

**UNITED STATES DEPARTMENT OF AGRICULTURE**

Farm Service Agency  
Washington, DC 20250

**Notice CRP-774**

**For:** State and County Offices

**Early Contract Termination (“Early Out”) Provisions**

**Approved by:** Deputy Administrator, Farm Programs



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**1 Overview**

**A Background**

The Agricultural Act of 2014 requires that the Secretary offer producers the opportunity for an “early out” for certain CRP contracts during FY 2015, if those contracts have been in effect for at least 5 years. On June 5, 2014, USDA announced in FR the intent to offer “early outs”.

The “early out” option will be available to CRP participants with acreage devoted to certain practices that meet eligibility criteria. The signup period for CRP participants to terminate acreage under the “early out” provisions is August 6, 2014, through January 30, 2015. Effective dates for “early outs” shall be **no** earlier than October 1, 2014.

**B Purpose**

This notice provides:

- policy on “early outs”
- instructions for using the Tool for Environmental Resource Results Assessment (TERRA) to determine eligibility for “early outs”
- instructions for completing CRP-41, Conservation Reserve Program Early Termination Agreement.

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Disposal Date	Distribution
February 1, 2015 8-6-14	State Offices; State Offices relay to County Offices

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## 2 “Early Out” Policy

### A Eligible Contracts

Contracts **must** be in effect for at least 5 years to be eligible for termination-under the “early out” provisions. **Only** CRP contracts with effective dates of October 1, 2009, or earlier (CRP signups 38 and prior) are eligible for termination under the “early out” provisions.

### B Eligible Practices

The following practices are eligible for termination under the “early out” provisions:

- CP1, Establishment of Permanent Introduced Grasses and Legumes
- CP2, Establishment of Permanent Native Grasses
- CP3, Tree Planting
- CP10, Grass Already Established
- CP11, Trees Already Established.

**Note:** All other practices are **not** eligible for “early outs”.

### C Ineligible Land

The following land is **not** eligible for termination under the “early out” provisions:

- land that is located within an average of 120 feet of a perennial stream or other permanent water body

**Note:** A perennial stream is a stream that contains water throughout the year. Other permanent water bodies include a lake or pond that provides at least a seasonal flow of surface water from the water body off the farm.

- land with an erodibility index (EI) greater than 15
- land located within a federally designated wellhead protection area
- land that is covered by an easement under CRP
- land enrolled under CREP.

**Example:** The CRP participant has 40 acres enrolled under CRP contract as CP1, Introduced Grass. The entire 40 acres has an average EI of 18. Even though the practice is eligible, the contract is **not** eligible for “early out” because the land has an EI greater than 15.

**Note:** See subparagraph 3 A for instructions for determining eligibility using TERRA.

2 “Early Out” Policy (Continued)

**D General Provision**

The following are general provisions for acreage terminated under the “early out” provisions:

- CRP participants shall file CRP-41 to request terminations under “early out” provisions (see subparagraph 3 B for instructions to complete CRP-41)
- CRP participants may request to terminate all or any portion of the eligible acreage under CRP contract under “early out” provisions

**Note:** Measurement service is available at the participants’ expense for partial acreage terminations under “early out” provisions. Practices **not** eligible for early out may be terminated according to 2-CRP, subparagraph 571 B. Refunds of all annual rental payments and C/S payments, plus interest and liquidated damages, shall apply.

- the effective date of the termination under “early out” provisions shall be **no earlier** than **October 1, 2014**, and **no later** than **September 30, 2015**
- a prorated payment reduction will apply from the effective date of the termination through September 30, 2015
- mid-contract management activities scheduled in FY 2015 are **not** required for contracts with approved CRP-41’s for “early out”
- payment reductions for noncompliance before the termination under “early out” provisions, if applicable, shall be reduced from the final annual rental payment
- early land preparation provisions, according to 2-CRP, paragraph 637, may be requested along with land that will be terminated under the “early out” provisions
- “early out” will **not** affect the ability of the owner or operator that requested the “early out” to submit a subsequent offer to enroll the land that was subject to the CRP contract into CRP
- after COC approval, CRP-41 is irrevocable.

**E Payments**

Final payment on the acreage terminated under “early out” provisions shall be:

- prorated from the effective date of the termination through September 30, 2015
- disbursed after October 1, 2015, during the regular payment cycle for CRP annual rental payments.

## 2 “Early Out” Policy (Continued)

### E Payments (Continued)

Do **not** take action in the Conservation Contract Maintenance System (CCMS) on CRP-41 until updated software is received. Further instructions will be provided.

### F Conservation Plans

County Offices shall instruct landowners requesting “early out” for agricultural purposes to meet with NRCS about proposed land use activities that may impact their eligibility for other USDA benefits.

Participants approved for “early out” **must** maintain an applied conservation system or haying or grazing plan until the effective date of the “early out”. 6-CP provisions apply on acreage terminated under “early out” provisions if the producer intends to receive certain other USDA benefits.

### G Acreage Reporting Requirements

For FY 2015, participants shall report acreage terminated under “early out” provisions on FSA-578 according to 2-CP, based on the actual use, **not** as CRP acreage.

End year dates, as provided for in 2-CP, shall be removed on **all** released acreage.

### H Reinstating Crop Acreage Bases

Crop acreage bases shall be reinstated effective the date of the “early out”.

## 3 Using TERRA and CRP-41

### A Instructions for Using TERRA

Determine eligibility using TERRA according to the following table.

See the TERRA\_4-1-4\_User\_Guide\_Final located at <https://fsa.sc.egov.usda.gov/states/cepd/userguides/default.aspx>.

Step	Action
1	Open TERRA.
2	Load the Wellhead Protection Area layer.
3	Create a scenario by digitizing polygons to “early out” of CRP contract.
4	Select “Cropland” as the sub-portion type.
5	Select 1 of the eligible “early out” practices (CP1, CP2, CP3, CP10, or CP11).
6	Visually inspect and ensure that the polygons are <b>not</b> within a Wellhead Protection Area.
7	Visually inspect and ensure that the polygons are <b>not</b> within 120 feet of a permanent water body.

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### 3 Using TERRA and CRP-41 (Continued)

#### A Instructions for Using TERRA (Continued)

Step	Action
7a	Users may also use the “Measure” tool or create a 120 foot buffer around the scenario polygon.  <b>Note:</b> If user is unable to determine distance from a water body using NAIP imagery that is automatically loaded in TERRA, users can manually load a hydrography layer.
8	Generate report.
9	Go to the “Erodibility Index Calculations” section of the report.
10	Under Erodibility Calculations Results, if “Wind EI” and “Water EI” are less than or equal to 15, the land is eligible for “early out”.
11	Print report.
12	The “Land Eligibility Information” section of the report will also depict the percentage of the offer within the Wellhead Protection Area.

#### B Instructions for Completing CRP-41

CRP participants requesting to terminate under the “early out” provisions shall manually complete CRP-41.

**Note:** An automated process is being developed for CRP-41 and will be available in the future. Until such time as the automated process is released, all “early out” requests shall be completed manually. County Offices shall **not** take any action in CCMS to terminate the acreage under CRP contract until instructed to do so.

Complete CRP-41 according to the following table.

Item	Instructions
1 A	Enter State code.
1 B	Enter county code.
2	Enter signup number from CRP-1.
3 A	Enter contract number from CRP-1.
3 B	Enter expiration date from CRP-1.
4	Enter effective date of the termination. This date can be <b>no</b> earlier than October 1, 2014, and <b>no</b> later than September 30, 2015.
5	Enter farm number.
6 A	Enter total number of acres under CRP-1.
6 B	Enter acres requested for “early out”.
6 C	Enter acres eligible for “early out”.
7A through 9D	All CRP-1 participants shall sign and date CRP-41. If all participant signatures are <b>not</b> obtained, CRP-41 shall <b>not</b> be approved.
10 A and B	CCC representative shall sign and date.
11	Enter FSA County Office name, address, and telephone number.
12	Enter remarks, if applicable.

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### 3 Using TERRA and CRP-41 (Continued)

#### B Instructions for Completing CRP-41 (Continued)

The following is an example of CRP-41.

<b>This form is available electronically.</b>																				
<b>CRP-41</b> (08-06-14)	<b>U.S. DEPARTMENT OF AGRICULTURE</b> Commodity Credit Corporation	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 33%; padding: 2px;">1A. State Code</td> <td style="width: 33%; padding: 2px;">1B. County Code</td> <td style="width: 34%; padding: 2px;">2. Signup Number</td> </tr> <tr> <td style="padding: 2px;">3A. Contract Number</td> <td style="padding: 2px;">4. Effective Date (MM-DD-YYYY)</td> <td style="padding: 2px;">5. Farm Number</td> </tr> <tr> <td style="padding: 2px;">3B. Contract Expiration Date (MM-DD-YYYY)</td> <td colspan="2"></td> </tr> <tr> <td colspan="2" style="padding: 2px;">6A. Total Contract Acres:</td> <td style="padding: 2px;"></td> </tr> <tr> <td colspan="2" style="padding: 2px;">6B. Acres Requested for Termination:</td> <td style="padding: 2px;"></td> </tr> <tr> <td colspan="2" style="padding: 2px;">6C. Acres Eligible for Termination:</td> <td style="padding: 2px;"></td> </tr> </table>	1A. State Code	1B. County Code	2. Signup Number	3A. Contract Number	4. Effective Date (MM-DD-YYYY)	5. Farm Number	3B. Contract Expiration Date (MM-DD-YYYY)			6A. Total Contract Acres:			6B. Acres Requested for Termination:			6C. Acres Eligible for Termination:		
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6A. Total Contract Acres:																				
6B. Acres Requested for Termination:																				
6C. Acres Eligible for Termination:																				
<b>CONSERVATION RESERVE PROGRAM EARLY TERMINATION AGREEMENT</b>																				
<b>7. TERMS OF EARLY TERMINATION AGREEMENT</b>																				
This agreement is made between Commodity Credit Corporation (referred to as "CCC") and the undersigned owner(s), operator(s), or tenant(s) (referred to as "participant(s)"). By signing this document, the participant(s) and CCC agrees to the termination of the CRP-1, Conservation Reserve Program Contract, identified in Item 3A above and CCC agrees to reinstate the appropriate crop acreage bases, effective the date of the termination. Termination requests shall become effective on the date indicated in Item 4 above provided the Farm Service Agency (FSA) receives all participant signatures on this document and the acreage in Item 6B above is determined eligible. In return, the participant(s) agrees to accept a final rental payment prorated to the effective date of the termination. The participant(s) understand that acreage used for crop production must be in compliance with the conservation compliance requirements of the Food Security Act of 1985, as amended, in order for the participant(s) to receive USDA benefits. This agreement is irrevocable.																				
7A. Participants Name and Address (Including Zip Code)																				
7B. Signature (By)	7C. Title/Relationship of the Individual Signing in a Representative Capacity	7D. Date (MM-DD-YYYY)																		
8A. Participants Name and Address (Including Zip Code)																				
8B. Signature (By)	8C. Title/Relationship of the Individual Signing in a Representative Capacity	8D. Date (MM-DD-YYYY)																		
9A. Participants Name and Address (Including Zip Code)																				
9B. Signature (By)	9C. Title/Relationship of the Individual Signing in a Representative Capacity	9D. Date (MM-DD-YYYY)																		
10A. Signature of CCC Representative	10B. Date (MM-DD-YYYY)	11. County FSA Office Name and Address (Including Zip Code)																		
		Telephone Number (Area Code):																		
12. Remarks																				
<b>NOTE:</b> 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 enable the participant(s) to request early termination of an existing CRP-1 contract and reinstatement of the appropriate crop acreage bases. 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 the producer to request early termination of an existing CRP-1 contract and reinstatement of the appropriate crop acreage bases.																				
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 appropriate criminal and civil fraud, privacy, and other statutes may be applicable to the information provided.																				

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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](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](mailto:program.intake@usda.gov). USDA is an equal opportunity provider and employer.

## 4 Action

### A State Office Action

State Offices shall:

- follow the provisions of this notice
- ensure that County Offices follow the provisions of this notice
- provide a copy of this notice to NRCS
- ensure that County Offices record all terminated CRP-1's in CCMS in a timely manner when software becomes available.

### B County Office Action

County Offices shall:

- notify all CRP participants about the provisions of this notice as soon as possible
- follow the provisions of this notice
- determine eligibility for “early out” provisions using TERRA according to subparagraph 3 A
- complete CRP-41 according to subparagraph 3 B
- attach a copy of the TERRA report to CRP-41, highlighting the acreage to be terminated
- file CRP-41 and TERRA report in the CRP contract folder
- immediately notify participants when the request for “early out” is approved and inform them that conservation compliance requirements apply if the acreage is converted to an agriculture use

**Note:** Producers determined out of compliance by NRCS may be ineligible to receive USDA benefits.

- immediately notify participants if the request for “early out” is **not** approved and provide applicable appeal rights according to 1-APP
- **not** terminate acreage in CCMS until software is updated and instructions are issued in a future notice.