

MEMORANDUM OF AGREEMENT

Between

UNITED STATES DEPARTMENT OF AGRICULTURE

Farm Service Agency (FSA)

And

Natural Resources Conservation Service (NRCS)

April 8, 2004

The Farm Security and Rural Investment Act (2002 Farm Bill) required numerous changes in the administration of conservation programs administered by the Farm Service Agency (FSA) and the Natural Resources Conservation Service (NRCS). Specifically, FSA has assumed greater responsibility for overall administration and management of the Conservation Reserve Program (CRP) to include landowner and land eligibility and determining the Environmental Benefits Index (EBI).

Additionally, it has been determined at the national level that NRCS will no longer certify on form AD-862 all practices applied and will no longer status review annually all practices to determine if satisfactorily installed. Guidelines have been established jointly by the agency at the national level that no more than 10 percent of the applied practices will be certified by NRCS on form AD-862 and no more than 10 percent of practices will be annually status reviewed to determine that the practice is satisfactorily applied to protect the resource base in accordance with the NRCS Field Office Technical Guide (FOTG).

To implement these guidelines, FSA County Executive Directors and NRCS District Conservationists jointly will do the following:

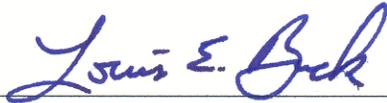
General Signups

1. In FY 2004, determine the number of AD-862's issued by county.
2. Review all practices planned and applied (an AD-862 issued) and select at random no more than 10 percent to be certified on form AD-862. NRCS will certify as in the past.
3. During each fiscal year, determine all practices previously installed and certified by the NRCS or the program participant, as applicable. Select no more than 10 percent to be status reviewed, and NRCS will complete status reviews as in the past.

Continuous Signup

1. For certification of practices applied on form AD-862, follow the same procedures as listed above. For all AD-862's containing structural practices (non-vegetative, engineering), NRCS will certify practice and component installation on form AD-862. If this procedure results in more than 10 percent of the AD-862's being certified, then reduce the number for the general signup certification proportionately in order to assure that no more than 10 percent of the total number of AD-862's for both the general and continuous signups are exceeded.
2. During each fiscal year, determine practices that have been previously installed and certified by the NRCS or the program participant and randomly select no more than 10 percent to be status reviewed.

Questions regarding these guidelines may be directed to Bobby Tidwell, FSA, at (615) 277-2616 or Donald Dotson, NRCS, at (615) 277-2567.



LOUIS E. BUCK
STATE EXECUTIVE DIRECTOR
FARM SERVICE AGENCY



JAMES W. FORD
STATE CONSERVATIONIST
NATURAL RESOURCES CONSERVATION SERVICE