

For: State and County Offices

Recording CRP Payment Reductions

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

2-CRP, Part 18 includes restrictions on using land enrolled in CRP during the CRP-1 contract period. However, some exceptions are permitted in exchange for the assessment of a payment reduction for the applicable contract.

Notice CRP-718 advised State and County Offices of the forthcoming CRP enhancements for 2012 annual rental payments to be automatically reduced for recorded reductions that are now available.

B Purpose

This notice provides the following:

- modifications made to the Conservation Payment System software
- migration process for payment reductions previously recorded on the S/36
- procedure for recording, modifying, and deleting payment reduction amounts.

Disposal Date	Distribution
August 1, 2013 8-24-12	State Offices; State Offices relay to County Offices

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2 General Payment Reduction Information

A Introduction

Previously, County Offices:

- recorded payment reduction information for conservation contracts residing on the S/36
- established manual receivables for payment reductions for contracts residing on the web-based conservation system.

The web-based Conservation Payment System is being modified to provide the ability to record payment reductions through the web-based system regardless of where the conservation contract resides, such as S/36 or in COLS.

Note: This option shall **not** be used if the producer has opted to pay the assessed reduction amount upfront instead of reducing the reduction from their annual rental payment.

Reduction amounts previously recorded for 2012 in the S/36 software will be migrated to the web-based system.

B Migration Process

On or about August 24, 2012, the payment reduction information previously loaded into the S/36 for program year 2012 will be migrated into the web-based Conservation Payment System:

- Unauthorized Uses
- Emergency Haying/Grazing
- Managed Haying/Grazing.

Note: This migration process will **not** include information recorded on the S/36 for MISC reductions.

Following migration, the reduction amounts will be visible in the Conservation Payment System exactly as recorded on the S/36.

Recommendation: County Offices should verify payment reduction amounts were successfully migrated to the web-based system as these amounts will be used to reduce the producer's annual rental payment that will be processed in October.

2 **General Payment Reduction Information (Continued)**

C Web-Based Payment Reduction Software

The web-based payment reduction software is designed to provide County Offices with an option to record the reason and amount of the payment reduction. The software allows for up to 9 possible types of payment reductions:

- Managed Haying/Grazing
- Emergency Haying/Grazing
- Unauthorized Uses
- Routine Grazing
- Spot Grazing
- Prescribed Grazing
- Forestry Maintenance
- Sale of Carbon and Other Credits
- Wind Turbines.

Note: Some options are available because they are authorized by regulation but may not currently be applicable, such as “forestry maintenance”. County Offices shall ensure that the actual reduction reason is selected when recording reductions. See subparagraph 4 B for additional information for selecting the reduction reasons.

When the October payment batch is triggered for 2012 annual rental payments, the payment will automatically be reduced by the total amount of all reductions recorded in the Conservation Payment System. County Offices are no longer required to:

- establish receivables for amounts that have not already been paid by the producer
- block payments so the payment can be processed manually to offset the receivable.

D Producers Opting to Pay Reduction Amounts

If a producer chooses to pay the amount assessed for the payment reduction instead of taking a reduced annual rental payment, County Offices shall ensure that the payment reduction amount is **not** recorded in the web-based Conservation Payment System.

Any amount recorded through the web-based Conservation Payment System, or migrated from the S/36, will automatically reduce the producer’s annual rental payment during the October payment batch.

County Offices shall continue establishing manual receivables in NRRS if the producer elects to pay the assessed payment reduction amount upfront. The payment provided by the producer should be applied to the receivable in NRRS.

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3 Recording Payment Reductions

A Policy

2-CRP, Part:

- 18 provides guidance on the permissive and restrictive uses of CRP acres
- 19 provides guidance for haying and grazing of CRP acres.

County Offices shall follow this table for determining when payment reduction amounts shall be recorded in the new web-based payment reduction software.

IF the producer has...	AND the producer has...	THEN County Offices shall...
already paid the assessed payment reduction amount		<p>not record the payment reduction amount in the web-based software.</p> <p>Exception: If it is determined that the amount paid is less than the actual amount that should have been assessed, County Offices shall record the reduction for the additional acres only.</p>
elected to have the amount reduced from their annual rental payment	not reported the actual acreage hayed/grazed	<p>record the payment reduction amount computed on CRP-117.</p> <p>Note: County Offices shall not block payments if the actual acres have not been reported unless the producer authorizes FSA, in writing, to hold the payment until actual acres can be reported.</p>
	reported the actual acreage hayed/grazed	<p>record the payment reduction amount computed on CRP-118.</p> <p>Note: If the actual acres differ from the intended acres, then the payment reduction amount should be modified and the annual rental payment should be reprocessed.</p>

B Recording Payment Reduction Amounts

County Offices shall follow this table to record payment reduction amounts determined on CRP-117 or CRP-118, as applicable, that should be reduced from the producer’s annual rental payment.

Step	Action	Result
1	Go to the FSA Applications Intranet web site at http://intranet.fsa.usda.gov/fsa/FSAIntranet_applications.html .	
2	Under “Conservation”, CLICK “Conservation Payments”.	

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3 Recording Payment Reductions (Continued)

B Recording Payment Reduction Amounts (Continued)

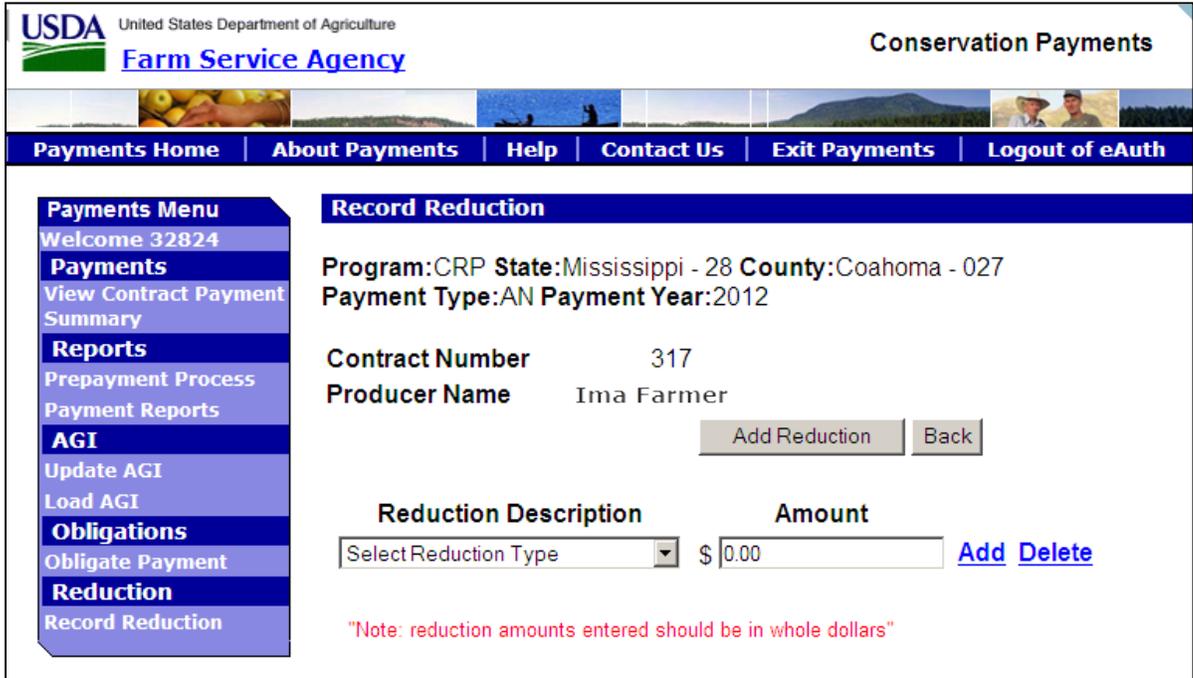
Step	Action	Result
3	Login through the USDA eAuthentication Login Screen in the normal manner.	The Conservation Payment System home page will be displayed.
4	CLICK “Record Reduction” on the left navigation menu.	The Search Criteria page will be displayed.
5	Specify the search criteria for the applicable contract and/or producer. CLICK “Search”.	The contracts matching the search criteria will be displayed.
6	Select the applicable contract from CRP-117 or CRP-118, as applicable. CLICK “Continue”.	Information related to the contract will be displayed, including all producers with a share of the selected contract.
7	CLICK “Add” to the right of the producer with the payment reduction.	The Record Reduction page will be displayed. See subparagraph 4 A for an example of this page.
8	<p>If payment amounts were migrated from the S/36 software, those amounts will be displayed. County Offices shall:</p> <ul style="list-style-type: none"> • verify the amounts migrated are correct • record reduction amounts from CRP-117 or CRP-118, as applicable, by clicking “Add Reduction”. <p>Warning: See paragraph 4 for additional information for recording payment reduction amounts.</p>	
9	<p>Select the reason for the payment reduction. Record the manually calculated reduction amount.</p> <p>When complete, CLICK “Add” to the right of the “Payment Reduction Amount” field.</p> <p>Note: The information recorded is not updated to the system unless “Add” is clicked.</p>	The Record Reduction page will be redisplayed after the update is complete.
10	<p>Repeat steps 8 and 9 for each additional payment reduction applicable to the contract and producer.</p> <p>When complete, CLICK “Record Reduction” on the left navigation menu to return to the Search Criteria page to select another contract or producer with reductions.</p>	

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4 Record Reduction Page

A Example of Record Reduction Page

The following is an example of the Record Reduction page.



B Information on the Record Reduction Page

This table describes the information displayed on the Record Reduction page.

Section of Page	Field	Description	
Header	Program	Program, State, county, payment type, and payment year selected on the Search Criteria page.	
	State		
	County		
	Payment Type		
	Payment Year		
Contract Information	Contract Number	Contract number and producer name when “Add” was clicked in subparagraph 3 B, step 7.	
	Producer Name		
Reduction Information	Reduction Description	There are 9 possible options for the reason for the assessment of the payment reduction.	
		Note: County Offices shall follow 2-CRP about the applicability of assessing payment reductions.	
		Type of Reduction	When to Use
		Managed Haying/Grazing	See 2-CRP, Part 19, Sections 1 and 2.
	Emergency Haying/Grazing	See 2-CRP, Part 19, Section 3.	

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4 Record Reduction Page (Continued)

B Information on the Record Reduction Page (Continued)

Section of Page	Field	Description	
Reduction Information (Continued)	Reduction Description (Continued)	Type of Reduction	When to Use
		Unauthorized Uses	Use this reduction reason for the following: <ul style="list-style-type: none"> • violations • unauthorized haying/grazing that is not captured as managed or emergency haying or grazing • unauthorized harvesting.
		Routine Grazing	Use this reduction reason for the following: <ul style="list-style-type: none"> • routine grazing • incidental grazing • permissive grazing. <p>Note: See 2-CRP, Part 19, Section 4.</p>
		<p>The following options are provided in the software because the regulations at 7 CFR Part 1410 specify a reduction may be applicable. However, 2-CRP currently does not require a payment reduction for these reasons. The following options shall only be used if the related policy requires their applicability:</p> <ul style="list-style-type: none"> • Spot Grazing • Prescribed Grazing • Forestry Maintenance • Sale of Carbon or Other Credits • Wind Turbines. 	
	Amount	<p>Amount recorded on CRP-117 or CRP-118, as applicable, for the specified reason for the payment reduction. The following are applicable to amounts recorded:</p> <ul style="list-style-type: none"> • total of all reductions cannot exceed the producer’s contract-level payment amount • payment reduction amounts shall be recorded in whole dollars • each reason can only be selected 1 time. If more than 1 reduction is assessed for the same reason, the amounts should be added together for that reason. 	

C Page Options

This table describes the options available for recording payment reductions.

Link	Action
Add Reduction	Displays a new set of reduction fields so the payment reduction can be recorded. Each time this button is clicked, new “Reduction Description” and “Amount” fields will be displayed.
Back	Returns to the previous page.
Add	<p>Adds the payment reduction information to the Conservation Payment System database.</p> <p>Note: If this option is not selected after the reduction description and amount are recorded, the reduction information is not saved.</p>

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4 Record Reduction Page (Continued)

C Page Options (Continued)

Link	Action
Update	This option is only displayed after a payment reduction has been added. Use this option to modify payment reductions that were previously recorded.
Delete	Use this option to delete a payment reduction that was recorded in error.

D Page Error Messages

The following error messages may be displayed on the Record Reduction page if the data recorded does **not** meet the applicable validations.

Error Message	Description	Corrective Action
Reduction amount is required and must be greater than zero	An amount was not recorded for the payment reduction.	An amount, in whole dollars, must be entered for the specified reason. Take either of the following actions: <ul style="list-style-type: none"> • re-enter the dollar amount • change the reason for the reduction if incorrect.
Reduction amount must be whole dollars	The amount recorded includes dollars and cents.	
Reduction type is required	The amount of the reduction may have recorded, but the reason for the reduction was not selected.	Select the reason for the payment reduction from the drop-down list.
Sum of reduction amounts cannot be greater than payment amount	The total of all reductions exceeds the producer's contract payment amount.	The total of all reductions are limited to what the producer is actually earning for the contract. Take either of the following actions: <ul style="list-style-type: none"> • if incorrect, correct the amount recorded • recompute the payment reduction amount according to 2-CRP.

5 Correcting Reductions Paid Through the Manual Receivable Process

A Overcollection of CRP Reduction

If a CRP reduction was established as a manual receivable in NRRS and paid by the CRP participant, or paid by a third party on the CRP participant's behalf, before the annual payment process, the County Office shall issue a refund to the CRP participant using the Online Payment Process. Use the same program code that was used in the receivable establishment. See 1-FI, paragraph 64 and Exhibit 7, subparagraph C for issuing the refund.

B Undercollection of CRP Reduction

If a CRP reduction was established as a manual receivable in NRRS, and paid by the CRP participant, but it was later determined that an additional amount is due, record the additional amount according to this notice.

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6 County Office Action

A Action

County Offices shall:

- ensure that all payment reductions are recorded according to this notice in the web-based Conservation Payment software before October 1, 2012, to ensure that 2012 annual rental payments are processed correctly
- discontinue updates for payment reductions in the S/36 software after migration is completed.

Note: An information bulletin will be issued advising State and County Offices that migration is complete.