

Q&A

questions and answers

Conservation Compliance Webinar for Specialty Crop Producers

These questions and answers were collected following the August 21, 2014 webinar on conservation compliance for specialty crop growers, presented by the Natural Resources Conservation Service, Farm Service Agency, and Risk Management Agency. To view the slides from the webinar, visit www.conservationwebinars.net/webinars/conservation-compliance-for-specialty-crop-producers/

1. Is conservation compliance required for Apiculture, Pasture & Rangeland Forage and/or Livestock crop insurance?

Answer: Yes, conservation compliance is required for eligibility for the premium subsidy on all policies and plans of crop insurance. Note that conservation compliance applies to eligibility for the benefit (the premium subsidy in the case of crop insurance), but the benefit itself does not have to be based on an "agricultural commodity."

2. Do all members of a joint venture have to complete form AD-1026?

Answer: The joint venture must complete form AD-1026 if the joint venture has an Employer Identification Number. In addition, the members of the joint venture that have a separate farming interest must complete form AD-1026. All members of the joint venture must complete form AD-1026 if the joint venture does not have an Employer Identification Number

3. If I previously filed an AD-1026 do I need to refile or is my initial filing still valid?

Answer: Previously filed AD-1026s remain valid. A new AD-1026 does not need to be filed as long as the answers on the form have not changed (for instance, the producer is not planning any new activities that have not been evaluated, etc.) and there were no violations of conservation compliance provisions to negate the previously filed AD-1026.

4. If a producer is farming wetland acreage that was converted after 1985 but prior to February 7, 2014, is the producer eligible for premium subsidy?

Answer: Yes, the producer would be eligible for the federal crop insurance premium subsidy. However, the described situation would affect eligibility for Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) program benefits.

5. Is grazing land considered an agricultural commodity?

Answer: For conservation compliance purposes, an agricultural commodity is a crop planted and produced by annual tilling of the soil, including tilling by one-trip planters, and sugarcane. If what is being grazed is planted and produced by annual tilling of the soil, it is an agricultural commodity.

6. Is a no-till crop considered an agriculture commodity?

Answer: Yes. An agricultural commodity is a crop planted and produced by annual tilling of the

soil, including tilling by one-trip planters, and sugarcane.

7. Can you elaborate on question 7A on the AD-1026 about leveling, clearing, etc.

Answer: Question 7A on form AD-1026 should be answered “yes” anytime a person is conducting land manipulations (drainage, land leveling, etc.) which may affect a wetland area.

8. Why is the “payment in lieu” only a one-time option?

Answer: While this provision provides flexibility to a person for remedying a small acreage wetland violation, the intent is to limit the scope of its availability, specifying that it applies to “impacts less than 5 acres of the entire farm.” To ensure program integrity and compliance with the intent of the Farm Bill, a person is limited to only one exception per farm. Note that this provision provides a remedy only for crop insurance premium subsidy eligibility, not FSA and NRCS program benefits.

9. Is crop insurance available for purchase on non ag commodity crops such as blueberries or vineyards?

Answer: Federally subsidized crop insurance is available for certain types of grapes and blueberries in certain counties. Check with a local crop insurance agent for additional information.

10: There are approximately 38 different crop insurance products available for specialty crops. How many policies (or farms) are covered under these products?

Answer: Crop insurance program participation can be researched through Risk Management Agency’s (RMA)’s Summary of Business Reports website at www.rma.usda.gov/data/sob.html.

11. Can you discuss “affiliated party/related party” more? How does it apply if someone is a contract grower for a large shipper? Would the shipper be affiliated?

Answer: Generally, an “affiliated person” of an individual seeking conservation compliance is the individual’s spouse and minor children, and any entity in which the individual has an interest as a member, stockholder, etc. An “affiliated person” of an entity would be the members of the entity. Being a contract grower for a shipper does not, in and of itself, make the shipper “affiliated persons” for conservation compliance purposes. Producers should contact their local USDA Service Center for answers to their specific situation.

12. I missed the portion about cover crops in orchards. , -- wWill cover crops have to meet wetland conservation provisions?

Answer: All land in which a producer has an interest must comply with the highly erodible land and wetland conservation provisions to be eligible for USDA benefits subject to these provisions. Planting a commodity crop, including a cover crop that reaches maturity or is harvested, on a converted wetland, including converted wetland within an orchard or vineyard, violates the wetland conservation provisions. An agricultural commodity is defined as a crop planted and produced by annual tilling of the soil, including tilling by one-trip planters, and sugarcane. The use of nonagricultural commodity cover crops, such as clover or other biennials is compliant.

If the wetland was converted after December 23, 1985, it is in violation of the wetland provisions for FSA and NRCS program purposes, but not for crop insurance purposes. If the wetland was converted after February 7, 2014, it is in violation of the provisions for FSA, NRCS and crop insurance purposes.

13. If someone drains a wetland in a vineyard after February 7, 2014 and then rips out those grape vines to start growing an annual crop to get crop insurance, they are in violation?

Answer: In this case, the person would be producing an agricultural commodity on a wetland converted after February 7, 2014 and would be in violation.

14. What happens to a producer who files an AD-1026 after June 1, 2015?

Answer: A person must have form AD-1026 on file with FSA on or before June 1, 2015, and comply with the conservation compliance provisions to be eligible for the federal crop insurance premium subsidy on any crop insurance policy or plan of insurance for the 2016 reinsurance year (July 1, 2015 – June 30, 2016). Any person who does not have Form AD-1026 on file with FSA on or before June 1, 2015 can obtain crop insurance, but will be responsible for the full premium amount for all policies and plans of insurance they obtain for the 2016 reinsurance year.

15. In regard to paying 150 times the mitigation amount of a wetland - how is that dollar figure calculated?

Answer: NRCS is currently working through different options for the calculation of this cost.

16. If the wetland was converted before February 7, 2014, and the producer plants corn in 2015 is there a problem?

Answer: This would not be a violation for purposes of eligibility for the federal crop insurance premium subsidy. However, assuming the wetland was converted after December 23, 1985, it would be a wetland conservation violation for FSA and NRCS program purposes.

17. If someone is listed as a substantial beneficial interest (SBI) of an entity for crop insurance purposes, aren't they automatically to be considered as affiliated? The definition of affiliated persons doesn't seem to match the explanation given on the webinar.

Answer: No, an SBI, under the terms of a crop insurance policy, is not automatically considered an affiliated person for conservation compliance purposes. Each term, SBI and affiliated person designations are defined.

18. Are premium subsidies available for non ag commodities?

Answer: The federal crop insurance premium subsidy is available for the majority of policies and plans of insurance offered under the Federal Crop Insurance Act, including non-agricultural commodities.

19. Should producers be filing an AD-1026 for wildlife food plots?

Answer: Any person, and their affiliated persons (if the affiliated person has a separate farming interest), who seeks eligibility for any USDA benefit that is subject to conservation compliance must file an AD-1026.

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