

For: State and County Offices

Submitting Alternate County Average SRR's for 2013

Approved by: Acting Deputy Administrator, Farm Programs

Bradley Karmen

1 Overview

A Background

Notice CRP-730 provided policy for State Offices to the notify the National Office if a County Office, with State Office concurrence, would like to propose an alternate county average SRR.

The initial 2013 average county SRR's for dryland cropland, provided through Notice CRP-730, were calculated by increasing the NASS estimate (from the 2012 NASS surveys) by 10 percent. The actual SRR for each of the soil types in a county will be calculated using the posted 2013 county average SRR times the grouped soil productivity factor. Finally, the Maximum Payment Rate on a CRP contract is calculated using the actual SRR's for the predominant soils on that contract. The following table provides an example.

State	County	County Average SRR	Map Unit Symbol	Prod. Group	Prod. Factor	Actual SRR
Any State	Top Notch	\$100	ADC1	1	1.1	\$110
Any State	Top Notch	\$100	ADC2	1	1.1	\$110
Any State	Top Notch	\$100	CR1	2	0.9	\$90
Any State	Top Notch	\$100	PVa	3	1.0	\$100
Any State	Top Notch	\$100	PVb	3	1.0	\$100

Disposal Date	Distribution
May 1, 2013	State Offices; State Offices relay to County Offices and NRCS State Offices

Notice CRP-732

1 Overview (Continued)

B Purpose

This notice:

- provides policy for State and County Offices to submit and provide required documentation for proposed alternative county average SRR's
- announces that the National Office will update the Soils Data Management System (SDMS) and post county average SRR's for dryland cropland.

2 Proposing Alternative County Average SRR's

A Eligibility to Submit an Alternative County Average SRR

Only counties in which the State Office documented their intent to propose an alternative SRR according to Notice CRP-730 may submit proposals for alternative Average County SRR's under this notice.

B Requirements for Submitting an Alternative County Average SRR

A County Office that meets the requirements in subparagraph A may propose an alternative county average SRR to STC. Proposals **must** include all data on which the alternative county average SRR's are based, describe the approach in sufficient detail to replicate the calculation, and explain why the alternative SRR's are more appropriate than the NASS estimate. Expert opinion may be provided with the proposals to support any of these approaches, but **cannot** be the only source of supporting documentation.

The quantity and quality of the data will affect the success of the proposal. Because SRR's are based on data from the 2012 crop year, either the alternate rates must be based on 2012 crop year data, or an explanation must be provided why data from other years are used.

Notice CRP-732

2 Proposing Alternative County Average SRR's (Continued)

B Requirements for Submitting an Alternative County Average SRR (Continued)

The alternative county average SRR **must** be based on 1 or more of the following approaches:

- average of cash rents from a random sample of lease agreements

Note: County Offices are encouraged to use as many lease agreements as possible to support their request (not to exceed 50). County Offices **must** include an Excel spreadsheet with the following data for each lease.

Lease Identifier	2012 Cash Rent (\$ per acre)	Total Cropland Acres Leased	Non-Irrigated Acres Leased

Notes: The lease identifier is a unique number for each lease beginning with the number 1.

County Offices **must** maintain copies of all leases until notified otherwise. Do **not** send copies of the leases to the National Office.

- cash rent estimates from a published survey

Example: A recent survey of cash rents published by a State land-grant university.

- neighboring county NASS estimate comparisons

Note: The comparisons must be to at least 2 adjacent counties and include information about how these counties are similar, such as yield data, primary soil types, and major crops.

- average of cash rents from FSA farm business plans
- models that estimate cash rents, such as models that use returns to crop production or land value data.

Notice CRP-732

2 Proposing Alternative County Average SRR's (Continued)

B Requirements for Submitting an Alternative County Average SRR (Continued)

If submitting an alternative SRR in a county for which share leases are more common than cash leases, provide an Excel spreadsheet, in the following format, with the cover memorandum for the proposal that describes typical lease arrangements in terms of what the landowner share and the shared expenses are for up to 3 predominant crops.

State FSA FIPS Code	County FSA FIPS Code	Crop	Landowner Share Percent	Along with revenue share, what expenses are typically shared, if any? <u>1/</u>
XX	XXX	Corn	50	Fertilizer, Harvest Costs
XX	XXX	Wheat	33	None

1/ If no expenses are shared by the landowner, then indicate “none”.

3 Action

A County Office Action

County Offices shall:

- ensure that COC reviews the proposed alternative county average SRR's and provides a recommendation to CED on whether the proposal is complete, accurate, and justified, according to this notice

Note: COC meeting may be necessary, according to 16-AO, subparagraph 181 A, “COC action taken between meetings”.

- **by March 8, 2013**, submit a signed memorandum from CED to SED and a proposal, according to paragraph 2
- follow all other provisions of this notice.

Notice CRP-732

3 Action (Continued)

B State Office Action

State Offices shall:

- ensure that County Offices follow the provisions of this notice
- ensure that STC reviews the proposed alternative county average SRR's and provides recommendations to SED on whether proposal is complete, accurate, and justified, according to this notice, and forward to the National Office.

Note: STC meeting may be necessary using virtual alternative methods, according to 16-AO, subparagraph 58 A.

- by **March 15, 2013:**
 - e-mail **jean.agapoff@ca.usda.gov** a signed memorandum from SED to Matthew Ponish, Acting CEPD Director, that includes a list of all counties in the State that are submitting alternative SRR's for consideration, and a copy of each proposal accompanied by the documentation required by subparagraph 2 B
 - update the spreadsheet posted on CEPD's SharePoint web site at **<https://fsa.sc.egov.usda.gov/states/cepd/crp/default.aspx>** and replace each "Y" in the last column with the proposed alternative SRR for each County Office that intends to submit an alternative SRR, or change the "Y" to an "N".

C CEPD Posting of Approved SRR's

A future notice will advise State and County Offices when the county average SRR's have been posted to SharePoint and SDMS has been updated with revised SRR's.