

For: State and County Offices

CRP 1-Year Contract Extensions

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A Background

On June 4, 2014, the Secretary announced that certain CRP participants with CRP contracts that are scheduled to expire on September 30, 2014, may modify all or part of that contract to extend the expiration date for a 1-year period at the same per acre payment rate. No general signup is scheduled for FY 2014.

CRP contracts on about 2 million acres are currently scheduled to expire on September 30, 2014.

A 1-year extension signup is authorized beginning June 9, 2014, through August 8, 2014, for certain expiring general signup CRP-1's.

B Purpose

This notice provides the following:

- policy for contract modifications to extend the expiration date for 1 year
- policy for early land preparation
- an example of CRP-1F Addendum (Exhibit 1)
- an example of the letter, mailed from Kansas City, to CRP participants with contracts expiring September 30, 2014 (Exhibit 2).

C Extension Signup Period

Participants may submit requests to extend by filing CRP-1F Addendum's from June 9, 2014, through August 8, 2014, to modify eligible CRP-1's to extend the expiration date.

| Disposal Date | Distribution |
|----------------------|--|
| January 1, 2015 | State Offices; State Offices relay to County Offices, NRCS Offices, and State CREP Partnering Agencies |

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2 Voluntary Modification to the CRP Contract

A General Provisions

All participants with CRP-1's scheduled to expire September 30, 2014, will receive a letter (Exhibit 2) that Kansas City will mail informing them of the opportunity to extend expiring CRP contracts.

The following provisions apply to CRP-1 modifications to extend the expiration date for 1 year.

- All eligible signatories on CRP-1, or their duly-appointed representative, shall sign CRP-1F Addendum (Exhibit 1). CRP-1F Addendum requires continuing the terms and conditions of CRP-1 through September 30, 2014. COC is authorized to accept late-filed CRP-1F Addendum's through September 30, 2014, only in occurrences when CRP-1F Addendum is also approved by September 30, 2014.

Exception: COC may determine **not** to require a tenant's signature on CRP-1F Addendum if the tenant:

- no longer has a right in interest to the land, such as a written lease for the time period of CRP-1F Addendum or a maintenance agreement (not necessarily written) with the landlord
- is not otherwise involved in farming other acreage on the farm.

When the tenant's signature is **not** required on CRP-1F Addendum, the full rental payment may be made to the landowner.

- The 1-year modification is only available to certain participants on acreage that expires from CRP on September 30, 2014.
- Eligible participants may extend all or a portion of the acreage expiring from CRP on September 30, 2014; however, no new acreage may be added.
- In no case shall CRP-1F Addendum be approved that would have the effect of a contract with a duration, in the aggregate, exceeding 15 years.
- Participants must obtain a modified conservation plan.

B No Liquidated Damages

Participants may cancel the 1-year modification agreement on or before September 30, 2014, without assessment of liquidated damages. Agreements terminated after this date are considered contract terminations and are subject to standard termination policy in 2-CRP, paragraph 571.

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3 Provisions for Contracts Not Eligible for Extensions

A Re-Enrollment or Early Land Preparation

CRP participants with CRP-1's that are **not** eligible for the 1-year extension may:

- offer the land expiring from CRP on September 30, 2014, for re-enrollment under continuous signup criteria, provided all other eligibility requirements are met (2-CRP, paragraph 181)
- beginning July 1, or May 1 for arid areas, for certain CRP contracts scheduled to expire September 30, 2014, destroy the cover on certain acreage before the CRP-1 expiration to prepare a seedbed for fall-seeded crops according to 2-CRP, paragraph 637.

Notes: CRP participants who perform early land preparation in the last year of the CRP contract or that have destroyed their cover are **not** eligible to extend their CRP contract.

Participants who perform early land preparation after submitting an offer to extend their CRP contract will void the extension offer and may be considered to be in violation of the CRP contract.

B HEL and WC Requirements

Land that is enrolled under a CRP contract that is scheduled to expire September 30, 2014, and which is **not** extended or re-enrolled under continuous signup, may be subject to HELC and WC **provisions** in 6-CP.

FSA is **not** responsible for environmental compliance in cases where the land is no longer enrolled under CRP and, therefore, not subject to CRP requirements.

Notes: NRCS may be obligated to perform an environmental review in certain cases including, for example, converting cover for HEL to crop production or other use.

Producers may want to maintain the conservation benefits accrued during the life of the CRP contract. Producers should be informed of other FSA, NRCS, and USDA conservation programs that may assist the producer's transition to agricultural production systems that will protect the natural resources.

C Base Acre Reductions for Expiring Contracts

Base acres may have been reduced at the time the land was enrolled in CRP. CRP participants must contact their local County Office to request re-instatement of those base acres, if applicable.

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4 Expiring Contract Reports and Letters

A Expiring CRP Contract Letters

Kansas City will be mailing letters directly to producers with CRP-1's scheduled to expire September 30, 2014. The same letter will be sent for each of the following expiring CRP-1's:

- general signup CRP-1's generally eligible for the 1-year extension
- general signup CRP-1's **not** eligible for the 1-year extension
- continuous signup CRP-1's generally eligible for re-enrollment under the restarted continuous signup.

The letter will **not** include information about which of the 3 categories are individual CRP-1's. Each participant will only receive 1 letter for each county in which they have expiring CRP contracts administered.

Letters will be mailed:

- without listing the unique CRP contract number information for each producer on the letter, unlike the letters sent in previous years' mailings
- for each producer with shares greater than zero, for up to the first 5 producers, with the highest shares on each applicable CRP-1 (Exhibit 2)
- with the administrative county mailing address shown as the return address. County Offices must use alternative producer notification measures **promptly** for all returned letters.

B Reports

The "2014 Expiring CRP Contract Letter Mailing Recipients" list will be posted on the CRP SharePoint site at <https://fsa.sc.egov.usda.gov/states/cepd/crp/default.aspx> by June 9, 2014.

This list will allow County Offices to tell producers if they will receive an extension offer.

For producers requesting early land preparation before letters are available, County Offices may use the lists to inform the producer if they are eligible for a contract extension.

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5 Action

A Kansas City Action

Kansas City shall:

- notify all CRP participants with CRP-1's expiring on September 30, 2014 (Exhibit 2)
- provide a list to County Offices through the CRP SharePoint site containing the names of all CRP participants to whom the letter in Exhibit 2 was sent.

B State Office Action

State Offices shall:

- forward copies of this notice to NRCS State Offices
- ensure that County Offices follow the provisions of this notice.

C County Office Action

County Offices shall:

- follow the provisions of this notice
- review the list provided by Kansas City through the CRP SharePoint site at <https://fsa.sc.egov.usda.gov/states/cepd/crp/default.aspx> to ensure that all CRP participants with contracts eligible for this extension were notified
- when software is available and letters are printed, ensure that all participants on the "CRP Contract Extension Offers" list receive the appropriate letter
- print CRP-1F Addendum for 1-year extensions from the forms web site at <http://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp>
- process 1-year extensions in Conservation Contract Maintenance System (CCMS) according to Section 10, 1-Year Extensions, in the CCMS User Guide.


CRP-1F Addendum

The following is an example of CRP-1F Addendum.

| | | | |
|--|----------------------------------|---|--|
| This form is available electronically. | | | |
| CRP-1F Addendum (06-05-14) | | U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation | |
| CRP-1 MODIFICATION TO EXTEND THE CONTRACT EXPIRATION DATE FOR 1 YEAR | | 1A. State Code | 1B. County Code |
| | | 2. Contract Number | |
| | | 3. Farm Number | |
| 4. TERMS TO EXTEND EXPIRATION DATE OF THE CRP-1 CONTRACT | | | |
| This contract modification is entered into by the Commodity Credit Corporation (CCC) and the undersigned participant(s) of the Conservation Reserve Program (CRP) under the contract in Item 2 above. | | | |
| By signing this contract modification, the participant(s) and CCC agree: | | | |
| <ul style="list-style-type: none"> to extend the expiration date of the CRP contract identified in Item 2 above to September 30, 2015. to continue to comply with the terms and conditions of the cited contract as contained in the corresponding CRP-1, CRP-1 Appendix, and any addendum thereto. to extend the lifespan of all CRP practices established for the contract identified in Item 2 above for 1 year longer than indicated on AD-245, page 2 or for 1 year longer than was agreed to under other extension provisions, whichever results in the later date. | | | |
| It is so agreed and understood. | | | |
| 4A. Participant's Name <i>(Printed)</i> | 4B. Participant's Signature (By) | 4C. Title/Relationship of the Individual Signing in the representative capacity | 4D. Date <i>(MM-DD-YYYY)</i> |
| 4E. Participant's Name <i>(Printed)</i> | 4F. Participant's Signature (By) | 4G. Title/Relationship of the Individual Signing in the representative capacity | 4H. Date <i>(MM-DD-YYYY)</i> |
| 4I. Participant's Name <i>(Printed)</i> | 4J. Participant's Signature (By) | 4K. Title/Relationship of the Individual Signing in the representative capacity | 4L. Date <i>(MM-DD-YYYY)</i> |
| 4M. Participant's Name <i>(Printed)</i> | 4N. Participant's Signature (By) | 4O. Title/Relationship of the Individual Signing in the representative capacity | 4P. Date <i>(MM-DD-YYYY)</i> |
| 5A. Signature of CCC Representative | | 5B. Date <i>(MM-DD-YYY)</i> | 6A. County FSA Office Name and Address <i>(Including ZIP Code)</i> |
| | | | 6B. Telephone No. <i>(Including Area Code)</i> |
| NOTE: <i>The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a – as amended). The authority for requesting the information identified on this form is 7 CFR Part 1410, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Agricultural Act of 2014 (Pub. L. 113-79). The information will be used to determine eligibility for a modification to extend an existing CRP contract. The information collected on this form may be disclosed to other Federal, State, Local government agencies, Tribal agencies, and nongovernmental entities that have been authorized access to the information by statute or regulation and/or as described in applicable Routine Uses identified in the System of Records Notice for USDA/FSA-2, Farm Records File (Automated). Providing the requested information is voluntary. However, failure to furnish the requested information will result in a determination of ineligibility for a modification to extend an existing CRP contract.</i> | | | |
| <i>This information collection is exempted from the Paperwork Reduction Act as specified in the Agricultural Act of 2014 (Pub. L. 113-79, Title II, Subtitle G, Funding and Administration). The provisions of criminal and civil fraud, privacy, and other statutes may be applicable to the information provided. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.</i> | | | |
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| <i>If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter by mail to U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov. USDA is an equal opportunity provider and employer.</i> | | | |

Participant Notification Letter

The following is an example of the letter Kansas City is mailing to CRP participants with contracts expiring on September 30, 2014.



United States Department of Agriculture

Farm and Foreign
Agricultural
Services

Farm Service
Agency

Farm Programs

Conservation and
Environmental
Programs Division

1400 Independence
Avenue, SW
Stop 0513
Washington, DC
20250-0513

Voice: 202-720-6221
Fax: 202-720-4619

June 9, 2014

Dear CRP Participant:

The purpose of this letter is to inform you that one or more of your Conservation Reserve Program (CRP) contracts(s) is scheduled to expire September 30, 2014. Secretary Tom Vilsack recently announced that CRP participants with contracts scheduled to expire on September 30, 2014, will be offered one or more of the following options:

1. 1-Year Extension. If you have a general CRP contract scheduled to expire on September 30, 2014, that is 14 years or less you may submit a request to extend the expiration for an additional year. The 1-Year Extension extends the contract expiration for an additional year under the same terms and conditions as the current expiring CRP contract(s), including the rental rent per acre of the expiring contract. General sign-up contracts which are already 15 years in length are not eligible for the 1-Year Extension. The sign-up for the 1-Year Extension is June 9, 2014, through August 8, 2014.

2. Re-enrollment. All or a portion of your expiring CRP contract may also be eligible to be re-enrolled into either the CRP under a 10- to 15-year continuous signup contract or the Transition Incentive Program (TIP), provided certain eligibility requirements are met. TIP is a voluntary program that allows the transition of expiring CRP land from a retired or retiring owner or operator to a beginning or socially disadvantaged farmer or rancher who agrees to return land to production for sustainable grazing or crop production. TIP provides annual rental payments for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

A new CRP continuous signup or TIP contract would become effective on October 1, 2014. To ensure this acreage can be re-enrolled, please submit an offer at your local FSA office before September 12, 2014. For TIP, CRP participants must enroll the expiring CRP contract in TIP by September 30, 2014.


3. Contract Expiration. If you do nothing, your CRP contract will expire. You will receive your final payment in October 2014. You may plant, graze or hay the acreage after September 30, 2014. Before planting, check to see if your land may be subject to conservation and wetland compliance provisions.

If you are looking for longer term conservation protection on your CRP land ask NRCS about its Agricultural Conservation Easement Program. This program provides an opportunity to provide long term protection on wetland or grassland acres and on agriculture working lands. If you are choosing to convert your CRP land to agriculture use, contact NRCS to see what other financial and technical assistance may be available to address your future natural resource needs.

For more information about your expiring CRP contract(s) and your options you should visit with your local Farm Service Agency (FSA) office. After contract expiration, it may be possible to have some or all of your base acres re-instated for future farm program usage. Expired CRP contract acres that were devoted to trees will no longer be considered cropland and may be ineligible for subsequent CRP contracts and other farm programs.

Please contact your local Farm Service Agency office, or visit www.fsa.usda.gov for further information.

Sincerely,



Juan M. Garcia
Administrator

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