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### Conservation Compliance and Crop Insurance FAQs

Sep 17, 2014

**Q. What is an agricultural commodity?**

A: For conservation compliance purposes, an agricultural commodity is defined as a crop which is planted and produced by annual tilling of the soil, including tilling by one-trip planters, or sugarcane. Vegetable crops that are annually tilled are considered agricultural commodities.

**Q. What are the Highly Erodible Land Conservation (HEL) and Wetland Conservation (WC) provisions?**

A: HELC requires persons, in order to receive certain USDA benefits, to use a Natural Resources Conservation Service (NRCS) approved conservation plan if they plant annually tilled crops or sugarcane on fields determined to be highly erodible. WC makes producers ineligible for certain USDA benefits if they produce an annually tilled crop or sugarcane or make such production possible on a converted wetland.

**Q. Why is eligibility for crop insurance premium subsidy subject to the HELC and WC provisions?**

A: Since the 1985 Farm Bill, eligibility for most commodity, disaster, and conservation programs has been linked to conservation compliance. The 2014 Farm Bill relinks HELC and WC compliance with the premium subsidy paid by the Federal Crop Insurance Corporation (FCIC) under the federal crop insurance program.

**Q. Why is conservation compliance important?**

A: The purpose of conservation compliance is to reduce soil loss due to erosion; protect the Nation's long-term ability to produce food and fiber; reduce sedimentation and improve water quality; and assist in preserving the values, acreage, and functions of the Nation's wetlands.

**Q. Do I need to have a completed certification of compliance, form AD-1026, filed with the Farm Service Agency (FSA) to be eligible for premium subsidy on my crop insurance policies?**

A: Yes, to be eligible for premium subsidy a completed and signed form AD-1026 must be on file with FSA by June 1, 2015 for the 2016 reinsurance year (July 1, 2015 – June 30, 2016), and you, and any affiliated person, must be in compliance with the HELC and WC provisions.

**Q. Who determines if land is highly erodible or a wetland for HELC and WC purposes?**

A: The NRCS makes technical determinations for HELC and WC purposes.

**Q. What is form AD-1026?**

A: Form AD-1026, also called a "certification of compliance," is the form completed to certify compliance with the HELC and WC provisions, and is used by FSA to make referrals to NRCS for highly erodible land and wetland determinations.

**Q. What do I do if I am uncertain about the status of my land regarding HEL or wetlands?**

A: You should contact your local USDA Service Center Office to find out about the status of any determinations regarding HEL or wetlands on your farm(s). When you file your certification of compliance on form AD-1026, FSA will let you know if there are any existing HEL or wetland determinations on your land, and whether NRCS needs to make any evaluations.

**Q. Is there technical assistance available for farmers and ranchers who are subject to the HELC and WC provisions for the first time because of the 2014 Farm Bill?**

A: If you are subject to the HELC and WC provisions for the first time because of the 2014 Farm Bill, you will receive priority for NRCS conservation technical assistance in developing and applying a conservation plan or in making a wetland determination. Please contact your local NRCS office for assistance. To find your local USDA Service Center office, visit <http://offices.sc.egov.usda.gov/locator/app>

**Q. How do I know if I am in compliance with HELC and WC provisions?**

A: If you are currently eligible for commodity, conservation, or disaster programs administered by the FSA or NRCS, you are in compliance with HELC and WC provisions for crop insurance. If you are not sure of your eligibility or you are not participating in any FSA or NRCS commodity, conservation, or disaster program, you can contact your local USDA Service Center office to determine if you are in compliance with the HELC and WC provisions.

**Q. What should I do if I have never participated in any FSA or NRCS commodity, conservation, or disaster program, but want to be eligible for premium subsidy for my crop insurance policies?**

A: You should contact your local FSA Service Center to complete the forms and establish the records necessary to ensure you are in compliance with the HELC and WC provisions. Depending on your specific farming operation, you may be required to obtain a conservation plan or other records from NRCS.

**Q. Can I obtain crop insurance under the federal crop insurance program if I have not completed a certification of compliance, form AD-1026, filed with FSA by June 1, 2015, or I am not in compliance with HELC or WC provisions?**

A: Yes, you may obtain crop insurance, but you will be responsible for the full premium amount for all policies for the 2016 reinsurance year. The FCIC will not pay any premium subsidy on your behalf.

**Q. I only insure my livestock and pasture. I do not insure any annually planted crops, and I do not participate in any FSA or NRCS programs. Do I need to have a completed certification of compliance on form AD-1026 filed with FSA to be eligible for premium subsidy on my livestock and pasture insurance policies?**

A: Yes, to be eligible for premium subsidy on any policy under the federal crop insurance program you must have a completed and signed form AD-1026 on file with FSA by June 1, 2015 to be eligible for premium subsidy for the 2016 reinsurance year and be in compliance with HELC and WC provisions.

**Q. Do I need to provide any forms or documents to my crop insurance agent to show I am in compliance with the HELC and WC provisions? How will my crop insurance agent know if I am eligible for premium subsidy paid by FCIC?**

A: No, you are not required to provide any forms or documents to your crop insurance agent regarding your compliance with the HELC and WC provisions. Your agent will be informed, through the Risk Management Agency (RMA), of your eligibility for premium subsidy based on your compliance with HELC and WC provisions, as determined by FSA and NRCS.

**Q. Will my insurance provider be able to tell me if I am ineligible for premium subsidy before the sales closing date for my crop insurance policy?**

A: Yes. The deadline for filing form AD-1026 is June 1, 2015, to be eligible for premium subsidy for the 2016 reinsurance year. Therefore, any determination of ineligibility will be applicable to crop policies with a sales closing date on or after July 1 through the next June 30.

**Q. Does a violation of the HELC or WC provisions on one of my farms result in ineligibility for premium subsidy only on the crops on that farm or will I be ineligible for premium subsidy on all my crop insurance policies?**

A: A violation of the HELC or WC provisions on any acreage will result in ineligibility for premium subsidy for all crop insurance policies under the federal crop insurance program, unless you meet the requirements for an exemption that limits the ineligibility.

**Q. Are producers still eligible for crop insurance premium subsidies while they are working to come into compliance (wetland and HEL)?**

A: Provided the producer meets the necessary requirements, certain timeframes are provided during which a producer can remain eligible for federal crop insurance premium subsidies if they are taking the required steps to remedy a violation.

**Q. How does ineligibility for premium subsidy impact my Catastrophic Risk Protection (CAT) policy?**

A: You will be responsible for paying the full premium amount for your CAT policy if you are ineligible for premium subsidy. FCIC will not pay any premium subsidy on your behalf.

**Q. If a producer purchases a new farm or starts renting a new farm that is out of compliance, is there a grace period for bringing that farm into compliance?**

A: There is no such specific "grace period." However, if the "out of compliance" situation is a wetland conversion for which the producer was in no way responsible, the producer only needs to not plant an agricultural commodity on the converted wetland. For HEL compliance, if the producer is planting an agricultural commodity on the new farm, they need to do so in accordance with a conservation plan approved by NRCS.

**Q. If a joint venture has a crop insurance policy, do all members of the joint venture listed on the policy have to complete form AD-1026?**

A: Provided the joint venture has filed form AD-1026, a member of the joint venture only has to complete form AD-1026 if the member has a farming interest separate from the joint venture.

**Q. If I previously filed form AD-1026 do I need to refile or is my initial filing still valid?**

A: If you previously filed form AD-1026 it remains in effect. A new form AD-1026 does not need to be filed as long as the answers on the previously filed form AD-1026 have not changed (in other words, the producer is not planning any new activities that have not been evaluated, etc.) and there has been no violation of conservation compliance provisions negating the previously filed form AD-1026.

**Q. If a producer is farming wetland acreage that was converted after 1985 but prior to Feb. 7, 2014, will the producer be eligible for premium subsidy?**

A: Yes, the producer would be eligible for federal crop insurance premium subsidy. Ineligibility for premium subsidy only applies to conversions occurring after Feb. 7, 2014. However, the described situation would affect eligibility for FSA and NRCS program benefits.

**Q. Is grazing land considered an agricultural commodity?**

A: For conservation compliance purposes, an agricultural commodity is a crop planted and produced by annual tilling of the soil, including tilling by one-trip planters, and sugarcane. If what is being grazed is planted and produced by annual tilling of the soil, it is an agricultural commodity.

**Q. Is a crop considered an agriculture commodity if it is planted no-till?**

A: Yes. An agricultural commodity is a crop planted and produced by annual tilling of the soil, including tilling by one-trip planters, and sugarcane.

**Q. Will cover crops have to meet HELC and WC conservation provisions?**

A: All land in which a producer has an interest must be in compliance with the HELC and WC provisions if the producer is seeking any USDA benefit subject to these provisions. For conservation compliance purposes, an agricultural commodity is a crop planted and produced by annual tilling of the soil, including tilling by one-trip planters, and sugarcane. Planting a crop, including cover crops if the crop is allowed to reach maturity or is harvested, that meets the definition of an agricultural commodity on a converted wetland, including a converted wetland within an orchard, vineyard, etc. is a violation of the wetland conservation provisions. The use of nonagricultural commodity cover crops, such as clover or other biennials do not result in noncompliance.

If the wetland was converted after Dec. 23, 1985, such action is a violation of the wetland provisions for FSA and NRCS program purposes, but not for crop insurance purposes. If the wetland was converted after Feb. 7, 2014, such action is a violation for the provisions for FSA, NRCS and crop insurance purposes.

**Q. If someone drains a wetland in a vineyard after Feb. 7, 2014, and then rips out those grape vines to start growing an annual crop and get crop insurance, they are in violation?**

A: In this case, the person would be producing an agricultural commodity on a wetland converted after Feb. 7, 2014, and would be in violation of the conservation compliance provisions.

**Q. What happens to a producer who files form AD-1026 after June 1, 2015?**

A: A person must have form AD-1026 on file with the FSA on or before June 1, 2015, and be in compliance with the conservation compliance provisions to be eligible for federal crop insurance premium subsidy on any crop insurance policy or plan of insurance for the 2016 reinsurance year (July 1, 2015 – June 30, 2016). Any person who does not have form AD-1026 on file with FSA on or before June 1, 2015, can obtain crop insurance, but will be responsible for the full premium amount for all policies and plans of insurance they obtain for the 2016 reinsurance year.

**Q. Should producers be filing form AD-1026 for wildlife food plots?**

A: Any person, and their affiliated persons (if the affiliated person has a separate farming interest), who seeks eligibility for any USDA benefit that is subject to conservation compliance must file form AD-1026.

**Q. Where can I find more information about HELC and WC provisions?**

A: Contact your local USDA Service Center Office for more information. Additional information can be found on-line at <http://www.fs.usda.gov/FSA/webapp?area=home&subject=pme&topic=cce> or [http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/alphabetical/camr/?cid=nrcs143\\_008440](http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/alphabetical/camr/?cid=nrcs143_008440)

#### Contact Information

For more information, contact **John Shea**.