

GUIDELINES *for* FY 2006

Small Farmer Initiative for South Carolina

Purpose

The purpose of this initiative is to improve technical service and program participation in all USDA programs through improved outreach efforts to Small Scale and Limited Resource Farmers. The target audience is defined as small farmers who have historically not participated in nor ever ranked high enough to be selected for a contract. We must be innovative in allowing small farmers to select practices that are best suited for their particular operations while at the same time low enough in cost to be effective and practical for small farms to implement and maintain.

In developing and implementing this outreach initiative in South Carolina, NRCS technical practices and programs will help break through potential barriers to participation in USDA programs by small farmers.

Issue

There is an ongoing national and state concern over the low participation of small farmers in the Natural Resources Conservation Service (NRCS) Farm Bill Programs.

Background on the First Year of the Initiative

USDA ANNOUNCES \$6 MILLION FOR NEW SMALL-SCALE/LIMITED RESOURCE FARMERS INITIATIVE

The New Initiative is Available in 11 States Including South Carolina.

On March 16, 2005, Agriculture Secretary Mike Johanns announced that the Natural Resources Conservation Service will provide up to \$6 million for a new Small-Scale/Limited Resource Farmers Initiative to help small farmers implement good conservation practices on their land.

“Small farms and ranches are part of the fabric of American life,” said Johanns. “This initiative will help us to better serve small farmers who play an important role in ensuring a safe, abundant and affordable food supply, while conserving our land.”

Chief Bruce I. Knight of NRCS made the official announcement in Columbia, South Carolina. The small farmer initiative will allow NRCS to help small scale / limited resource farmers move further down the road toward overcoming barriers small farmers face in reaching conservation goals.

NRCS offices in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia and the Caribbean Area will each dedicate up to \$500,000 in program funds for the initiative, which will help increase participation in USDA voluntary conservation programs through improved outreach efforts to limited resource farmers.

Eligibility

- The resource concerns to be addressed in South Carolina are:
 - 1) Surface Water Quality – runoff of nutrients and organics
 - 2) Water Quantity – water management and irrigation
 - 3) Soil Quality – erosion control above soil lost tolerance (T) with wind and or water
- All Small Farmers Initiative funds will be used to help **small farmers with a state average of 197 acres or less per operation**; (A 5% variance will be allowed). Acres can be any combination of cropland and/or grassland. Wooded areas will be counted towards the total, but will not be eligible for cost share to implement conservation practices.
- Applicants must have not participated in NRCS programs for the past 10 years and must certify as a beginning farmer on the CCC-1200 EQIP Application.
- The income limit for eligibility will be \$63,000 adjusted gross family income (5% variance allowed) based on last 2 years of income tax returns. The producer will be allowed to self-certify.
- **To be eligible, at least 10 percent of the cropland acres must be planted to alternative crops.** (Note: Alternative crops are not traditional crops such as cotton, soybeans, rice, grain sorghum, field corn, wheat, or similar crops grown on large acreage and produced for off-farm scales). For a list of alternative crops, go to http://www.nal.usda.gov/afsic/AFSIC_pubs/altlist.
- **Applicants with pastureland** must be willing to follow a prescribed grazing plan.
- **Contracts will be limited to \$25,000 per operation. Cost share rates will be up to 90 percent for all practices.**
- **All problematic application(s) and contract(s) items will be sent for review by Small Farmers Liaison along with the field staff's proposed action to ensure consistence with program delivery across the state.**
- **Existing 2005 SFI contract holders will be allowed to develop a second contract that will not exceed \$25,000. Per Operations, the new contract must address separate practices or concerns.**
- All participants must be registered in the Service Center Information Management System (SCIMS) or grant permission to be registered in SCIMS.
- **2006 SFI Average State Cost will be used when developing contracts.** When practice cost is not available for the cost of installing a conservation practice, at least two written estimates will be required when and if actual cost of work is used. It is recommended that NRCS be flexible in allowing the landowner to decide with items to be cost shared with the funds in their contracts.

- Nutrient, pest management, and record keeping will be required for all conservation plans. There will be an incentive payment of \$500/year for three years of the contract period. This is a maximum value of \$1500.
- All contract participants are encouraged to attend and provide documentation that a recent farm record management training class has been completed. Please utilize Clemson Extension to provide this type of training session.
- **Conservation tillage (no-till)** is an allowable cost share practice because the adoption rate in South Carolina is considered extremely low for Small Farmers. The practice is eligible as a continuous long term no-till system.
- **Existing field office technical standards are available to accomplish conservation planning for this small farm initiative.**
- **As needed**, NRCS will develop and apply innovative and cost effective technical standards according to policy and place in the field office technical guide.
- General practice planning guide lines:
 1. **Fence** – Practice Code 382 includes boundary and cross fencing, which are both approved for cost share in South Carolina **only** under the New Small Farmers Initiative. Boundary fences may only be approved if absolutely necessary for production livestock production as an essential element in the farm operation.
 - A. Fence – electric and non-electric - \$3/LnFT
 2. **Irrigation Conservation** – Practice Code 441 – Improved Micro Irrigation Systems
 - A. Cost share is limited to 2 acres
 - B. Improved Micro Irrigation - \$1500/acre
 3. **Irrigation Water Management Micro** – Practice Code 449 – This is an incentive payment for micro irrigation systems which is used for both micro and sprinkler. There are two components on cost list.
 - A. Irrigation Water Management – Micro - \$556/acre
 - B. Management Payments may be received only three times. Only apply this cost **two** times when associated with Improved Micro Irrigation Acres (Practice Code 449).
 - C. Total payment will be limited to \$3,336.
 4. If producer wants to **establish** NEW silvopasture, use 612 and 512 components for cost share.
 5. Pumping plant was added to cost list for **Water Pumps Only**. No manure transfer pump is eligible for cost share in SFI.

It is very important that we **do not allow vendor payments and the cash flow of small farmers** to become a barrier to applying practices to the land. **NRCS may assist participants in**

completing and using the CC-36 Form, Assignment of Payment, to work with small farmers in paying for conservation work and services provided under the Small Farmer Initiative contracts. This tool has been used in the past and is still being used by the Farm Service Agency.

Ranking to be done by : February 10, 2006

Funding determination will be made: February 17, 2006

Conservation Plans and contracts will be written by: March 1, 2006

The sign-up period in South Carolina will run the same as the General EQIP signup for the first 2 periods, ending 2/10/06.