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January 22, 2003

OKLAHOMA BULLETIN NO. OK440-3-3

SUBJECT: PGM – Use of Cost Share Components in Programs

Purpose: To clarify the use of a few specific cost share components in program contracts in Oklahoma. The specific components are: Seedbed Prep after MBR2/MBR3, Bermudagrass Sprigging, and Fertilizer (CA).

Expiration Date: September 30, 2003

Program cost lists and the definitions of many of the cost share components are found in Section I of the Field Office Technical Guide (FOTG). There is need to clarify the use of some cost share components used in programs in Oklahoma.

Seedbed Prep after MBR2/MBR3, heavy equipment (SPHE), and Seedbed Prep after MBR2/MBR3, normal equipment (SPNE), are components that are available under the 512, Pasture and Hay Planting, and the 550, Range Planting, practice codes in several cost share programs. As defined in the component name and in the definition, this component is only to be used on acreage that is seeded after a mechanical brush management practice. This practice component is intended for use ONLY on acreage that had heavy and moderate brush infestations that were mechanically treated and the field has considerable ground and vegetative disturbance left by machinery such as pits, mounds, and holes from pulling out root wads, pushing vegetation, and similar ground disturbance. This practice component is not for use in any other situations. Seedbed preparation is not typically cost-shared in programs that do not retire the land from agricultural production, since participants have the opportunity to continue to earn economic returns from the use of the land. Seedbed preparation after extensive brush removal, the SPHE and SPNE components, is one of the few instances in which cost-share would be available.

Bermudagrass Sprigging (GBG) which is paid on a per acre basis needs to be cost shared based on the cost of the materials not to exceed the maximum sprigging rate listed in the FOTG Standard and Specification. **Bermudagrass Sprigging – Critical Area (GBGS), Native Grass Mixture Critical Area (GNMA),** and all other critical area vegetation paid on a per acre basis need to be paid at a rate not exceeding the maximum sprigging/seeding rate listed in the FOTG Standard and Specification. In many situations the producer and contractor may choose to increase the seeding/sprigging rate, exceeding the NRCS specification. Although technically adequate, the costs incurred over and above the specified maximum are not eligible for cost-share, and the receipts, tickets, and application for payment need to be prorated to take out the additional materials. Average cost data provided on the OK-LTP-11 should only reflect the cost of applying no more than the maximum rate of the applicable FOTG standard and specification for the applicable vegetative practice.

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The component, **Fertilizer CA (FTCA)**, has been added to cost lists combining and replacing the previous components of Fertilizer CA < 1 acre (FTC1) and Fertilizer CA > 1 acre (FTC2). This one component and its rate will be paid regardless of the size of the job. Contracts will be developed based on the acres or tenths of acres to be fertilized. In existing contracts containing the component of less than one acre, payment can be processed as it is set up in the contract. Average cost will be based on the last cost share published for that component (Fertilizer CA <1 acre at \$70.00 per item), or if the practice was started prior to October 1, 2001, the cost in effect at the time the practice was started.

If you have any of these components that do not meet the criteria described above and in the component definitions in Section I of the FOTG, planned in contracts, the contract will need to be modified to delete the component. If you have situations where you have paid bills in excess of the NRCS standard and specification, you should bring these situations to the attention of the Programs Section to make a decision on how to proceed. Any excess monies freed up by the modification in an EQIP contract may be applied toward the application of other appropriate practices or additional cost of applying scheduled practices, within that contract only, not to exceed the original contract obligation. Monies may **NOT** be transferred to other contracts.

If you have questions on this information please contact Kevin Norton at 405.742.1236, Lanny Miller at 580.336.5515, or Suzanne Collier at 405.742.1234.

/s/

M. DARREL DOMINICK
State Conservationist

