farm Service Agency's (FSA) Farm Loan Programs offer Farm Ownership Loans and Farm Operating Loans. FSA's Farm Loan Programs provide assistance to family farmers through Direct Loans and Guaranteed Loans. According to FSA, the purpose of the Farm Loan Programs is to serve as a temporary source of supervised credit and technical support for rural Americans for improving their farming enterprises until they are able to qualify for private sector resources. The goal is to help farmers attain self sufficiency and to "graduate" to commercial credit as soon as possible.

Under the **Direct Loan Program**, loans are made directly from FSA to the farmer. FSA offers both Direct Farm Ownership Loans and Direct Farm Operating Loans. Funding for direct loans is limited, and applicants sometimes have to wait for funds to become available. The maximum amount for a direct loan is \$200,000. Interest rates vary depending on several factors, including the type of loan, the applicant's ability to repay, and the federal government's cost of borrowing. Direct loans from FSA are intended to provide temporary credit, and all borrowers are required to refinance their loans with a private lender when they are financially able to do so. Direct loan applicants must pay a credit report fee. If the loan is approved, the producer must also pay the fees charged for lien searches and for filing and recording security instruments.

Under the **Guaranteed Loan Program**, FSA guarantees loans made to farmers by conventional agricultural lenders. FSA guarantees both Farm Ownership Loans and Farm Operating Loans for up to 95 percent of the loss of principal and interest on a loan. The maximum amount for an FSA guarantee on a Farm Ownership or Operating Loan in February 2005 is \$813,000. This amount is adjusted annually based on inflation, so check with your local FSA office for the current loan limits. Interest rates for guaranteed loans are negotiated between the lender and the borrower. FSA offers an Interest Assistance Program, under which FSA will subsidize 4 percent of the interest rate for eligible borrowers. For most guaranteed loans, FSA charges a fee of 1 percent of the guaranteed portion of the loan. Lenders may pass this fee on to the borrower.

Direct and Guaranteed **Farm Ownership Loans** may be used to purchase farmland, construct and repair buildings, or promote soil and water conservation. Guaranteed Farm Ownership Loans may also be used to refinance debt. Farm Ownership Loan terms cannot exceed 40 years.



Direct and Guaranteed **Farm Operating Loans** may be used to purchase farm equipment, livestock, seed, fuel, farm chemicals, insurance and other operating expenses or to pay for minor improvements to buildings, costs associated with land and water development, family living expenses, and to refinance certain debts. Repayment terms vary, but Farm Operating Loans are normally repaid within 7 years.

A portion of the funds for Direct and Guaranteed Farm Ownership and Operating Loans is set aside for beginning farmers and ranchers and socially disadvantaged farmers and ranchers.

### **Who is eligible for Farm Ownership and Operating Loans?**

Farm Ownership and Operating Loans may be used by family farmers or ranchers, including owners of family-size AFOs and CAFOs, to help meet federal regulations related to soil and water conservation as long as they meet the requirements below. To be eligible to receive Direct or Guaranteed Farm Ownership or Operating Loans, an applicant must meet the following criteria:

- Has the necessary education, farm experience, or training to succeed in farming.
- Is a citizen of the United States or a legal resident alien.
- Has the legal capacity to incur the obligations of the loan.
- Is unable to obtain credit elsewhere (for a direct loan) or is unable to obtain a loan without a guarantee.
- Has an acceptable credit history.
- Is an owner or tenant operator of a family farm after the loan is closed.
- Is not delinquent on any federal debt.
- Demonstrates an ability to repay the loan.
- Can provide sufficient security for the loan.
- Complies with the highly erodible land and wetland conservation provisions of Public Law 99-198, the Food Security Act of 1985.

Certain corporations, cooperatives, partnerships, and joint operations (“entities”) operating family-sized farms are also eligible for farm loans if their members or stockholders meet the eligibility requirements and the entity is authorized to operate a farm or ranch in the state where the land is located.

In addition to the eligibility requirements listed above, applicants for loans made to beginning and socially disadvantaged farmers and ranchers.

Applicants for Direct or Guaranteed **Farm Ownership or Operating Loans for socially disadvantaged persons** must meet the qualifications listed above and must be a member of a socially disadvantaged group. For purposes of this program, FSA considers the following to be socially disadvantaged groups: women, African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans, and Pacific Islanders. For more information on loans for socially disadvantaged farmers and ranchers, refer to FSA’s fact sheet, “Loans for Socially Disadvantaged Persons,” available on the Internet at: <http://www.fsa.usda.gov/pas/publications/facts/html/sdaloan02.htm>.

To qualify for **Farm Ownership or Operating Loans for beginning farmers and ranchers**, an applicant must meet the following criteria in addition to the eligibility requirements listed above:

- The applicant has operated a farm or ranch for no more than 10 years. For a direct Farm Ownership Loan, the applicant must have participated in the business operation of a farm for at least 3 years.
- The applicant substantially participates in the operation of the farm or ranch.
- For Farm Ownership Loans, the applicant does not own a farm larger than 30 percent of the average-size farm in the county.
- If the applicant is a business entity, all members must be related by blood or marriage and all stockholders in the corporation must be eligible beginning farmers or ranchers.

For more information on Farm Ownership or Operating Loans for beginning farmers or ranchers, refer to FSA’s fact sheet, “Loans for Beginning Farmers and Ranchers,” available on the Internet at:  
<http://www.fsa.usda.gov/pas/publications/facts/html/begloan04.htm>.

## **What are the application requirements for Farm Ownership and Operating Loans?**

For a **Guaranteed Loan**, the producer must work with a conventional lender to secure the guarantee from FSA. The following steps outline the typical guarantee application process:

1. The producer and the lender complete the guarantee application and submit it to FSA. If needed, FSA will provide assistance to complete the application.
2. FSA reviews the application to determine the producer's eligibility, repayment ability, security, and compliance with other regulations.
3. If the application is approved, FSA obligates the loan.
4. FSA notifies the lender that the funds have been set aside, and the loan may be closed.
5. The lender closes the loan and advances funds to the producer.
6. FSA issues the guarantee on the loan.

To apply for a **Direct Loan**, the producer works with FSA to complete the following steps:

1. The applicant contacts the local FSA office to receive an application kit.
2. The applicant completes the loan application. If needed, FSA will provide assistance to complete the application.
3. The applicant meets with FSA to review and discuss the application.
4. FSA reviews the application to determine the producer's eligibility, repayment ability, security, and compliance with other regulations.
5. If the producer is eligible, FSA approves and obligates the loan.
6. FSA closes the loan and the producer receives the funds.

### **Sponsoring federal agency and legislative authority for FSA's Farm Loan Programs**

U.S. Department of Agriculture  
Farm Service Agency, Public Affairs Staff  
1400 Independence Ave., SW  
Mail Stop 0506  
Washington, DC 20250-0506  
Telephone: 202-720-7807

Legislative authority: The Consolidation Farm and Rural Development Act of 1972

## Where to find more information on Farm Ownership and Operating Loans

- More information on Guaranteed and Direct Loans, including maximum loan amounts, rates, terms, and use of proceeds is available from Farm Service Agency Online's Farm Loan Programs web site: <http://www.fsa.usda.gov/dafl/>.
- Contact information for your local FSA Service Center is available at <http://www.fsa.usda.gov/edso/>. Click on "Locate the Service Center closest to you," then click on your state and county to find a nearby Service Center.

## References

GSA (General Services Administration). 2004. 10.406 Farm Operating Loans. *Catalog of Federal Domestic Assistance*. GSA, Office of Governmentwide Policy, Office of Acquisition Policy, Regulatory and Federal Assistance Publication Division (MVA). <[http://12.46.245.173/pls/portal30/CATALOG.PROGRAM\\_TEXT\\_RPT.SHOW?p\\_arg\\_names=prog\\_nbr&p\\_arg\\_values=10.406](http://12.46.245.173/pls/portal30/CATALOG.PROGRAM_TEXT_RPT.SHOW?p_arg_names=prog_nbr&p_arg_values=10.406)>. Accessed February 2005.

GSA. 2004. 10.407 Farm Ownership Loans. *Catalog of Federal Domestic Assistance*. GSA, Office of Governmentwide Policy, Office of Acquisition Policy, Regulatory and Federal Assistance Publication Division (MVA). . <[http://12.46.245.173/pls/portal30/CATALOG.PROGRAM\\_TEXT\\_RPT.SHOW?p\\_arg\\_names=prog\\_nbr&p\\_arg\\_values=10.407](http://12.46.245.173/pls/portal30/CATALOG.PROGRAM_TEXT_RPT.SHOW?p_arg_names=prog_nbr&p_arg_values=10.407)>. Accessed February 2005.

Rodgers. 1999. *1999 Agricultural Marketing Outreach Workshop Training Manual: Loan Programs Offered by the Farm Service Agency*. U.S. Department of Agriculture, Farm Service Agency. <<http://marketingoutreach.usda.gov/info/99Manual/loans.htm>>. Accessed February 2005.

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USDA FSA. 2004. *Farm Loan Information*. Fact sheet, electronic edition. <<http://www.fsa.usda.gov/pas/publications/facts/html/farmloaninfo04.htm>>. Accessed February 2005.

USDA FSA. 2004. *Loans for Beginning Farmers and Ranchers*. Fact sheet, electronic edition. <<http://www.fsa.usda.gov/pas/publications/facts/html/begloan04.htm>>. Accessed February 2005.

USDA FSA. 2002. *Loans for Socially Disadvantaged Persons*. Fact sheet, electronic edition. <<http://www.fsa.usda.gov/pas/publications/facts/html/sdaloan02.htm>>. Accessed February 2005.

# Pollution Control Loan Program

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## Program overview

The Pollution Control Loan Program guarantees loans to small businesses that demonstrate an ability to repay a loan, yet would otherwise be unable to obtain private, commercial credit. Loans are guaranteed by the Small Business Administration (SBA) through its 7(a) Loan Program. The Pollution Control Loan Program is intended to provide financing for the planning, design, or installation of a pollution control facility. The facility must prevent, reduce, abate, or control any form of pollution.

Under the Pollution Control Loan Program, loans for pollution control facilities are made to small businesses by commercial lenders. The lender decides if an SBA guarantee is needed for a loan to be made. The borrower's repayment obligation is to the lending institution. SBA's guarantee assures the lender that in the event the borrower does not repay their obligation, the Government will reimburse the lender for its loss. The specific terms of the loan are negotiated between the borrower and the lending institution, subject to SBA requirements regarding maximum loan amounts, maturity terms, interest rates, and percentage of guarantee. SBA updated the following information for loan terms and fees on December 8, 2004. To check for the most current SBA requirements for loan terms, see SBA's 7(a) Loan Program Web site at: <http://www.sba.gov/financing/sbaloan/7a.html>.

### *Maximum loan amounts*

The maximum loan amount is \$2 million. The maximum guarantee is \$1.5 million.

### *Maturity terms*

Loan maturities for individual loans are based on the borrower's ability to repay, the purpose of the loan, and the useful life of the assets (pollution control facility) financed. However, loans for real estate and equipment may not exceed 25 years, and loans for working capital generally may not exceed 7 years.

### *Interest rates*

Interest rates may be fixed or variable. The table below shows the current SBA maximums for fixed interest rates for various size loans and maturities.

If the loan is for:	and it matures in:	then the maximum interest rate is:
\$50,000 or more	less than 7 years	Prime Rate + 2.25%
	7 years or more	Prime Rate + 2.75%
between \$25,000 and \$50,000	less than 7 years	Prime Rate + 3.25%
	7 years or more	Prime Rate + 3.75%
\$25,000 or less	less than 7 years	Prime Rate + 4.25%
	7 years or more	Prime Rate + 4.75%

### *Percentage of guarantee*

For eligible loans of \$150,000 and less, SBA can guarantee up to 85 percent of the loan. For eligible loans of more than \$150,000, SBA can guarantee up to 75 percent of the loan.

### *Fees*

SBA charges a guarantee fee to the lender for each approved loan guarantee. Lenders may pass this costs on to the borrower. The fee is based on the amount of the loan, as shown in the table below.

If the loan is for:	the guarantee fee is: (% of loan amount)
\$150,000 or less	2%
\$150,000 to \$700,000	3%
more than \$700,000	3.5%
more than \$1 million	3.5% for the first \$1 million and 3.75% for the portion of the loan exceeding \$1 million.

In addition to the guarantee fee, SBA charges on on-going servicing fee of 0.5 percent of outstanding balance of the guaranteed portion of the loan. Lenders may *not* charge processing fees, origination fees, application fees, points, brokerage fees, bonus points, and other fees to SBA loan applicants.

## Who is eligible for the Pollution Control Loan Program?

The Pollution Control Loan Program is available to small businesses that meet SBA's eligibility requirements, as outlined below. Agricultural businesses, including AFOs and CAFOs, that meet the eligibility requirements are eligible for SBA loans, but are encouraged to first apply for farm loans with USDA's Farm Service Agency (FSA).

To be eligible, an applicant must meet the following criteria:

- Operates a for-profit business in the United States.
- Has reasonable owner equity to invest and uses alternative financial resources first, including personal assets.
- Does not possess business or personal resources to provide the necessary financing, and demonstrates an ability to repay the loan.
- Operates an eligible small business that is independently owned and operated and not dominant in its field of operation.

### *Eligible Small Business Size Standards*

SBA publishes size standards for specific industries that define the maximum size of an eligible small business. The standards are classified according to the North American Industry Classification System (NAICS), and are based on number of employees or average annual receipts. For example:

<b>Industry Description</b>	<b>NAICS</b>	<b>Size Standard</b>
Dairy Cattle and Milk Production	112120	\$750,000
Hog and pig farming	112210	\$750,000
Beef cattle feedlots	112112	\$1,500,000
Chicken egg production	112310	\$10,500,000

SBA's Web site provides tables and a search tool to help you find the eligible small business size standards for your industry:  
<http://www.sba.gov/size/indextableofsize.html>

To be eligible for an SBA guarantee, loans must be provided by lenders who participate with SBA in the 7(a) Loan Program. Not all lenders choose to participate, but most American banks and some non-bank lenders do.



For additional information regarding eligibility, contact your SBA at 1-800-8ASK-SBA or contact your local SBA office. Contact information for your local SBA office is available on the Internet at [www.sba.gov/regions/states.html](http://www.sba.gov/regions/states.html). Click on your state to find an SBA office in the city closest to you.

### **What are the application requirements for the Pollution Control Loan Program?**

Applications must be filed by the participating lender. The application should be sent to the local SBA office serving the area where the applicant's business is located. Local SBA office information is provided at [www.sba.gov/regions/states.html](http://www.sba.gov/regions/states.html). Enrollment is continuous with no deadline.

SBA must determine if the applicant has historically shown a willingness to pay debts and has abided by applicable laws. To do this, SBA obtains a "Statement of Personal History" from the applicant(s). SBA will take from 1 to 10 days to determine whether the applicant is eligible for a loan guarantee. If eligible, the District SBA Office or participating lender will send an authorization letter notifying the applicant of the award.

### **Sponsoring federal agency and legislative authority for the Pollution Control Loan Program**

Small Business Administration  
409 3<sup>rd</sup> Street, SW  
Washington DC 20416  
1-800-827-5722  
<http://www.sba.gov>

Legislative authority: Small Business Act, Section 7(a)(12)

### **Additional information on the Pollution Control Loan Program**

- SBA's Pollution Control Loan Program Web site:  
<http://www.sba.gov/financing/loanprog/pollution.html>

### **References**

GSA (General Services Administration). 2002. *Small Business Loans (Regular Business Loans\_7(a) Loans)*. GSA Office of Governmentwide Policy, Office of Acquisition Policy, Governmentwide Information Systems Division, Federal Domestic Assistance Catalog Staff. <<http://www.cfda.gov/public/viewprog.asp?progid=763>>. Accessed June 2002.

SBA (Small Business Administration). 2000. *Pollution Control Loan Program*. Financing Your Business. <<http://www.sbaonline.sba.gov/financing/loanprog/pollution.html>>. Accessed February 2005.

USEPA (U.S. Environmental Protection Agency). 2001. *Pollution Control Loans*, Catalog of Federal Funding Sources for Watershed Protection. USEPA Office of Water. <<http://www.epa/owow/watershed/wacademy/fund/loans.html>>. Accessed February 2005.



## **Section 319 Nonpoint Source Implementation Grants**

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### **Program overview**

Grants awarded under section 319 of the Clean Water Act provide funding to states and tribes for implementing projects and programs to control nonpoint sources of pollution. Eligible state and tribal programs can include technical and financial assistance programs for implementing nonpoint source control measures, and education and training programs. EPA awards section 319 grants to state or tribal agencies, which in turn distribute the funds to other organizations or individuals. States and tribes develop funding plans to distribute funds to other organizations for nonpoint source control projects .

Each year EPA awards section 319 funds to states, tribes, and territories. In fiscal year 2004, funding ranged from \$625,400 to \$12.37 million for states and \$30,000 to \$150,000 for Indian tribes. The average amount of financial assistance for states and tribes in fiscal year 2004 was \$4.1 million. The amount of funding distributed from states to other organizations varies from state to state according to each state's funding plan.

### **Who is eligible for section 319 Nonpoint Source Grants?**

Because CAFOs are defined as a point sources of pollution under the Clean Water Act, they are not eligible for section 319 funding<sup>2</sup>. Because AFOs are considered nonpoint sources, they might be eligible to receive section 319 funding under a state funding plan. An AFO's proposed nonpoint source management program must be covered under the state's funding plan to be eligible. In the past, some states have funded nonpoint source implementation projects to install best management practices (BMPs) for animal waste, sediment, pesticide and fertilizer control, and variety of other structural and non-structural BMPs.

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<sup>2</sup> If a CAFO is located in an estuary, it might qualify for funding through a similar grant program, the National Estuary Program, established under section 320 of the Clean Water Act. See page 10 for a description of the National Estuary Program.

## **What are the application requirements for Section 319 Nonpoint Source Grants?**

For more information on application requirements, check with the Nonpoint Source Coordinator in your state. A list of state non point source Coordinators can be found at [www.epa.gov/owow/nps/319hfunds.html](http://www.epa.gov/owow/nps/319hfunds.html).

## **Sponsoring federal agency and legislative authority for Section 319 Nonpoint Source Grants**

U.S. Environmental Protection Agency  
Office of Wetlands, Oceans and Watersheds  
Nonpoint Source Control Branch (4503F)  
Ariel Rios Bldg, 1200 Pennsylvania Ave., NW  
Washington, DC 20460  
202-260-7100  
<http://www.epa.gov/owow/nps/>

Legislative authority: Clean Water Act section 319

## **Where to find more information on Section 319 Nonpoint Source Grants**

- USEPA (U.S. Environmental Protection Agency), Nonpoint Source Program  
<http://www.epa.gov/owow/nps/>

## **References**

USEPA (U.S. Environmental Protection Agency). 2001. *Process for Applying for 319(h) Funds*. USEPA Office of Water. <<http://epa.gov/owow/nps/319hfunds.html>>. Accessed December 2001.

USEPA. 2001. *Supplemental Guidelines for the Award of Section 319 Nonpoint Source Grants in FY 2001*. USEPA Office of Water. <<http://www.epa.gov/owow/nps/Section319/fy2001.html>>. Accessed July 2001.

## **Additional Funding for Conservation Practices**

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The programs summarized in this section are not usually directed toward livestock waste management, but they can be used to help offset the cost implementing conservation practices that protect water quality, including taking environmentally sensitive lands out of agricultural production. The following programs are included in this section:

- Conservation Reserve Program
- Conservation Reserve Enhancement Program
- Conservation Technical Assistance
- Wetlands Reserve Program

### **Conservation Reserve Program**

#### *Program Overview*

The Conservation Reserve Program (CRP) is a voluntary program for agricultural landowners. The program provides technical and financial assistance to eligible farmers and ranchers in complying with federal, state, and tribal environmental laws, and encourages environmental enhancement. CRP funding may be used to address soil, water, and related natural resource concerns on agricultural lands in an environmentally beneficial and cost-effective manner. The program is funded through the Commodity Credit Corporation (CCC).

The CRP reduces soil erosion, protects the Nation's long-term ability to produce food and fiber, reduces sedimentation in streams and lakes, improves water quality, establishes wildlife habitat, and enhances forest and wetland resources. It encourages farmers to convert highly erodible cropland or other environmentally sensitive acreage to vegetative cover, such as domestic or native grasses, wildlife plantings, trees, filterstrips, or riparian buffers.

Through CRP, eligible landowners can receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland. CCC makes annual rental payments based on the agriculture rental value of the land,

and it provides cost-share assistance for up to 50 percent of the participant's costs in establishing vegetative cover and installing approved conservation practices. Participants enroll in CRP contracts for 10 to 15 years. According to the Government Services Administration, the latest data indicate that approximately 33.5 million acres are currently enrolled in the CRP. Each contract covers an average of 74 acres with an average rental rate of \$45.95 per acre.

The program is valuable to AFOs and CAFOs because it offers an alternative use for land that otherwise might be unproductive because of environmental concerns, such as nutrient runoff into nearby waterways, and agricultural regulations.

#### *Who is eligible to participate in CRP?*

Individuals, partnerships, associations, Indian tribal ventures, corporations, and various other types of business enterprises, including AFOs and CAFOs, are eligible to participate in CRP. In general, applicants must have owned or operated the land offered for enrollment for at least 12 months to be eligible. Cropland and certain marginal pastureland that meet specific criteria are eligible for CRP enrollment.

Cropland must be planted to an agricultural commodity 4 of the previous 6 crop years and must be capable of being planted in a normal manner to an agricultural commodity to be eligible for CRP funding. In addition, eligible cropland must meet one of the following criteria:

- Have a weighted average erosion index of 8 or higher;
- Be expiring CRP acreage; or
- Be located in a national or state CRP conservation priority area.

Marginal pastureland must either be enrolled in the Water Bank Program or be suitable for use as a riparian buffer or for similar water quality purposes to be eligible for CRP funding.

#### *What are the application requirements for CRP?*

Two methods for CRP sign-up are available – continuous sign-up and general sign-up. Environmentally desirable land devoted to certain conservation practices may be enrolled at any time under the CRP continuous sign-up. Certain eligibility requirements apply, but eligible offers under CRP continuous sign-up are automatically accepted and are not subject to competitive bidding.

Producers may offer highly erodible and other environmentally sensitive acreage for enrollment during announced general sign-up periods for a competitive application process. Offers must be filed at the county Farm Service Agency (FSA) office by the end of the announced signup period. Offers submitted under general sign-up are subject to a competitive ranking process to maximize the environmental benefits from the available funds. FSA notifies applicants whose offers are as soon as possible after the end of the signup period.

### *Sponsoring agency and legislative authority for CRP*

CRP is administered by the CCC through the FSA, and program support is provided by Natural Resources Conservation Service, Cooperative State Research and Education Extension Service, state forestry agencies, and local Soil and Water Conservation Districts.

CRP was authorized by the Food Security Act of 1985.

### *Where to find more information on CRP*

- For more information on CRP eligibility and the application process, contact your local FSA office. FSA contact information can be found at <http://www.fsa.usda.gov/pas/>.
- You can find more information on CRP in the FSA fact sheet "Conservation Reserve Program," which is available at: <http://www.fsa.usda.gov/pas/publications/facts/html/crp03.htm>.
- More information on CRP continuous sign-up is available in the FSA fact sheet "Conservation Reserve Program Continuous Sign-up" which is available at: <http://www.fsa.usda.gov/pas/publications/facts/html/crpcont03.htm>

## **Conservation Reserve Enhancement Program**

### *Program overview*

The Conservation Reserve Enhancement Program (CREP) is a voluntary land retirement program that helps agricultural producers protect environmentally sensitive land by decreasing erosion, restoring wildlife habitat, and safeguarding ground and surface water. The program is a partnership among producers; tribal, state, and federal governments; and, in some cases, private organizations.



CREP addresses high-priority conservation issues of both local and national significance, such as impacts to water supplies, loss of critical habitat for threatened and endangered wildlife species, soil erosion, and reduced habitat for fish populations. CREP is a community-based, results-oriented effort centered on local participation and leadership.

CREP is an offshoot of the country's largest private-lands environmental improvement program – the Conservation Reserve Program (CRP). Like CRP, CREP is administered by USDA's Farm Service Agency (FSA). By combining CRP resources with state, tribal, and private programs, CREP provides farmers and ranchers with a sound financial package for conserving and enhancing the natural resources of farms. CREP is only available in environmentally sensitive areas where a cooperatively-funded project is established.

Like CRP, CREP contracts require a 10- to 15-year commitment to keep lands out of agricultural production. CREP provides payments to participants who offer eligible land. The program offers a federal annual rental rate, including a maintenance incentive payment determined by an FSA state committee, plus cost-share of up to 50 percent of the eligible costs to install the practice. Further, the program generally offers a sign-up incentive for participants to install specific practices. FSA uses CRP funding to pay a percentage of the program's cost. State or tribal governments or other non-federal sources provide the balance of the funds. States and private groups involved in the effort may also provide technical support and other in-kind services.

#### *Who is eligible to participate in CREP?*

Participant and land eligibility requirements under CREP are the same as for CRP. However, CREP is only available in environmentally sensitive areas where a cooperatively-funded project is established. To determine if your state and county are involved in CREP and if your land qualifies, contact your local county FSA office.

#### *What are the application requirements for CREP?*

Farmers and ranchers in a CREP project area may enroll in CREP on a continuous basis. Your local FSA office can help you determine if you are eligible for CREP funding and tell you how to enroll.

### *Where to find more information on CREP*

- For more information on CREP, contact your local FSA office or Soil and Water Conservation District office. Additional information is also available on FSA's Web site at: <http://www.fsa.usda.gov/dafp/cepd/crep.htm>.
- For state-specific program information and application information, consult your local FSA office. Contact information for your local FSA office is available on the Internet at: <http://www.fsa.usda.gov/edso/>. Click on "Locate the Service Center closest to you," then click on your state and county to find a nearby FSA Service Center.

### *Sponsoring agency and legislative authority for CREP*

CREP is administered by USDA's Farm Service Agency (FSA).

CRP was authorized by the Food Security Act of 1985.

## **Conservation Technical Assistance**

### *Program overview*

The Conservation Technical Assistance (CTA) program provides technical assistance for planning and implementing conservation practices that address natural resource issues. Technical assistance is available to help land-users, communities, units of state and local government, and federal agencies plan and implement conservation systems to voluntarily conserve, improve and sustain natural resources.

Objectives of the CTA program are to:

- Assist individual land-users, communities, conservation districts, other units of state and local government, and federal agencies to meet their goals for resource stewardship and assist individuals to comply with State and local requirements. NRCS assistance to individuals is provided through conservation districts in accordance with the memorandum of understanding signed by the Secretary of Agriculture, the governor of the state, and the conservation district. Assistance is provided to land-users voluntarily applying conservation and to those who must comply with local or State laws and regulations.
- Assist agricultural producers to comply with the highly erodible land (HEL) and wetland (Swampbuster) provisions of the 1985 Food Security Act as amended by

the Food, Agriculture, Conservation and Trade Act of 1990 (16 U.S.C. 3801 et. seq.) and the Federal Agriculture Improvement and Reform Act of 1996 and wetlands requirements of Section 404 of the Clean Water Act. NRCS makes HEL and wetland determinations and helps land-users develop and implement conservation plans to comply with the law.

- Provide technical assistance to participants in USDA cost-share and conservation incentive programs.
- Collect, analyze, interpret, display, and disseminate information about the condition and trends of the Nation's soil and other natural resources so that people can make good decisions about resource use and about public policies for resource conservation.
- Develop effective science-based technologies for natural resource assessment, management, and conservation.

#### *Who is eligible for CTA?*

The CTA program offers technical assistance to landowners, land users, community organizations, and state and local governments in planning and applying natural resource conservation practices. Technical assistance is for planning, implementing and maintaining natural resource solutions to reduce erosion, improve soil health, improve water quantity and quality, improve and conserve wetlands, enhance fish and wildlife habitat, improve air quality, improve pasture and range health, reduce upstream flooding, improve woodlands, and address other natural resource issues.

#### *What are the application requirements for CTA?*

For application information, contact your local NRCS office. You can find local NRCS contact information at <http://offices.usda.gov/>. Click on your state and county to find a nearby USDA Service Center.

#### *Sponsoring agency and legislative authority for CTA*

The CTA program is sponsored by the U.S. Department of Agriculture Natural Resources Conservation Service.

*Where to find more information on CTA*

- More information on the CTA program is available on NRCS's web site:  
<http://www.nrcs.usda.gov/programs/cta/>

## **Wetlands Reserve Program**

### *Program overview*

The Wetlands Reserve Program (WRP) is a voluntary program that provides technical and financial assistance to eligible landowners to restore, enhance, and protect wetlands. Landowners have the option of enrolling eligible lands through permanent easements, 30-year easements, or restoration cost-share agreements. This program offers landowners an opportunity to establish long-term conservation and wildlife habitat enhancement practices and protection.

#### Permanent Easement

Easement payments for this option equal the lowest of:

- the agricultural value of the land,
- an established payment cap, or
- an amount offered by the landowner.

In addition to paying for the easement, the U.S. Department of Agriculture (USDA) pays 100 percent of the costs of restoring the wetland. USDA also pays all costs associated with recording the easement in the local land records office, including recording fees, charges for abstracts, survey and appraisal fees, and title insurance.

#### 30-Year Easement

Easement payments through this option are 75 percent of what would be paid for a permanent easement for the same land. USDA also pays up to 75 percent of restoration costs. In addition, USDA pays all costs associated with recording the easement in the local land records office, including recording fees, charges for abstracts, survey and appraisal fees, and title insurance.

### Restoration Cost-share Agreement

This is an agreement (generally for a minimum of 10 years) to re-establish degraded or lost wetland functions and values. USDA pays up to 75 percent of the cost of the restoration activity. This enrollment option does not place an easement on the property.

For all enrollment options, other agencies and private conservation organizations may provide additional incentives as a way to reduce the landowner's share of the costs. Such special partnership efforts are encouraged.

WRP has an acreage enrollment limitation rather than a funding limit. Congress determines how many acres can be enrolled in the program and funding is annually variable. The Natural Resources Conservation Service (NRCS) estimates program funding needs based on the national average cost per acre.

### *Who is eligible to participate in WRP?*

WRP participation is open to businesses, community/watershed groups, nonprofit groups, educational institutions, private landowners, conservation districts, water and wastewater utilities, local governments, state/territorial agencies, and tribal agencies.

Easement participants must have owned the land for at least 1 year and must be able to provide clear title. Restoration agreement participants must show evidence of ownership. The land owner may be an individual, partnership, association, corporation, estate, trust, business, or other legal entity and, in some cases, a state or state agency owning private land. Land eligibility depends on the length of ownership, whether the site has been degraded as a result of agriculture, and the land's ability to be restored.

The following are *not* eligible for WRP enrollment:

- wetlands converted after December 23, 1985
- lands with timber stands established under a Conservation Reserve Program contract
- federal lands
- lands where conditions make restoration impossible.

### *What are the application requirements for WRP?*

WRP is offered on a continuous sign-up basis and is available nationwide. To participate, landowners submit an application with their local NRCS office or conservation district office. Applications are available through these offices or on the Internet at USDA's e-gov site at:

<http://forms.sc.egov.usda.gov/eforms/formsearchservlet>. Enter "Natural Resources Conservation Service" in the Agency field, "Wetland Reserve Program" in the Program Name field, and "AD-1153" in the Form Number field.

### *Sponsoring agency and legislative authority for WRP*

WRP is a Commodity Credit Corporation (CCC) program administered by NRCS.

WRP is reauthorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill).

### *Where to find more information on WRP*

- For more information about WRP, contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. You can also find contact information for your local USDA Service Center on the Internet at: <http://offices.usda.gov/>. Use the clickable maps to select your state and county to find a nearby Service Center.
- Information also is available on NRCS's Web site at:  
<http://www.nrcs.usda.gov/programs/wrp/>

### **References**

USDA FSA (U.S. Department of Agriculture, Farm Service Agency). 2000. *Questions and Answers Regarding the Conservation Reserve Enhancement Program (CREP)*. <<http://www.fsa.usda.gov/dafp/cepd/crep/Q&A's.htm>>. Accessed February 2005.

USDA NRCS (U.S. Department of Agriculture, Natural Resources Conservation Service). Undated. *2002 Farm Bill Programs*. <<http://www.nrcs.usda.gov/programs/farmbill/2002/products.html>>. Accessed February 2005.

USEPA (U.S. Environmental Protection Agency). 2001. *Catalog of Federal Funding Sources for Watershed Protection*. USEPA Office of Water.  
<<http://cfpub.epa.gov/fedfund/>>. Accessed February 2005.

## **Local Funding Sources**

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### **Soil and Water Conservation Districts**

Soil and Water Conservation Districts (SWCDs) are local units of government that address soil erosion and water pollution. Many SWCDs offer technical, planning, and financial assistance to local agriculture producers. Contact information for your local SWCD office can be found the phone book under county government listings or on the Internet at <http://www.nacdnet.org/resources/cdsonweb.html>.

### **Resource Conservation and Development Councils**

Resource Conservation and Development (RC&D) Councils are local organizations promoted by NRCS to improve local conservation efforts and aid economic activity. Depending on the local RC&D Council objectives, technical and financial assistance might be available. For more information on RC&D Councils, go to National Association of RC&D Councils Web site at <http://www.rcdnet.org/>. Contact information for your local RC&D Council is available on the Internet at <http://www.rcdnet.org/directories.htm>.