

AMENDMENT #1 TO THE AGREEMENT
BETWEEN THE U.S. DEPARTMENT OF AGRICULTURE,
THE COMMODITY CREDIT CORPORATION
AND
THE STATE OF DELAWARE

I. PURPOSE

The purpose of this amendment to the Conservation Reserve Enhancement Program (CREP) Memorandum of Agreement (Agreement) signed on December 18, 2002, between the U.S. Department of Agriculture, the Commodity Credit Corporation, and the State of Delaware is to add two CRP practices as eligible, allow larger enrollments per tract for one practice, expand the areas eligible, and increase the overall acreage goal from 6,000 acres to 10,000 acres.

IV. PROGRAM ELEMENTS

Program Elements, A. is amended to change enrollment goals from 6,000 acres to 10,000 acres, add as eligible land cropland adjacent to category II streams, and provides for enrollments of practice CP9 within the CREP project area to read:

- A. The Delaware CREP will consist of a special continuous sign-up CRP component and a State of Delaware incentive program. The Delaware CREP will seek to enroll up to 10,000 acres in the Chesapeake, Delaware and Inland Bays basin areas adjoining drainage ditches, streams and other water bodies identified as Category I & II impaired segments in Delaware's Unified Watershed Assessment and Watershed Restoration Priorities List (October 1, 1998), or areas adjoining drainage ditches contributing to Category I & II impaired segments in the Chesapeake, Delaware and Inland Bays basin areas, except that practice CP9, Shallow Water Areas for Wildlife are eligible within the CREP area and do not have to adjoin drainage ditches, streams or other water bodies.
- B. (2) is amended to change enrollments allowed of practice CP4D from 5 acres to 10 acres per tract or from 5 percent to 10 percent of a tract, whichever is greater and allow the FSA County Committee to approve larger enrollments on a case-by-case basis and (3) and (7) are amended to add practices CP9 and CP23A as eligible CREP practices to read:

B. The eligible CRP practices for enrollment under CREP are:

(2) CP4D - Permanent Wildlife Habitat - provided that practice acres for an individual contract will be limited to 10 acres per tract or 10 percent of a tract, whichever is greater as determined by CCC. Exception: Enrollment of additional acreage under CP4D may be approved by the FSA County Committee on a case-by-case basis.

(3) CP9 – Shallow Water Areas for Wildlife. Acres enrolled under practice CP9 may not exceed 20 acres per tract. More than one CRP-1 contract per tract may be approved under this agreement for acres devoted to CP9 provided not to exceed 20 acres per tract enrolled in total.

(7) CP23A – Wetland Restoration, Non-Floodplain

V. FEDERAL COMMITMENTS

V. FEDERAL COMMITMENTS, D is amended to add practice CP23A, Wetland Restoration, Non-Floodplain and practice CP9, Shallow Water Areas for Wildlife as eligible for incentive payments to read:

D. Make an annual incentive payment, as a percentage of the base CRP maximum annual rental rate otherwise normally applicable to the land enrolled in the CREP, as calculated under paragraph V. C., in the following amounts:

(1) for land to be established to practices CP22, Riparian Buffers, CP3A, Hardwood Tree Planting, CP23, Wetland Restoration and CP23A, Wetland Restoration, Non-Floodplain: 95 percent, provided that the total annual contract rental rate, inclusive of all incentives except the annual maintenance payment, shall not exceed \$150 per acre. Should the base annual rental rate, plus the full 130 percent of the special federal/State incentive payments exceed \$150 per acre, then the federal incentive shall be 73 percent of the difference between \$150 less the base annual rental rate, and the State incentive payment shall be 27 percent of the difference.

(2) for land established to practices CP9, Shallow Water Areas for Wildlife, CP21, Grassed Filter Strips and CP4D, Permanent Wildlife Habitat: 32 percent, provided that the total annual contract rental rate, inclusive of all incentives except the annual maintenance payment, shall not exceed \$110 per acre. Should the base annual rental rate, plus the full 50 percent of special federal/State CREP incentive payments exceed \$110 per acre, then federal incentive shall be 64 percent of the difference between \$110 and the base annual rental rate, and the State incentive payment shall be 36 percent of the difference.

VI. STATE COMMITMENTS

VI. STATE COMMITMENTS, B. (2) (a) and (b) are amended to add practice CP23A and practice CP9 as eligible for State incentive payments to read:

a) for land established to practices CP3A, Hardwood Tree Planting, CP22, Riparian Buffers, CP23, Wetland Restoration and CP23A, Wetland Restoration, Non-Floodplain: 35 percent provided that the total annual contract rental rate, inclusive of all incentives except the annual maintenance payment, shall not exceed \$150 per acre. Should the base annual rental rate, plus the full 130 percent of special federal/State CREP incentive payments provided for in this agreement exceed \$150 per acre, then the federal incentive shall be 73 percent of the difference of \$150 less the base annual rental rate, and the State incentive payment shall be 27 percent of the difference;

b) for land established to practices CP9, Shallow Water Areas for Wildlife, CP21, Grassed Filter Strips and CP4D, Permanent Wildlife Habitat: 18 percent provided that the total annual contract rental rate, inclusive of all incentives except the annual maintenance payment, shall not exceed \$110 per acre. Should the base annual rental rate, plus the full 50 percent of special federal/State CREP incentive payments exceed \$110 per acre, the federal incentive shall be 64 percent of the difference between \$110 the base annual rental rate, and the State incentive payment shall be 36 percent of the difference;

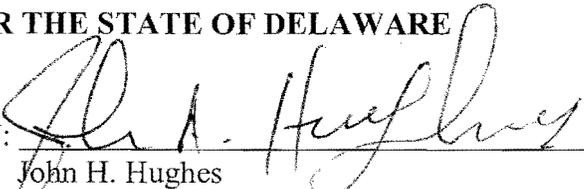
IT IS SO AGREED:

**FOR THE UNITED STATES DEPARTMENT OF AGRICULTURE AND THE
COMMODITY CREDIT CORPORATION**

BY: 
John A. Johnson
Deputy Administrator for Farm Programs
U.S. Department of Agriculture
Chairman of the Board
Commodity Credit Corporation

DATE: 10-5-06

FOR THE STATE OF DELAWARE

BY: 
John H. Hughes
Secretary,
Delaware Department of Natural Resources and Environmental Control

DATE: 9/18/06