

Payment Schedules

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Module 7B

Policy and Guidance References:

Policy:
Title 440 – Programs, Part 512 – Conservation Program Contracting, Subpart D – Program Payment Schedules

Handbook:
Currently, Title 200 - Economics, Part 613 – Payment Schedules

Will soon be replaced with...
Title 300 – Payment Schedules, Part 600
(this handbook is being drafted and is not currently publicly available)

Source: eDirectives <http://directives.sc.egov.usda.gov>

What are Payment Schedules?

Where do I find Payment Schedules?

How to use Payment Schedules

What are Payment Schedules?

A **Payment Schedule** is defined as a listing of all eligible practice and/or activity payment rates for a defined geographical area.

A **practice payment workbook** is used to document the eligible estimated costs incurred to implement a conservation practice to NRCS technical standards and calculate the payment for a typical resource situation.

Source: *draft Payment Schedule Handbook (Title 300, Part 600)*

Here is an example of a portion of a payment schedule for EQIP...

| Practice Code | Practice Name | Scenario Name | Payment Unit | Payment Rate | HU Payment Rate |
|---------------|--------------------|---------------------------------------|--------------|--------------|-----------------|
| 472 | Access Control | Animal Exclusion from Sensitive Areas | Acre | \$29.82 | \$35.78 |
| 314 | Brush Management | Light Brush Management | Acre | \$36.12 | \$43.34 |
| 314 | Brush Management | Medium Brush Management | Acre | \$60.49 | \$72.59 |
| 314 | Brush Management | Heavy Brush Management | Acre | \$142.68 | \$171.22 |
| 327 | Conservation Cover | Introduced Grass | Acre | \$314.73 | \$436.03 |
| 327 | Conservation Cover | Native Grass | Acre | \$343.44 | \$470.49 |
| 327 | Conservation Cover | Pollinator Habitat | Acre | \$423.88 | \$567.02 |

Etc.....

Here is an example of a Practice Payment Workbook... (over the next three slides)

| Scenario Worksheet | |
|------------------------------------|---|
| Practice and Scenario Description: | |
| Information Type | Data |
| Region | Zorn Belt |
| State | Missouri |
| Discipline Group | Range/Pasture Grazing |
| Practice Code/Name | 314 - Brush Management |
| Scenario ID | S |
| Scenario Name | Light Brush Management |
| Scenario Description | Light brush management is used on non-cropland acres (including forestland, pasture, and wildlife areas) where less than 10% canopy cover across the treatment area is in undesirable non-herbaceous cover, and the treatment area is less than 18% slope on average. Payment is based on impacted acres only. Treatment may consist of chemical, mechanical, manual, or a combination of methods. Cost represents typical situations for conventional, organic, and transitioning to organic producers. For organic land, chemical applications must be OMRI approved chemicals. |
| Before Practice Situation | Non-cropland acres consisting of a percentage of undesirable species such as (but not limited to) Amur cork tree, Siberian elm, callery pear, autumn olive, multiflora rose, barberry, burning bush, honeysuckle, or periwinkle that must be controlled. Undesirable species can contribute to degraded plant condition, inadequate feed & forage, and potential animal health issues. |
| After Practice Situation | Undesirable non-herbaceous species are controlled with a pass with a brush hog over the treatment area followed by spot chemical treatment. The treatment area is mechanically treated early in the growing season to reduce above ground biomass. The treated plants will readily respond, and after adequate re-growing occurs herbicide will be applied to the new growth. This combined treatment will allow better access for the herbicide application equipment, better coverage on target plants, and less overall herbicide applied. |
| Scenario Feature Measure | acres treated |
| Scenario Unit | acre |
| Scenario Typical Size | 1/2 |

| Cost Summary: | | | |
|------------------------------------|---------------|--------------------|--|
| Cost Category | Scenario Cost | Scenario Cost/Unit | |
| Materials | \$152.53 | \$5.30 | |
| Equipment/Installation | \$759.93 | \$30.72 | |
| Labor | \$172.48 | \$5.50 | |
| Mobilization | \$113.00 | \$4.44 | |
| Acquisition of Technical Knowledge | \$0.00 | \$0.00 | |
| Forfeiture Income | \$0.00 | \$0.00 | |
| Total | \$1,207.93 | \$48.16 | |

| Cost Details: | | | | | | | |
|------------------------|--------------|---|--|------|-----------------|----------|----------|
| Cost Category | Component ID | Component Name | Component Description | Unit | Price (\$/unit) | Quantity | Cost |
| Materials | 08 | Herbicide, Triclopyr | Triclopyr butoxyethyl ester (BEI) is selective foliar and root-killing, translocated herbicide used for control of woody and broadleaf plants. Product is typically used in these practices 08, 14, 445 and 666. Refer to WIN-PST for product names and active ingredients. Materials only. | Gals | \$61.01 | 2 | \$122.02 |
| Equipment/Installation | 04 | Chemical, spot treatment, single stem application | Chemical applied to individual plants or group of plants e.g. backpack sprayer treatment. Equipment and labor not included. | Hour | \$55.87 | 3 | \$167.61 |
| Equipment/Installation | 00 | Mower, Bush Hog | Equipment and power unit costs, labor not included. | Hour | \$44.40 | 3 | \$133.20 |
| Equipment/Installation | 09 | Truck, Pickup | Equipment and power unit costs, labor not included. | Hour | \$27.28 | 2 | \$54.56 |
| Labor | 31 | General labor | Labor performed using basic tools such as power tool, shovel, and other tools that do not require intensive training. Ex. pipe layer, tender, concrete placement, materials spreader, flagger, etc. | Hour | \$21.56 | 6 | \$129.36 |
| Mobilization | 13 | Mobilization, very small equipment | Equipment that is small enough to be transported by a pick-up truck with typical weights less than 5,000 pounds. Can be multiple pieces of equipment if all hauled individually. | Each | \$55.00 | 2 | \$110.00 |

| Payment Schedule Results: | | | Missouri | 2013 |
|--|-------|----------|-----------|-------------|
| Payment Percentage by Program by Cost Category | | | | |
| Cost Category | EQUIP | EQUIP-HU | EQUIP-NDI | EQUIP-HUNDI |
| Materials | 75% | 80% | 75% | 80% |
| Equipment/Installation | 75% | 80% | 75% | 80% |
| Labor | 75% | 80% | 75% | 80% |
| Mobilization | 75% | 80% | 75% | 80% |
| Acquisition of Technical Knowledge | 75% | 80% | 75% | 80% |
| Forfeiture Income | 75% | 80% | 75% | 80% |

| Payment Rates by Program by Cost Category | | | | | |
|---|--------------------|---------|----------|-----------|-------------|
| Cost Category | Scenario Cost/Unit | EQUIP | EQUIP-HU | EQUIP-NDI | EQUIP-HUNDI |
| Materials | \$6.10 | \$4.58 | \$5.49 | \$4.58 | \$5.49 |
| Equipment/Installation | \$30.72 | \$23.04 | \$27.65 | \$23.04 | \$27.65 |
| Labor | \$5.50 | \$5.11 | \$6.21 | \$5.11 | \$6.21 |
| Mobilization | \$4.44 | \$3.33 | \$4.05 | \$3.33 | \$4.05 |
| Acquisition of Technical Knowledge | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Forfeiture Income | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| Total | \$48.16 | \$36.12 | \$43.34 | \$36.12 | \$43.34 |

| Payment Rates by Program | | | | |
|--------------------------|------------------------|------------------------|------|--------------|
| Program | Practice Code and Name | Scenario Name | Unit | Payment Rate |
| EQUIP | 314 - Brush Management | Light Brush Management | Acre | \$36.12 |
| EQUIP-HU | 314 - Brush Management | Light Brush Management | Acre | \$43.34 |
| EQUIP-NDI | 314 - Brush Management | Light Brush Management | Acre | \$36.12 |
| EQUIP-HUNDI | 314 - Brush Management | Light Brush Management | Acre | \$43.34 |

| Practice Payment Workbook Payment Schedule Results | | | | |
|--|------------------------|------------------------|------|--------------|
| Payment Rates by Program | | | | |
| Program | Practice Code and Name | Scenario Name | Unit | Payment Rate |
| EQUIP | 314 - Brush Management | Light Brush Management | Acre | \$36.12 |
| EQUIP-HU | 314 - Brush Management | Light Brush Management | Acre | \$43.34 |
| EQUIP-NDI | 314 - Brush Management | Light Brush Management | Acre | \$36.12 |
| EQUIP-HUNDI | 314 - Brush Management | Light Brush Management | Acre | \$43.34 |

| Payment Schedule for EQUIP | | | | | | |
|----------------------------|--------------------|---------------------------------------|--------------|--------------|-----------------|--|
| Practice Code | Practice Name | Scenario Name | Payment Unit | Payment Rate | HU Payment Rate | |
| 472 | Access Control | Animal Exclusion from Sensitive Areas | Acre | \$29.82 | \$35.78 | |
| 314 | Brush Management | Light Brush Management | Acre | \$36.12 | \$43.34 | |
| 314 | Brush Management | Medium Brush Management | Acre | \$60.49 | \$72.59 | |
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Etc.....

Practice: 314 - Brush Management
Scenario # 2 Light Brush Management

Scenario Description: Missouri
 Light brush management is used on non-cropland acres (including forestland, pasture, and wildlife areas) where less than 10% canopy cover across the treatment area is in undesirable non-herbaceous cover, and the treatment area is less than 10% slope on average. Payment is based on impacted acres only. Treatment may consist of chemical, mechanical, manual, or a combination of methods. Cost represents typical situations for conventional, organic, and transitioning to organic producers. For organic land, chemical applications must be OMRI approved/chemicals.

Before Practice Situation: Non-cropland acres consisting of a percentage of undesirable species such as (but not limited to) Amur cork tree, Siberian elm, saffler poplar, ash-leaved maple, multiflora rose, barberry, burning bush, honeysuckle, or garret oak that must be controlled. Undesirable species can contribute to degraded plant condition, inadequate food & forage, and potential animal health issues.

After Practice Situation: Undesirable non-herbaceous species are controlled with a pass with a brush hog over the treatment area followed by spot chemical treatment. The treatment area is mechanically treated early in the growing season to reduce above ground biomass. The treated plants will readily resprout, and after adequate re-sprouting occurs herbicide will be applied to the new growth. This combined treatment will allow better access for the herbicide application equipment, better coverage on target plants, and less overall herbicide applied.

Scenario Features Measure:

| Acres treated | TH | Acres | Per Unit Cost | \$48.88 | |
|-------------------------------|--------------------------------------|-----------|---------------|--------------------|-------------------|
| Scenario Typical Input | | | | | |
| Cost Category | Component Name | Quantity | Unit | Unit Cost | Cost |
| Materials | herbicide, Triclopyr | 2.5 | Acres | \$41.00 | \$102.50 |
| Equip./Operat. | Chemical spot treatment, single stem | 8 | Hour | \$55.87 | \$447.00 |
| Equip./Operat. | Mower, Bush Hog | 8 | Hour | \$44.80 | \$358.40 |
| Equip./Operat. | Truck, Pickup | 2 | Hour | \$17.20 | \$34.40 |
| Labor | General Labor | 8 | Hour | \$13.88 | \$111.00 |
| Miscellaneous | Miscellaneous, very small equipment | 2 | Each | \$55.50 | \$111.00 |
| Payment Input: | | | | Total Cost: | \$1,203.90 |
| Pay Type | Unit Payment | Pay Type | Unit Payment | | |
| EQP | \$16.12 | EQP-M | \$43.94 | | |
| EQP-MCH | \$16.12 | EQP-H/MCH | \$43.94 | | |

How to Use Payment Schedules

Payment Schedules are used to document appropriate estimated incurred costs and foregone income to arrive at a payment rate for program financial assistance payments.

It is not the purpose of payment schedules to develop estimates for total practice estimation.

Payment Schedules ≠ Actual Cost Estimates

Source: draft Payment Schedule Handbook (Title 300, Part 600)

Resources Available for Providing Local Cost Estimates

Missouri Standardized State Average Cost List:

A comprehensive component average cost list developed annually in coordination with MO NRCS, MO DNR and MO FSA. Developed from actual cost receipts entered into the Actual Cost Database by field staff from all three agencies.

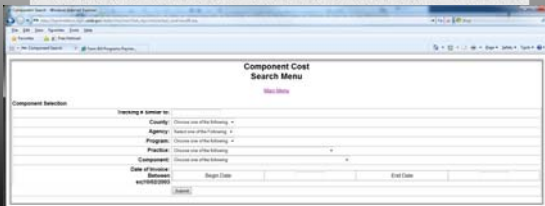
The Current Average Cost List is available through eFOTG: Section 1, Economic Data

June 2013 MO State Cost List

| Compnnum | EARTHMOVING | 2013 Costs | Units |
|----------|---|------------|--------|
| 1 | Earthfill, compacted large - dams and dikes | \$2.60 | cu yd |
| 2 | Earthfill, compacted small - dams and dikes | \$2.05 | cu yd |
| 904 | Earthfill, compacted medium - diversions and weirs | \$2.80 | cu yd |
| 3 | Grading & Shaping Light CAT | \$1,153.00 | ac |
| 4 | Grading & Shaping Medium CAT | \$2,052.00 | ac |
| 5 | Grading & Shaping Heavy CAT | \$2,500.00 | ac |
| 6 | Leaves Removal | \$1.34 | cu yd |
| 7 | Side Inlet Drainage Structure, 0'-6" fill | \$20.36 | ft |
| 8 | Side Inlet Drainage Structure, 8'-10" fill | \$22.69 | ft |
| 9 | Side Inlet Drainage Structure, 10'-12" fill | \$22.43 | ft |
| 10 | Side Inlet Drainage Structure, 12'-14" fill | \$21.67 | ft |
| 11 | Side Inlet Drainage Structure, 14'-16" fill | \$26.51 | ft |
| 12 | Side Inlet Drainage Structure, 16'-1+ fill | \$36.82 | ft |
| 13 | Temporary Stern Removal | \$1.00 | ft |
| 14 | Terrace Broadbase nonparallel w/ closed outlet (UGO) | \$2.45 | lin ft |
| 15 | Terrace Broadbase nonparallel w/ open outlet (waterway) | \$2.21 | lin ft |
| 16 | Terrace Broadbase parallel w/ closed outlet (UGO) | \$2.38 | lin ft |
| 17 | Terrace Broadbase parallel w/ open outlet (waterway) | \$2.04 | lin ft |
| 18 | Terrace Narrowbase w/ closed outlet (UGO) | \$1.84 | lin ft |
| 19 | Terrace Narrowbase w/ open outlet (waterway) | \$1.69 | lin ft |
| 20 | Terrace Steep Backslope w/ closed outlet (UGO) | \$2.24 | lin ft |
| 21 | Terrace Steep Backslope w/ open outlet (waterway) | \$1.92 | lin ft |

Resources Available for Providing Local Cost Estimates

Queries from the Actual Cost Database:
http://fsaintranet.sc.egov.usda.gov/states/mo/mo/ Web_Aps/nrcs/actual_cost/mainmenu.asp
 (note: a federal computer is needed to access the database site)

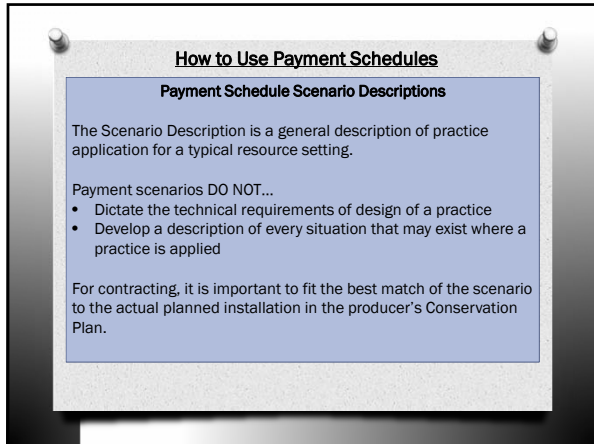


How to Use Payment Schedules

Terminology

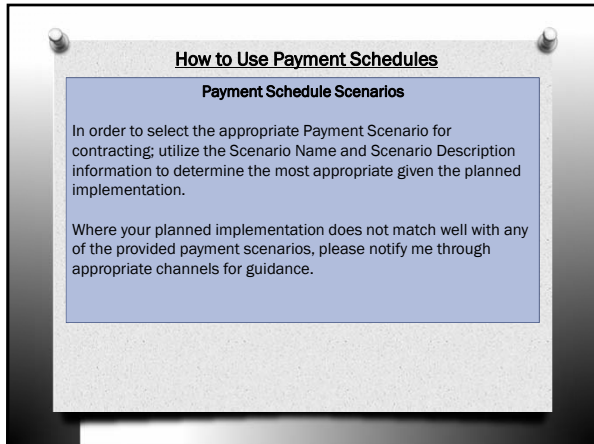
"Cost Share" and **"Incentive Payment"** authority no longer exists. As a result, discussions with producers and partners regarding program assistance should avoid these terms.

The appropriate terms we should be using are **"Financial Assistance Payment"** or **"Payment Rates"**



| Payment Schedule Scenario Descriptions Interpretation Example | |
|---|--|
| Practice Code/Name | B16 - Animal Mortality Facility |
| Scenario ID | 1 |
| Scenario Name | Static Pile - Concrete Pad with Concrete Bin(s) |
| Scenario Description | <p>This scenario consists of installing concrete bin(s), open on one end, on top of a concrete pad to compost mortality in static piles that have sufficient bulking material to allow natural aeration. Facility sizing parameters include primary and secondary composting area requirements to allow piles to be turned at least once to go into another heat cycle prior to final disposal, typically land application. If a roof is to be included in the installation refer to Practice Standard 367 - Roofs and Covers. Size of facility based on daily mortality and sizing procedures accepted in particular state.</p> <p>Potential Associated Practices: Roofs and Cover (367), Heavy Use Area Protection (561), Critical Area Planting (342), Nutrient Management (569), Access Road (560), Structure for Water Control (567), Road Runoff Structure (558), Diversion (362), Subsurface Drain (606), Heavy Use Area Protection (561) and Underground Outlet (620).</p> |
| Before Practice Situation | Animal mortality is done in a manner that results in non-point source pollution of excessive nutrients, organics, and pathogens being transported into surface and groundwater resources. Improper operation results in odors and spread of pathogens from incomplete composting, incineration, or interaction with predators. No plan was formulated for both normal and catastrophic mortality events. |
| After Practice Situation | <p>Animal mortality is being done in a manner that prevents non-point source pollution of excessive nutrients, organics, and pathogens being transported into surface and groundwater resources. Proper operation results in little to no odors, complete composting, and protection from predators to minimize pathogen survival or breeding. Selected method for carcass treatment and disposal meet or are permitted by federal, state, and local laws.</p> <p>This scenario is based upon a 40' x 56' concrete slab with 5' high bin dividers, and 5 bins (configured 2 at 20'x28' and 3 at 20'x14.5'). Preparation includes stripping the top 1" of soil and roll compact same back into place. The bins are constructed on a 3" concrete slab. Roofed portion addressed under Roofs and Covers (367). Piles are turned by moving to adjacent bin to go through a second heat cycle prior to final land application.</p> |

These specific dimensions are not required for financial assistance for 316



How to Use Payment Schedules

Updating Payment Schedules

Payment Schedules are update annually in preparation for each fiscal year funding allocation.

Comment periods are provided to all field office staff annually to capture needed updates and improvements through email.

Please keep notes of problems or concerns you encounter when working with payment schedules through planning and contracting and share these when a comment period is available.

Your comments are critical for ensuring an adequate list of payment scenarios and payment rates to support your work with producers.

Please contact me with any questions or concerns about the material presented

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