



Iowa Bulletin: 440-23-6

Date: March 20, 2023

Subject: PGM – Fiscal Year (FY) 2023 Inflation Reduction Act (IRA) Funding
Guidance for the Conservation Stewardship Program and
Environmental Quality Incentives Program

Action Required By: September 15, 2023

Purpose. To provide FY2023 IRA implementation guidance and deadlines.

Expiration Date. September 30, 2023.

Background. The Inflation Reduction Act (IRA) provides assistance to agricultural and forestland producers to invest in climate and clean energy solutions and promote climate-related benefits through Natural Resources Conservation Service (NRCS) programs.

Explanation. Use the guidance in this bulletin, along with policy in Title 180 [National Planning Procedures Handbook](#), Title 440 Conservation Program Manual (CPM) Part 502, "Terms and Abbreviations Common to All Programs," 440 CPM Part 530, "Working Lands Conservation Program Manual," National Instruction 440-310, "NRCS Program Ranking through Conservation Assessment Ranking Tool (CART)" and training to prepare for program opportunities, completing assessments, accepting and processing applications, and evaluating requests for funding.

Follow 440 CPM § 530 policy, including the newly added Subpart M, "Inflation Reduction Act (IRA) – Funded Contracts," for additional guidance on IRA-funded contract obligations.

Additional information is available on the [Iowa SharePoint](#) and [IRA website](#). [Inflation Reduction Act | Natural Resources Conservation Service \(usda.gov\)](#) IRA guidance for Regional Conservation Partnership Program (RCPP) will be provided in a separate directive.

1. FY2023 IRA EQIP and CSP Timelines

District Conservationists (DC) are to process FY2023 1st round signup IRA EQIP and CSP applications as follows:

Deadline	Activity
March 17, 2023	IRA EQIP and CSP application batching cut-off date. To be eligible applications must be entered in ProTracts by the deadline. You must select signup 2 in Protracts.
May 5, 2023	IRA EQIP and CSP: Must complete application assessment and ranking in the Conservation Assessment Ranking Tool (CART). Application selection will occur within a week after the ranking deadline. Unranked, pending, or applications without uploaded cost estimates will not be considered.
August 11, 2023	Iowa IRA EQIP and CSP obligation deadline. This is to allow time for processing at the AO/SO level to ensure Iowa meets the IRA National deadline.
September 15, 2023	National IRA EQIP and CSP obligation deadline.

2. IRA Program Eligibility

- A. IRA funds cannot be combined with any other United States Department of Agriculture (USDA) program funds within a contract. The requirement to complete all activities by September 30, 2031, should be emphasized to IRA participants. See 440 CPM § 530.121 and 530.123 for additional guidance.

DIST: E

- B. IRA payments will count toward program-specific payment limitations as described in 440 CPM § 530, Subpart M, as follows:
- i. CSP payment and contract limitation is \$200,000.
 - ii. EQIP payment and contract limitation is \$450,000.
- C. For FY2023, states will offer and create IRA spending ranking pools for both CSP and EQIP. Applications must be entered in ProTracts under one of the appropriate IRA ranking pools listed below:

EQIP	CSP
IRA EQIP Soil Health	IRA Classic Agricultural Land
	IRA Beginning Farmer, Socially Disadvantaged Farmer, Organic
	IRA CSP Source Water Protection
	IRA Classic Non-Industrial Private Forest

If entering an application for both general EQIP or Classic CSP and IRA EQIP or IRA CSP, there will be one practice schedule in Conservation Desktop, but two applications entered into ProTracts.

3. Conservation Assessment Ranking Tool (CART) Instructions

The CART users guide is posted on the [Conservation Assessment Ranking Tool \(CART\) \(sharepoint.com\)](#) in the CART User and Administration Guide folder. The CART-Help-Users-Guide explains policy on how CART must be used. The guide is useful as a reference when completing assessments, making decisions during eligibility determinations and field verifications. Under CART topics on the CART SharePoint page, click on [CART Guide Sheets](#) to access fact sheets of specific interest.

4. Application Processing.

Applications selected for IRA funding must have the IRA radio button on the ProTracts application page set to "Yes" before the application is promoted to preapproved status in Select Application Tool (SAT) and ProTracts. The radio button selection can only be changed if it's in pending, eligible, or preapproved status. Users may not change this selection for approved applications or obligated contracts.

The screenshot shows a form with the following fields:

- Program:** CSP 2018
- Application FY:** 2023
- Signup Date:** 3/29/2022
- Signup Number:** CSP-2023-1
- IRA:** A red box highlights the radio button selection. The "Yes" option is selected (indicated by a blue dot), and the "No" option is unselected (indicated by a grey dot).
- Contract Renewal:** Both "Yes" and "No" radio buttons are unselected (grey dots).

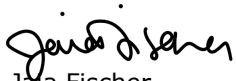
Field offices must notify participants of their application being approved using 440 CPM § 530.129(B), "IRA Application Approval Letter." The letter template is attached to this bulletin.

5. Contract Development and Requirements

- A. Follow contract development guidance in 440 CPM § 530, Subparts E and M.
- B. EQIP and CSP contracts using IRA funds must include one or more core conservation practices or activities identified in the Climate-Smart Agriculture and Forestry (CSAF) Mitigation Activities list for FY2023. In Iowa, IRA will only contract core conservation practices, no supporting practices or activities should be scheduled. See the CSAF Mitigation Activities List FY2023 attached to this bulletin. A copy of CSAF Mitigation Activities List FY2023 must be kept in the participant's file for future reference.
- C. For IRA EQIP Soil Health applications, use the Regular EQIP cost list in creating your cost estimates. The five core practices available to be scheduled are: Prescribed Grazing, Cover Crops, Nutrient Management, No-till, and Conservation Crop Rotation.
- D. The period of performance for an IRA contract may not extend beyond September 30, 2031. NRCS does not have authority to waive this limitation.
- E. In addition to the appendix to Form NRCS-CPA-1202, NRCS must use 440 CPM § 530.129(A), "IRA Addendum to Appendix to for NRCS-CPA-1202." A copy of the IRA Addendum is attached to this bulletin. The addendum supplements the general terms and conditions established in the appendix to Form NRCS-CPA-1202. Participants with an IRA-funded contract must sign both the contract appendix and IRA addendum at the time of obligation.
- F. The CSP and EQIP preobligation checklists, located on the Programs page of the Iowa SharePoint under Contract Management Forms, have been updated to include IRA requirements. States must use the updated program-specific preobligation checklists that include the new IRA section.

Contact. Please contact Rubyana Neely, CSP Program Coordinator, at rubyana.neely@usda.gov, for questions regarding CSP IRA. Please contact Jessica Downey, EQIP Program Coordinator, at jessica.downey@usda.gov, for questions regarding EQIP IRA.

I look forward to a great year of assisting our customers with timely implementation of the Inflation Reduction Act funding.



Jara Fischer
Acting State Conservationist

Attachments:

CSAF Mitigation Activities List FY2023

IRA Addendum

IRA Application Approval letter

Attachments can also be found on the Iowa Programs SharePoint under the IRA folder: [IRA](#)

Natural Resources Conservation Service

Climate-Smart Agriculture and Forestry (CSAF) Mitigation Activities List^[1] FY2023



Climate Change Mitigation Practice Categories	Code	Conservation Practice Standard Name ^[2] (units)	CSP Enhancement Code	Conservation Stewardship Program (CSP) Bundle and Enhancement Activity
Soil Health			B000BFF1	Buffer Bundle#1*
			B000CPL24	Cropland soil health management system*
			B000CPL25	Climate smart advanced soil health*
	327	Conservation Cover (acres)	E327A	Conservation cover for pollinators and beneficial insects
			E327B	Establish Monarch butterfly habitat
	328	Conservation Crop Rotation (acres)	E328A	Resource conserving crop rotation
			E328B	Improved resource conserving crop rotation
			E328E	Soil health crop rotation
			E328F	Modifications to improve soil health and increase soil organic matter
			E328G	Crop rotation on recently converted CRP grass/legume cover for soil organic matter improvement
			E328N	Intercropping to improve soil health
			E328O	Perennial grain crop conservation rotation
	329	Residue and Tillage Management, No Till (acres)	E329A	No till to reduce soil erosion
			E329B	No till to reduce tillage induced particulate matter
			E329C	No till to increase plant-available moisture
			E329D	No till system to increase soil health and soil organic matter content
			E329E	No till to reduce energy
	332	Contour Buffer Strips (acres)	None Available	
	340	Cover Crop (acres)	E340A	Cover crop to reduce soil erosion
			E340B	Intensive cover cropping to increase soil health and soil organic matter content
			E340C	Use of multi-species cover crops to improve soil health and increase soil organic matter
			E340D	Intensive orchard/vineyard floor cover cropping to increase soil health
			E340F	Cover crop to minimize soil compaction
			E340G	Cover crop to reduce water quality degradation by utilizing excess soil nutrients
			E340H	Cover crop to suppress excessive weed pressures and break pest cycles
			E340I	Using cover crops for biological strip till
	345	Residue and Tillage Management, Reduced Till (acres)	E345A	Reduced tillage to reduce soil erosion
			E345B	Reduced tillage to reduce tillage induced particulate matter
			E345C	Reduced tillage to increase plant-available moisture
			E345D	Reduced tillage to increase soil health and soil organic matter content
			E345E	Reduced tillage to reduce energy use
	386	Field Border (acres)	E386A	Enhanced field borders to reduce soil erosion along the edge(s) of a field
			E386B	Enhanced field borders to increase carbon storage along the edge(s) of the field
			E386C	Enhanced field borders to decrease particulate emissions along the edge(s) of the field
			E386D	Enhanced field borders to increase food for pollinators along the edge(s) of a field
			E386E	Enhanced field borders to increase wildlife food and habitat along the edge(s) of a field
	393	Filter Strips (acres)	E393A	Extend existing filter strip to reduce water quality impacts
	412	Grassed Waterways (acres)	E412A	Enhance a grassed waterway
	484	Mulching (acres)	E484A	Mulching to improve soil health
			E484B	Reduce particulate matter emissions by using orchard or vineyard generated woody materials as mulch
			E484C	Reduce particulate matter emissions by using orchard or vineyard generated woody materials as mulch
	585	Stripcropping (acres)	None Available	
	601	Vegetative Barriers (feet)		
	603	Herbaceous Wind Barriers (feet)		

Climate Change Mitigation Practice Categories	Code	Conservation Practice Standard Name ^[2] (units)	CSP Enhancement Code	Conservation Stewardship Program (CSP) Bundle and Enhancement Activity
Agroforestry, Forestry and Upland Wildlife Habitat	311	Alley Cropping (acres)	None Available	
	342	Critical Area Planting (acres)		
	379	Forest Farming (acres)		
	380	Windbreaks/Shelterbelt Establishment and Renovation (feet)		
	381	Silvopasture (acres)	E381A	Silvopasture to improve wildlife habitat
	390	Riparian Herbaceous Cover (acres)	E390A	Increase riparian herbaceous cover width for sediment and nutrient reduction
			E390B	Increase riparian herbaceous cover width to enhance wildlife habitat
	391	Riparian Forest Buffer (acres)	E391A	Increase riparian forest buffer width for sediment and nutrient reduction
			E391B	Increase stream shading for stream temperature reduction
			E391C	Increase riparian forest buffer width to enhance wildlife habitat
	420	Wildlife Habitat Planting (acres)*	E420A	Establish pollinator habitat*
			E420B	Establish monarch butterfly habitat*
	422	Hedgerow Planting (feet)	None Available	
	612	Tree/Shrub Establishment (acres)	E612B	Planting for high carbon sequestration rate
			E612C	Establishing tree/shrub species to restore native plant communities
			E612G	Tree/shrub planting for wildlife food
	645	Upland Wildlife Habitat Management (acres)	E645B	Manage existing shrub thickets to provide adequate shelter for wildlife
			E645C	Edge feathering for wildlife cover
	666	Forest Stand Improvement (acres)*	E666A	Maintaining and improving forest soil quality*
			E666D	Forest management to enhance understory vegetation*
			E666E	Reduce height of the forest understory to limit wildfire risk*
			E666F	Reduce forest stand density to create open stand structure*
			E666H	Increase on-site carbon storage*
			E666I	Crop tree management for mast production*
			E666J	Facilitating oak forest regeneration*
			E666K	Creating structural diversity with patch openings*
			E666L	Forest Stand Improvement to rehabilitate degraded hardwood stands*
			E666P	Summer roosting habitat for native forest-dwelling bat species*
			E666R	Forest songbird habitat maintenance*
			E666S	Facilitating longleaf pine regeneration and establishment*
Restoration of Disturbed Lands	453	Land Reclamation, Landslide Treatment (acres)	None Available	
	543	Land Reclamation, Abandoned Mined Land (acres) ^[3]		
Energy, Combustion, and Electricity Efficiency	372	Combustion System Improvement (number)	None Available	
	374	Energy Efficient Agricultural Operation (number)*		
			E533C	Install VFDs on pumps ^[4] *
			E533D	Switch fuel source for pumps ^[4] *
	672	Energy Efficient Building Envelope (number)*	None Available	
	670	Energy Efficient Lighting System (number)*		
Wetlands	657	Wetland Restoration (acres)*	None Available	
Rice	449	Irrigation Water Management (acres) ^[4]	E449B	Alternated Wetting and Drying (AWD) of rice fields

Climate Change Mitigation Practice Categories	Code	Conservation Practice Standard Name ⁽²⁾ (units)	CSP Enhancement Code	Conservation Stewardship Program (CSP) Bundle and Enhancement Activity
Nitrogen Management	590	Nutrient Management (acres)	E590A	Improving nutrient uptake efficiency and reducing risk of nutrient losses
			E590B	Reduce risks of nutrient loss to surface water by utilizing precision agriculture technologies
			E590C	Improving nutrient uptake efficiency and reducing risk of nutrient losses on pasture
			E590D	Reduce risks of nutrient losses to surface and groundwater by increasing setback awareness via precision technology
Livestock Partnership	366	Anaerobic Digester (number)	None Available	
	632	Waste Separation Facility (number)*		
Grazing and Pasture	512	Pasture and Hay Planting (acres)	E512A	Cropland conversion to grass-based agriculture to reduce soil erosion
			E512B	Forage plantings that help increase organic matter in depleted soils
			E512C	Cropland conversion to grass for soil organic matter improvement
			E512D	Forage plantings that help increase organic matter in depleted soils
			E512E	Forage and biomass planting that produces feedstock for biofuels or energy production
			E512I	Establish pollinator and/or beneficial insect and/or monarch habitat
			E512J	Establish wildlife corridors to provide habitat continuity or access to water
			E512L	Diversifying forage base with interseeding forbs and legumes to increase pasture quality
			E512M	Forage plantings that improve wildlife habitat cover and shelter or structure and composition
	528	Prescribed Grazing (acres)	E528A	Maintaining quantity and quality of forage for animal health and productivity
			E528D	Grazing management for improving quantity and quality of food or cover and shelter for wildlife
			E528E	Improved grazing management for enhanced plant structure and composition for wildlife
			E528F	Stockpiling cool season forage to improve structure and composition or plant productivity and health
			E528G	Improved grazing management on pasture for plant productivity and health with monitoring activities
			E528H	Prescribed grazing to improve/maintain riparian and watershed function-elevated water temperature
			E528I	Grazing management that protects sensitive areas -surface or ground water from nutrients
			E528J	Prescribed grazing on pastureland that improves riparian and watershed function
			E528L	Prescribed grazing that improves or maintains riparian and watershed function-erosion
			E528M	Grazing management that protects sensitive areas from gully erosion
			E528O	Clipping mature forages to set back vegetative growth for improved forage quality
			E528P	Implementing Bale or Swath Grazing to increase organic matter and reduce nutrients in surface water
			E528R	Management intensive rotational grazing
			E528S	Soil Health Improvements on Pasture
			E528T	Grazing to Reduce Wildfire Risks on Forests
	550	Range Planting (acres)	E550A	Range planting for increasing/maintaining organic matter
			E550B	Range planting for improving forage, browse, or cover for wildlife

NOTES:

In addition to the designated CSAF mitigation activities listed, conservation practices that facilitate the management or the function of a CSAF mitigation activity but may not achieve the desired effects on their own (and may not have a quantifiable benefit) may be planned as applicable. Examples: Tree/Shrub Establishment (612) may need facilitating practices such as Tree/Shrub Site Preparation (490) or Access Control (472). Conservation Crop Rotation (328) may need facilitating practices such as Pest Management Conservation System (595), Cover Crops (340), or Irrigation Water Management (449). Waste Separation Facility may need facilitating practices such as Waste Transfer (634) or Roofs and Covers (367). Prescribed Grazing (528) may need facilitating practices such as Watering Facility (614), Stream Crossing (578), Fence (382), or Livestock Shelter Structure (576). Upland Wildlife Habitat Management (645) may need facilitating practices such as Brush Management (314), Herbaceous Weed Treatment (315), or Prescribed Grazing (528).

Activities highlighted have been added to the list in FY23.

*Noted activities are added to the list as “provisional.” These practices, associated enhancements, and bundles are being added under the premise that they may provide benefits, and a quantification methodology will be evaluated during the fiscal year. Practices may be removed from the mitigation practice list in a subsequent fiscal year if quantification is not possible.

- [1] Unless otherwise noted, listed practices have quantifiable carbon sequestration and/or GHG reduction methodologies described in COMET-Planner (www.comet-planner.com). New practices will be added as science progresses and scientifically defensible quantification methodologies are identified to accompany existing and new NRCS conservation practice standards.
- [2] The included Conservation Practice Standard links provide national information. Please consult the NRCS office at your local USDA Service Center for any local and state level criteria. Visit farmers.gov/service-locator to find contact information for your local office.
- [3] Effective Oct 1, 2022, Land Reclamation, Currently Mined Land (544) was archived and has been removed from this mitigation list, the practice was combined into Land Reclamation, Abandoned Mined Land (543). See NHCP Notice 172 for more information.
- [4] Conservation Practice Standards Irrigation Water Management (449) and Pumping Plant (533) are not GHG mitigation practice standards. The only atmospheric-beneficial applications are with Enhancement Activities E533C, E533D, and E449B or when 449 is implemented as part of an alternated wetting and drying (AWD) system in rice fields.



**Inflation Reduction Act (IRA) Addendum
to Appendix to Form NRCS-CPA-1202, “Conservation Program Contract”**

Participant Name (Decision maker): _____

Program/Contract Type: _____ Contract Number: _____

(Note: This addendum does not apply to contracts administered under the 2014 Farm Bill Regional Conservation Partnership Program (RCPP-EQIP and RCPP-CSP), 2018 Farm Bill CSP Grassland Conservation Initiative, or Agricultural Management Assistance (AMA) program.)

This addendum supplements the General Terms and Conditions established in the appendix to Form NRCS-CPA-1202, “Conservation Contract,” for contracts funded by Subtitle B, “Conservation,” of Title II of the IRA, [Public Law 117-169](#). This addendum identifies additional terms and conditions applicable to Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and 2018 Farm Bill Regional Conservation Partnership Program Land Management and Rental (LMR) contracts obligated with funds made available by the IRA.

The Participant hereby agrees to the following additional terms and conditions required by the use of IRA funds:

I. General Terms

NRCS used funds provided through the IRA to approve this contract. If this is an EQIP or CSP contract, the IRA funds are authorized only for contracts with one or more conservation practices or activities, identified by NRCS, that directly improve soil carbon, reduce nitrogen losses, or that reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agricultural production. Practices and activities that address IRA priorities are hereafter referred to as IRA conservation practice and activities.

II. Agreement

A. If this contract is either an EQIP or CSP contract funded by the IRA, the participant agrees that the contract may only contain IRA conservation practices and activities that address one or more IRA priorities. The participant further agrees that an IRA conservation practice or activity may not be substituted with a non-IRA conservation practice or activity under this contract.

B. If this contract is an RCPP-LMR contract funded by the IRA, the participant agrees that for the duration of the term, the contract must address one or more of the project resource concerns for which the contract was originally selected and funded and the contract must be implemented in accordance with NRCS policies and approved project provisions documented in the associated programmatic partnership agreement, as applicable.

III. Payments

A. The participant agrees to complete all IRA conservation practices and activities in accordance with this contract. The participant acknowledges and accepts that NRCS does not have authority to approve and will not issue payment for any conservation practice or activity after September 30, 2031. NRCS does not have authority to waive this limitation on the use of IRA funds.

B. The participant is not eligible for payment under this contract if the participant receives payment or other benefit for the same practice or activity on the same land under any other program administered by USDA. Duplicate payments of USDA IRA and other funds are prohibited.

**Inflation Reduction Act (IRA) Addendum
to Appendix to Form NRCS-CPA-1202, “Conservation Program Contract”**

IV. Period of Performance

The period of performance of this contract may not extend beyond September 30, 2031.

By signing this Addendum, I acknowledge I have read and agree to be bound by these additional Terms and Conditions of the Appendix to Form NRCS-CPA-1202, as required, to receive IRA funds under this contract.

1A. Signature: _____ 1B. Date: _____

2A. Signature: _____ 2B. Date: _____

3A. Signature: _____ 3B. Date: _____

4A. Signature: _____ 4B. Date: _____

5A. Signature: _____ 5B. Date: _____

6A. Signature: _____ 6B. Date: _____

USDA is an equal opportunity provider, employer, and lender.

530.129 B IRA Application Approval Letter

<<Date>>

«Participant_Name»

«Participant_Information_Address_Line»

«Participant_Delivery_Address_Line»

«Participant_Address_City», «Address_State» «Address_Zip_Code»

Application Number: «Contract_Number»

Dear «Participant_Common_Name»:

We are pleased to inform you that the Natural Resources Conservation Service (NRCS) has selected your application for participation in the <<Insert Program Name (Acronym)>> using funding provided through the Inflation Reduction Act (IRA).

While the <<Insert Program Acronym>> program rules and regulations still apply to this contract, please be advised there are some differences when it comes to IRA funding authority.

[Insert applicable paragraph]

For <<EQIP or CSP>>, NRCS has determined that your pending contract meets the IRA priorities and that your scheduled practices or activities will directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agricultural production. Additionally, due to IRA requirements, contracts implemented through the IRA funding authority cannot be extended or paid beyond September 30, 2031.

[Or]

NRCS has selected your RCPP Land Management and Rental application under an approved programmatic partnership agreement. The project may target IRA priorities that directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agriculture production. Additionally, due to IRA requirements, contracts implemented through the IRA funding authority cannot be extended or paid beyond September 30, 2031

This letter is not a formal approval of your contract request, so please do not start any conservation practice or activity before your contract has been signed by the authorized NRCS official. Doing so will result in the practice or activity becoming ineligible for NRCS financial assistance.

Please review the enclosed contract documents so you are aware of all contract requirements and contact the local NRCS office at <<(XXX) XXX-XXXX>> to discuss any questions, concerns, or if you identify any changes needed to the enclosed contract documents. Contract documents included with this letter are:

- Form NRCS-CPA-1202, “Conservation Program Contract,”
- Appendix to Form NRCS-CPA-1202, “Conservation Program Contract,”
- IRA Addendum to Appendix to Form NRCS-CPA-1202, “Conservation Program Contract,”

- Form NRCS-CPA-1155, “Conservation Plan or Schedule of Operations,” and
- Conservation plan and conservation plan map.

If you agree to all contract provisions and wish to proceed with the contract, sign and return the enclosed documents or use the Farmers.gov web portal to sign the documents electronically. The Farmers.gov portal allows producers to work with NRCS through the Internet as a supplement to in-person support. For more information on Farmers.gov and to obtain a secure login and password, visit www.Farmers.gov.

Please consider using the Farmers.gov website through your desktop, tablet, or mobile device to—

- Submit, review, and electronically sign documents.
- Request conservation technical and financial assistance.
- Report conservation practice or activity completion.
- Request and view payments for completed conservation practices or activities.

NRCS must receive your signed documents or otherwise hear from you no later than <<insert date here; NHQ recommends 15 days from expected receipt of letter>>. If we do not hear from you, NRCS may be unable to fund your application during this current funding period.

Sincerely,

<<Enter DC Name>>
District Conservationist

Enclosures