

# WOOL QUALITY IMPROVEMENT FAQs



## WHAT ARE THE PRODUCER ELIGIBILITY REQUIREMENTS TO BE A PART OF THE WOOL QUALITY IMPROVEMENT PROGRAM?

- The location of the sheep operation resides in California, Colorado, Idaho, Montana, Nevada, New York, South Dakota, Utah, or Wyoming.
- Producer provides a W-9
- Producer records are established at the Farm Service Agency (FSA) and a Customer Data Worksheet (AD-2047) is completed.
- Producer submits an FSA current year subsidiary print to NCAT that shows:
  - Producer/Entity name matching program application and W-9
  - Farm/Tract and Field information
  - Highly Erodible Land Conservation (HELC) and Wetland Conservation (WC) Compliance (AD-1026)
  - Producer's certification that they are not a foreign person or entity
- Producer will need to demonstrate they have control of the land for the term of their contract.
- Practices that are, have been, or will be enrolled in other conservation programs (e.g. EQIP, CSP, CRP, Easements) cannot be enrolled in this program if they are located on the same grounds and are within the practice lifespan.
- Producers must participate in the Practice Implementation Fund and complete at least one (1) conservation practice to be eligible to apply to the other two optional fund pools.

## WHAT IS AN FSA SUBSIDIARY PRINT?

A subsidiary report is a document issued by a producer's local [USDA Farm Service Agency \(FSA\)](#) that verifies the producer's Farm Records are established and their self-certification of compliance with Highly Erodible Land Conservation and Wetland Conservation requirements. Because the NCAT Wool Quality Improvement Program is funded by the USDA Natural Resources Conservation Service (NRCS), submission of a subsidiary report is required. The producer/entity name of the subsidiary print must match the producer/entity applying for the program.

## DO THE PROGRAM FINANCIAL FUNDS RECEIVED GO TOWARDS PRODUCER ADJUSTED GROSS INCOME LIMITS AS PART OF THE FARM BILL?

You will receive a 1099 for any funds received from NCAT, using the information on the W-9 you submitted during

program enrollment, and you will need to declare those funds as income in the year received.

Producers participating are not bound by the payment limitations and the adjusted gross income (AGI) limitations that are in place for other USDA programs.

Regarding AGI limitation and the Farm Bill please view [Adjusted Gross Income | Farm Service Agency](#), and review the backside of form [FSA CCC-941 Average Adjusted Gross Income Certification and Consent to Disclosure of Tax Information](#) for more details. Please work with your tax accountant on the implications of receiving program funds on your farm operation.

## WHAT ARE THE WOOL QUALITY IMPROVEMENT PROGRAM APPLICATION STEPS?

1. Producer submits [application](#) on NCAT website.
2. Regional Team reviews producer application. An email from [woolprogram@ncat.org](mailto:woolprogram@ncat.org) will update them on application status and approval.
3. If approved, the producer receives a Producer Agreement that outlines program terms.
4. Producer reviews, signs producer agreement and sends in current year FSA Subsidiary print to [woolprogram@ncat.org](mailto:woolprogram@ncat.org).
5. Once fully enrolled, the regional team will reach out to work with each producer directly to identify operations goals, practice implementation specifics, and which funds they would like to participate in.
6. Producer works with regional team and NCAT project management to sign contract annex for practice implementation fund and each additional fund they elect to participate in.

## WHAT IF I PREVIOUSLY SUBMITTED AN APPLICATION OR WAS ENROLLED IN THE CLIMATE- BENEFICIAL FIBER PARTNERSHIP, DO I NEED TO SUBMIT A NEW APPLICATION?

If your farm or ranch operation—including total acres or number of sheep—has changed by 20% or more since your original application, you must submit a new application. Your operation will be reviewed as a new producer, and applications will be re-evaluated and ranked with no guarantee of program acceptance.

## WHAT ARE THE THREE WOOL QUALITY IMPROVEMENT PROGRAM FUNDS? ARE ANY REQUIRED TO PARTICIPATE IN?

1. The Practice Implementation Fund
2. The Wool Improvement Fund
3. The Market Innovation Fund

Yes, producers must participate in the Practice Implementation Fund and install an approved conservation practice to be eligible to participate in the other two optional funds.

## WHAT PRACTICES ARE ELIGIBLE TO RECEIVE A COST-SHARE AS PART OF THE PRACTICE IMPLEMENTATION FUND?

- Our focused practices for this project are:
  - Conservation Crop Rotation (328)
  - Cover Crop (340)
  - Fence (382)
  - Grazing Management (528)
  - Pasture and Hay Planting (512)
  - Residue and Tillage Management, No Till (329)
  - Residue and Tillage Management, Reduced Till (345)
  - Soil Carbon Amendment (336)
- What are the requirements of the conservation practices?
  - Practices will need to be completed to your state's NRCS specifications found at [Field Office Technical Guide | NRCS - USDA](#) (under section 4)
  - Practices must be approved prior to implementation for reimbursement.
  - Producer signs contract annex that outlines practice implementation scope and reimbursement terms.
  - Producers will need to turn in required paperwork (e.g., seed tags, photos, etc.) as outlined in practice design.
- What are my out-of-pocket expenses to install a conservation practice?
  - Due to this being a reimbursable cost-share program, the up-front cost (any material, labor, etc.) is on the producer. Reimbursement will be made upon completion and certification that the practice meets NRCS specifications.
  - Our cost share rates are based off the NRCS EQIP 2025 rate for the state your operation resides in with an additional 50% reimbursement.

## WHAT ARE THE REQUIREMENTS OF THE WOOL IMPROVEMENT FUND?

Participating producers receive reimbursement for implementing best-practice shearing and wool handling techniques, providing documentation for practices such as:

- Separating belly wool and other off-sorts from the main wool
- Removing wool with high levels of vegetable matter or other contamination
- Sorting high-line wool separately from low-line wool
- Shearing all colored sheep last to prevent fiber contamination

## CAN I PARTICIPATE IN BOTH SPRING AND FALL WOOL IMPROVEMENT FUND?

Yes, however, you can only claim one shearing per sheep a year.

## WHAT IS THE MARKET INNOVATION FUND?

The Market Innovation Fund aims to strengthen the competitiveness of American wool by supporting such things as improved testing, pooled marketing, modern handling technologies, and new market development.

This fund is still under development, and we will be reaching out to enrolled producers and offering new applicants as the fund's parameters are finalized.

## CAN I APPLY TO MORE THAN ONE OF THE PROGRAM FUNDS?

Yes, you can apply for 1, 2, or 3 of the program funds. However, you must participate in the Practice Implementation Fund, but optional funds are the Wool Improvement Fund and/or the Market Innovation Fund.

- Once enrolled in the program, admittance into an optional fund is not guaranteed.
- A separate contract annex will be created by our program staff for each fund you participate in. You will be emailed the contract annex for acceptance and signature.

## WHERE IS THE GRANT FUNDING COMING FROM?

Natural Resources Conservation Service's (NRCS) Advancing Markets for Producers (AMP) Initiative

## CAN I APPLY TO BE IN MORE THAN ONE ORGANIZATION'S AMP GRANT?

The Advancing Markets for Producers (AMP) grants require a producer to certify that they are not receiving funds from other government sources for the same practices on the same acreage, within the lifespan of the practice. Because the AMP grants are administered through USDA NRCS, this restriction would apply to organizations administering them.

## WHAT IS THE LENGTH OF THIS FUNDING?

This project is currently funded until March 2028.

## WHO CAN WE CONTACT FOR MORE INFORMATION?

Wool Quality Improvement Program email:  
[woolprogram@ncat.org](mailto:woolprogram@ncat.org)