



Farm Bill 2002

Fact Sheet

August 2003

Grassland Reserve Program

Overview

The Grassland Reserve Program (GRP) is a voluntary program that helps landowners and operators restore and protect grassland, including rangeland, and pastureland, and certain other lands, while maintaining the areas as grazing lands. The program emphasizes support for grazing operations, plant and animal biodiversity, and grassland and land containing shrubs and forbs under the greatest threat of conversion.

GRP is authorized by the Food Security Act of 1985, as amended by the Farm Security and Rural Investment Act of 2002. The USDA Natural Resources Conservation Service (NRCS) and USDA Farm Service Agency (FSA) administer the program, in cooperation with the USDA Forest Service. Funding for the GRP comes from the Commodity Credit Corporation (CCC).

Benefits

Restoring and protecting grasslands contributes positively to the economy of many regions, provides biodiversity of plant and animal populations, and improves environmental quality.

How GRP Works

Applications may be filed for an easement or rental agreement with NRCS or FSA at any time. Participants voluntarily limit future use of the land while retaining the right to conduct common grazing practices; produce hay, mow, or harvest for seed production (subject to certain restrictions during the nesting season of bird species that are in significant decline or those that are protected under Federal or State law); conduct fire rehabilitation; and construct firebreaks and fences.

The program offers several enrollment options:

Permanent Easement. This is a conservation easement in perpetuity. Easement payments for this option equal the fair market value, less the grazing value of the land encumbered by the easement. These values will be determined using an appraisal.

Thirty-year Easement. USDA will provide an easement payment equal to 30 percent of the fair market value of the land, less the grazing value of the land for the period during which the land is encumbered by the easement.

For both easement options, USDA will provide ALL administrative costs associated with recording the easement, including appraisal fees, survey costs, title insurance, and recording fees. Easement payments may be provided, at the participant's request, in lump sum or annual payments (equal or unequal amounts) for up to 10 years.

Rental Agreement. Participants may choose a 10-year, 15-year, 20-year, or 30-year contract. USDA will provide annual payments in an amount that is not more than 75 percent of the grazing value of the land covered by the agreement for the life of the agreement. Payments will be disbursed on the agreement anniversary date each year.

Restoration agreement. If restoration is determined necessary by NRCS, a restoration agreement will be incorporated within the rental agreement or easement. CCC will provide up to 90 percent of the restoration costs on lands that have never been cultivated,

and up to 75 percent of the cost on restored grasslands. Participants will be paid upon certification of the completion of the approved practice(s) by NRCS or an approved third party. Participants may contribute to the application of a cost-share practice through in-kind contributions.

Eligibility

Landowners who can provide clear title are eligible to participate for either easement option. Landowners and others who have general control of the acreage may submit an application for a rental agreement.

There is no national maximum limitation on the amount of land that may be offered for the program. However, there is a minimum requirement established in law. Offers for enrollment must contain at least 40 contiguous acres, unless special circumstances exist to accept a lesser amount. These special circumstances are determined by the NRCS State Conservationist.

The Adjusted Gross Income provision of the 2002 Farm Bill impacts eligibility for GRP and several other 2002 Farm Bill programs. Individuals or entities that have an average adjusted gross income exceeding \$2.5 million for the three tax years immediately preceding the year the contract is approved are not eligible to receive program benefits or payments. However, an exemption is provided in cases where 75 percent of the adjusted gross income is derived from farming, ranching, or forestry operations.

Eligible land includes grassland or land that contains forbs or shrubs (including improved rangeland and pastureland); and grassland or land that is located in an area that historically has been dominated by grassland, forbs, and shrubs and has potential to provide habitat for animal or plant populations of significant ecological value if the land is retained in its current use or restored to a natural condition. Incidental lands may be included to allow for the efficient administration of an agreement or easement.

For More Information

If you need more information about GRP, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. Information also is available on the World Wide Web at: <http://www.nrcs.usda.gov/programs/farmland/2002/> and <http://www.fsa.usda.gov/dafp/GRP/default1.htm>



Visit USDA on the Web at:
<http://www.usda.gov/farmland>

Note: This is not intended to be a definitive interpretation of farm legislation. Rather, it is preliminary and may change as USDA develops implementing policies and procedures. Please check back for updates.