



**USDA Agencies,
University of Arkansas, and
State and Local Conservation
Agencies Cooperating**

Environmental Quality Incentive Program (EQIP)

Summary

Individuals eligible to participate in EQIP must be engaged in livestock or crop production. Conservation plans must address conservation needs for a minimum of five years. USDA will pay up to 50 percent of the cost of eligible practices in most cases and up to 75 percent in selected high priority areas. Applicants can make their EQIP bids more competitive by increasing personal inputs and decreasing the cost-share request. A minimum of a five-year contract is required on all land receiving cost-share assistance for five years. Cost share practices should not begin until after the contract is signed and approved by FSA COC. Soils tests are required. EQIP funding is not available for pasture improvement (lime and fertilizer only).

Program Eligibility

Conservation practices eligible for EQIP include vegetative practices such as pasture establishment; structural practices such as animal waste facilities or irrigation pipeline; and management practices such as nutrient management. Individuals eligible to participate in EQIP must be engaged in livestock or agricultural production defined by the Farm Service Agency and meet all conservation compliance conditions outlined by the 1996 Farm Bill. FSA personnel can aid applicants in determining status or farm eligibility.

Application Process

EQIP sign-up periods are set by the USDA Natural Resources Conservation Service, with a continuous, year-round sign-up and at least one selection period each year. Only those applications received prior to and during the selection period will be ranked and considered for the funding period. Applications received later will be held until the next selection period. All USDA Service Centers and FSA, NRCS and Conservation District office accept applications.

Ranking Process

Upon receipt of an EQIP application, NRCS will schedule a meeting with the applicant to discuss the conservation needs of the farm and the practices needed to address those needs. A conservation plan will be developed which outlines the applicant's decisions and the practices required to meet the conservation needs. Conservation plans must address conservation needs for a minimum of five years. Once the plan is developed, data from it will be entered into an EQIP ranking worksheet. The worksheet assigns points for the environmental benefits provided by the plan, including water quality and animal waste; soil quality-erosion; groundwater decline concerns; wildlife and waterfowl habitat establishment; and Alternative Crop Technology. The total points of each application are weighed against the total dollars of cost-share assistance requested to calculate index values. Cost-sharing may pay up to 75 percent of eligible conservation practices but, in most cases, will pay up to 50 percent. The index values are used to compare applications in EQIP funding areas. EQIP is designed to get the maximum conservation return for the cost-share dollar spent.

Applicants can make their EQIP bids more competitive by increasing personal inputs and decreasing the cost-share requested. Prior to submitting ranked applications for funding consideration, NRCS will meet with each applicant to review ranking and to confirm the application's index value. All ranked applications are submitted to NRCS for funding consideration. When the funding decisions are made, NRCS will forward them to the FSA offices for applicant notification.

Funding Process

Applicants will be notified of their application funding status by the FSA. Once a ranked application is approved for funding, an official conservation plan and cost-share support document is prepared by NRCS and forwarded to the FSA for FSA County Committee approval. Approved applicants may begin implementing their conservation plans only after receiving final EQIP approval notification from the FSA COC. Applicants not approved for funding may reapply at any time. All EQIP applicants have the appeal rights described in USDA guidelines and policies. Cost-share payments are limited to a maximum of \$50,000 per individual for the life of a contract. Annually, the cost-share is limited to \$10,000 per individual. Contracts must be for a minimum of five years and cannot exceed ten years. Conservation practices installed within the first year of the contract will be paid after October 1 of that year. In the following years, payment will be made once conservation practice has been processed (usually two to four weeks). Payments are directly deposited to the approved applicant's bank of choice.

Plan Development and Implementation

Once an applicant is approved for EQIP funding, a five-year contract - or plan - is developed listing the cost-shared and noncost-shared practices. For example, if an applicant is funded for pasture establishment, a noncost-shared practice for pasture management is included in the agreement. These practices are required to be carried out for the life of the contract. Noncost-shared practices help insure the funded practices are managed properly and sustain. There may also be an opportunity for the applicant to add some noncost-shared practices to the plan to improve eligibility for funding. A minimum of a five-year contract is required on all land receiving cost-share assistance. Cost-shared practices should not be started until after the contract is signed and approved by the FSA COC. Applicants must complete at least once cost-shared practice within the first twelve months of signing an EQIP contract. All fields within the farm tract will not be eligible for any other EQIP cost-share assistance for five years. Soils tests are required for all pasture-establishment practices. If a soils test is not provided at the time of application, NRCS will make an estimate of lime and fertilizer needs to approximate EQIP contract costs, but the applicant must get a soils test and follow its recommendations when implementing the contract. EQIP funding is not available for pasture improvement. Lime and fertilizer costs are only payable when associated with pasture-establishment practices.