

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO FORM CRP-1, CONSERVATION RESERVE PROGRAM CONTRACT

1. DEFINITIONS

The following definitions are applicable to the Conservation Reserve Program (CRP) Contract:

- A. **CRP contract or CRP-1** means the CRP documents including not only form CRP-1, but also the applicable CRP-1 appendix, the conservation plan, any addendums, and the terms of any required easement, if applicable, entered into between the Commodity Credit Corporation (CCC) and the participant. Such CRP contract shall set forth the terms and conditions for participation in the CRP and receipt of CRP payments.
- B. All other words and phrases, unless the context of subject matter otherwise requires, shall have the meanings assigned to them in the regulations governing the Conservation Reserve Program which are found at 7 CFR Part 1410.

2. ELIGIBILITY REQUIREMENTS FOR CONSERVATION RESERVE PROGRAM

- A. By signing the CRP-1, the participant, except in the case of persons qualifying solely as a tenant, certifies that such participant will control the land subject to the CRP contract for the contract period and, if applicable, any easement period, and shall, upon demand, provide evidence to CCC demonstrating that such participant will control the land for that period.
- B. Except as allowed by law, land otherwise eligible for the CRP shall not be eligible, except as agreed otherwise by CCC, in writing, if the land is subject to a deed or other restriction prohibiting the production of agricultural commodities or where a benefit has or will be obtained from a Federal agency in return for the participant's agreement not to produce such commodities on the land during the same time as the land would be enrolled in the CRP. By offering land for enrollment, the participant certifies as a condition for payment that no such restrictions apply to such land.

3. RESTRICTIONS ON PAYMENTS TO FOREIGN PERSONS

- A. Any person who enters into this CRP contract at any time, who is not a citizen of the United States or an alien lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et. seq.), shall be ineligible to receive any payments under this CRP contract unless such person meets the requirements of 7 CFR Part 1400, which shall be applicable to this CRP contract.

4. AGREEMENT

A. The participant agrees:

- (1) That form CRP-2, CRP-2C, or CRP-2G, as applicable, and CRP-1 shall be considered an offer to enter into the CRP on the terms specified on the CRP contract. The offer, until revoked, may be accepted by CCC, provided further that liquidated damages may apply in the case of a revocation as specified elsewhere in this Appendix or 7 CFR Part 1410;
- (2) To place eligible land into the CRP for a period of 10 years, or as agreed to by CCC for a longer period not to exceed 15 years from the effective date of the CRP contract executed by CCC;

- (3) To comply with the terms and conditions of this CRP contract, including implementing the conservation plan in accordance with the schedule of dates in such conservation plan;
- (4) To establish and maintain the practices agreed to on the CRP-1 and in the conservation plan;
- (5) Not to harvest or sell, nor otherwise make commercial use of, trees or forage (except where authorized for CRP-Grasslands) or other cover on the land subject to this CRP contract including the shearing or shaping of trees for future use as Christmas trees; however, CCC may, in its discretion and only in writing or by publication intended for a general allowance for land enrolled in CRP in particular States or regions, permit, in certain emergencies, certain commercial uses as specified by CCC, which uses may be conditioned on a reduction in CRP payments otherwise payable under this CRP contract;
- (6) Not to undertake any action on land under the participant's control which tends to defeat the purposes of this CRP contract, as determined by CCC;
- (7) To annually certify crop and land use for the farm with the CCC on the appropriate form, accurately listing all land enrolled in CRP on the farm, not later than the final reporting date determined and announced by the Farm Service Agency or successor agency;
- (8) To control on land subject to this CRP contract all weeds, insects, pests and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the approved cover is adequately protected and to provide such maintenance as necessary to avoid an adverse impact on surrounding land, taking into consideration water quality, wildlife and other factors;
- (9) Not to disturb the approved cover during the primary nesting season, except as approved by CCC;
- (10) To annually file required forms as requested by CCC for payment limitation determinations; provided, that annual rental payments shall be attributed towards the \$50,000 annual payment limitation; further, that for purposes of the annual payment limitation for each participant, incentive payments, except for Practice Incentive Payments and incentive payments to encourage proper tree thinning and other practices to improve the condition of resources, promote forest management, or enhance wildlife, shall be attributed towards the \$50,000 annual payment limitation; provided further, that Signup Incentive Payments shall also be attributed towards such \$50,000 annual payment limitation and shall be attributed to the Fiscal Year in which the participant's CRP contract was approved by CCC;
- (11) To file applicable forms required by CCC for Adjusted Gross Income determinations;
- (12) That it is understood that any payment or portion thereof due any participant will be made by CCC without regard to any question of title under State law, and without regard to any claim or lien which may be asserted by a creditor, except agencies of the U. S. Government; provided further that offsets for debts owed to agencies of the U. S. Government shall be made prior to making any payments to participants or their assignees;
- (13) To perform management activities specified in the conservation plan;
- (14) To carry out thinning and similar conservation practices, as specified in the conservation plan, to enhance the conservation benefits and wildlife habitat resources applicable to the CRP practice, and to promote forest management on land devoted to trees, excluding windbreaks and shelterbelts;
- (15) To comply with noxious weed laws of the applicable State or local jurisdiction on land subject to this CRP contract; and
- (16) That the participant is jointly and severally liable, if the participant has a share of the annual rental payment greater than zero, with the other participants on this CRP contract, for compliance with the provisions of such CRP contract, and for any refunds or payment adjustments that may be required for violations of any of the terms and conditions of this CRP contract.

B. CCC agrees:

- (1) When CCC determines that cost-sharing is appropriate and in the public interest, to share the cost with owners and operators of installing an eligible CRP practice agreed to on the CRP-1 and in the conservation plan, except that, in no case may the CCC cost exceed an amount equal to 50 percent of the price at which the land placed in the CRP could be sold for use as farmland at the time at which this CRP contract is signed by the participant, unless the CCC otherwise approves in writing such amount, provided further, that such approval must specifically reference the particular land enrolled in the CRP under this CRP contract;
- (2) To pay the agreed-upon annual rental payment, including any related incentive payment if applicable, based upon the shares specified on the CRP-1 for a period of years not in excess of the contract period;
- (3) To pay to the participant, to the extent required by CCC regulations, an interest penalty on any payments not made by the date, as determined by CCC, that the payment is due;
- (4) To make annual rental payments after October 1 of each year of the contract period.
- (5) To make other payments not listed above, as appropriate and applicable.

5. CONSERVATION PLAN**A. Subject to the approval of CCC, the conservation plan will include the following information and requirements:**

- (1) The CRP practice and approved cover to be established on the land subject to this CRP contract.
- (2) A tree planting plan or forest stewardship plan, developed in cooperation with the Forest Service or State Forestry Agency, if trees are to be established as the approved cover on the land subject to this CRP contract.
- (3) A schedule of operations, activities, and completion dates for establishment of the approved cover on the land subject to this CRP contract.
- (4) The level of environmental benefits which must be attained on the land subject to this CRP contract.
- (5) Any other practices required for the establishment and maintenance of the approved cover on the land subject to this CRP contract including control of weeds, insects, pests, and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the approved cover is adequately protected, and such maintenance as necessary to avoid an adverse impact on surrounding land as determined appropriate by CCC, taking into consideration the needs of water quality, wildlife concerns, and other factors.
- (6) The approved cover will not be disturbed during the primary nesting season except as approved by CCC.
- (7) Management activities described in paragraph 6 of this Appendix.

B. By signing the conservation plan, the participant agrees to implement the CRP practices specified in such conservation plan on the land subject to this CRP contract.**6. MANAGEMENT ACTIVITIES**

Except for land enrolled under a CRP-grassland sign-up, management activities designed to ensure plant diversity and wildlife benefits while ensuring protection of the soil and water resources must be conducted as needed throughout the contract period as specified in the conservation plan. However, the planned management activity is not required to be completed in the case where a natural disaster or adverse weather event occurs that has the same effect of the planned management activity, as determined by CCC. CCC will not provide any cost-share payment for any management activities.

7. COST-SHARE PAYMENTS

- A. CCC cost-share payments shall be made available upon a determination by CCC that an eligible practice, or an identifiable unit thereof, has been established in compliance with the conservation plan and with appropriate standards and specifications.
- B. CCC will not make cost-share payments in excess of 50 percent of the actual or average cost of establishing the eligible practice agreed to on the CRP-1 and in the conservation plan, as determined by CCC. It is understood that:
- (1) all cost-share payments from all sources must be reported to CCC, and that a reduction in the CCC cost-share payment may be made if there are other cost-share payments received; provided further that such reductions will be made to the extent required or allowed by the CRP regulations;
 - (2) CCC cost-share payments, including practice incentive payments, made to a participant will not exceed the participant's actual contribution to the eligible costs of installing the practice;
 - (3) CCC will not make cost-share payments with respect to this CRP contract if any other Federal cost-share assistance has been, or is being, made with respect to the land subject to this CRP contract, provided further that participant must refund to CCC all cost-share payments received if other Federal cost-share assistance is received with respect to the land subject to this CRP contract;
 - (4) the amount of the CCC cost-share payments, including practice incentive payments, may not be an amount that, when added to such assistance from other sources, exceeds 100 percent of the actual cost of installing the practice;
 - (5) cost-share payments for eligible seed related to the establishment of approved cover will not exceed 50 percent of the actual cost of the eligible seed mixture; and
 - (6) a practice incentive payment may be made available, in accordance with CRP regulations and policies, to a participant to whom CCC has made a cost-share payment, after a determination by CCC that an eligible CRP practice, or an identifiable unit thereof if approved by CCC, has been installed in compliance with the appropriate standards and specifications; provided further that the practice incentive payment will be considered a cost-share payment.
- C. Except as otherwise provided for in CRP regulations, cost-share assistance may be made available under the CRP only for the installation of an eligible CRP practice agreed to on the CRP-1 and in the conservation plan. In order to receive cost-share assistance, the participant, upon completion of the practice, must file the appropriate form approved by CCC, for approval by CCC.

8. PROVISIONS RELATING TO TENANTS AND LANDLORDS

- A. Payments shall not be paid under this CRP contract if CCC determines that:
- (1) The landlord or operator has:
 - (a) when the acreage offered is not enrolled in the CRP at the time of signup:
 - (i) not provided the operator and tenants who have an interest in the acreage being offered at the time of signup an opportunity to participate in the benefits of the CRP; or
 - (ii) reduced the number of tenants on the farm as a result of, or in anticipation of, enrollment in the CRP.
 - (b) when the acreage offered is enrolled in the CRP at the time of signup, not provided tenants with an interest in the CRP contract acreage an opportunity to participate in the benefits of the CRP if:
 - (i) the tenants are otherwise involved in farming other acreage, as determined by CCC, on the farm at the time of signup; or
 - (ii) the tenants have an interest in the acreage being offered on the effective date of the new CRP contract.

(2) The landlord or operator has deprived any tenant of any benefits to which such tenant would otherwise be entitled.

If any conditions identified in 8.A (1) or (2) occur or are discovered after payments have been made, all or any part of such payments, as determined by CCC, must be refunded with interest and no further payments will be made.

- B.** After this CRP contract is approved, the operator or tenant may, with the approval of CCC, be replaced for purposes of this CRP contract and for payments to be made under this CRP contract if such tenant or operator, as determined by CCC:
- (1) terminates their tenancy voluntarily or for some reason other than being forced to terminate their tenancy by the landowner or operator in anticipation of, or because of, participation in the CRP;
 - (2) fails to maintain tenancy, as determined by CCC, throughout the contract period;
 - (3) files for bankruptcy and the trustee or debtor in possession fails to affirm this CRP contract;
 - (4) dies during the contract period and the administrator of the operator or tenant's estate (or a similar person with authority to administer the affairs of the operator or tenant) fails to succeed to this CRP contract within the time required by CCC; or
 - (5) was removed for cause, as determined by CCC.
- C.** The removal of an operator or tenant from a CRP contract shall not release the operator or tenant from liabilities for actions arising before such removal.

9. ERRONEOUS REPRESENTATION AND SCHEME AND DEVICE

- A.** A participant who is determined to have erroneously represented any fact affecting a determination with respect to this CRP contract or a determination made by CCC pursuant to CRP regulations, adopted any scheme or device which tends to defeat the purposes of this CRP contract, or made any fraudulent representation with respect to this CRP contract will not be entitled to payments or any other benefits made in accordance with this CRP contract and the participant must refund to CCC all payments received by such participant, plus interest and liquidated damages thereon, with respect to this CRP contract. Such liquidated damages will be determined in accordance with paragraph 10 of this Appendix.
- B.** Unless CCC regulations provide otherwise, refunds determined to be due and owing to CCC in accordance with this CRP contract will bear interest at the rate which CCC was required to pay for its borrowings from the United States Treasury on the date of the disbursement by CCC of the monies to be refunded. Interest will accrue from the date of such disbursement by CCC.
- C.** The remedies provided under paragraph 9A of this Appendix shall be applicable in addition to any remedies under criminal and civil fraud statutes, including 18 U.S.C. 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other remedy available under law.

10. LIQUIDATED DAMAGES

It is mutually agreed that in the event this CRP contract is breached by the participant, the CCC will suffer substantial damages which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments received plus interest due for breach of contract prescribed in this CRP contract, the participant agrees to pay an amount equal to the product obtained by multiplying: (1) 25 percent of the rental payment rate per acre on the CRP-1 by, (2) the number of acres on which the breach of contract occurred, as determined by CCC. Such amount shall be due as liquidated damages in addition to such other damages or amounts as may be due, and not as a penalty.

11. NOTIFICATION OF CHANGES TO TERMS AND CONDITIONS OF THE CONTRACT

CCC agrees that, if any changes of any terms and conditions of this CRP contract, including changes necessary to reconcile the practices listed on the CRP-1 to those specified in the conservation plan, become necessary prior to the date that this CRP contract is approved on behalf of CCC, CCC will notify the persons signing the CRP-1 of such change and such person will be given 10 days from the date of notification in which to agree to the revised terms and conditions or to withdraw from the offer. The participant agrees to notify the CCC of an intention to withdraw from the offer within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC will constitute agreement to the revised terms and conditions.

12. CORRECTIONS

CCC reserves the right to correct all errors arising from entering data or computations in this CRP contract.

13. TERMINATION OF CONTRACT; JOINT LIABILITY

If a participant fails to carry out the terms and conditions of this CRP contract but CCC determines that such failure does not warrant termination of this CRP contract in whole or in part, CCC may require such participant to refund, with interest, payments received under this CRP contract, or require the participant to accept such adjustments in the subsequent payment as are determined to be appropriate by CCC. Participants that sign this CRP contract with zero percent interest in the annual rental payment shall not be held responsible for contract compliance.

14. CONTRACT MODIFICATIONS

A. CCC may modify this CRP contract to add or substitute certain practices when:

- (1) The installed practice failed to adequately control erosion through no fault of the participants;
- (2) The installed practice has deteriorated because of conditions beyond the control of the participants; or
- (3) Another practice will achieve at least the same level of environmental benefits.

B. Concurrence of NRCS and the conservation district may be obtained by CCC when modifications to this CRP contract involve a technical aspect of a participant's conservation plan.

C. CCC may modify this CRP contract at any time by reducing the number of acres enrolled under this CRP contract if CCC determines that doing so is necessary to remain in compliance with any statutorily-set maximum number of acres that can be enrolled in the CRP during any fiscal year(s), in a manner that CCC determines is in the best interest of the CRP. This provision does not apply to acreage enrolled in CRP pursuant to a Conservation Reserve Enhancement Program agreement.

15. EFFECTIVE DATE AND CHANGES TO CRP CONTRACT

A. Within the dates established by CCC, the CRP contract must be signed by all required participants.

B. This CRP contract is effective when, as determined by CCC, it has been signed by the participants and an authorized representative of CCC. Except as otherwise determined by CCC, as permitted by regulations or other law, this CRP contract may not be revoked or revised unless by mutual agreement of the participants and an authorized representative of CCC. If, after the effective date of this CRP contract, CCC determines that any portion of the land subject to this CRP contract was erroneously enrolled or otherwise ineligible for enrollment, CCC may terminate this CRP contract in whole or in part. Such termination shall not affect payments already made to the participants as of the time of termination.

C. In the event that a statute is enacted during the period of this CRP contract which would materially change the terms and conditions of this CRP contract, the CCC may require the participants to elect between acceptance of modifications in this CRP contract consistent with the provisions of such statute or termination of this CRP contract.

16. TRANSFER OF LAND

A. If a new owner or operator purchases or obtains the right and interest in, or right to occupancy of, the land subject to this CRP contract, such new owner or operator, upon the approval of CCC, may become a participant to this CRP contract with CCC under the same terms and conditions covering such transferred land.

B. With respect to the transferred land, if the new owner or operator becomes a successor to this CRP contract, the new owner or operator shall assume all obligations under this CRP contract of the previous participant, unless otherwise approved by CCC.

- C. If the new owner or operator becomes a successor to this CRP contract with CCC:
- (1) Cost-share payments shall be made to the participant who installed the practice; and
 - (2) Annual rental payments to be paid during the fiscal year when the land was transferred shall be divided between the participants, as determined by CCC.
- D. The participant certifies that no person has, or will, obtain an interest in the property that would render the new owner or operator to be ineligible to succeed to this CRP contract under the provisions of this paragraph. The existence or acquisition of such an interest by another person shall be considered a breach of this CRP contract for which the CCC may terminate this CRP contract and enforce the remedies provided in this Appendix.
- E. If a participant transfers all or part of the right and interest in, or right to occupancy of, the land subject to this CRP contract, and the new owner or operator does not become a successor to such contract within 60 days, or such other time as determined appropriate by CCC, of such transfer, such contract will be terminated with respect to the affected portion of such land and the original participant must:
- (1) Forfeit all rights to any future payments with respect to such land;
 - (2) Refund all or part of the payments made with respect to such contract plus interest thereon, as determined by CCC; and
 - (3) Pay liquidated damages to CCC as specified in paragraph 10 of this Appendix.

17. REGULATIONS TO PREVAIL

The regulations in 7 CFR Part 1410 for the CRP are incorporated herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.

Paperwork Reduction Act (PRA) Statement: *The information collection is exempted from the Paperwork Reduction Act as specified in 16 U.S.C. 3846(b)(1). The provisions of appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.*

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