

For: State and County Offices

Voluntary Modification of CRP Contract for Critical Feed Use

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

On May 27, 2008, USDA announced that certain acreage enrolled in CRP would be available for hay and forage after the ending of the primary nesting season. Beginning June 2, 2008, CRP participants may request to voluntarily modify CRP contracts for critical feed use, such as haying and grazing.

Prices for most field crops have advanced to record or near record levels in recent months reflecting strong demand, tight supplies, and competition for acres. The increased demand for commodities and resulting higher prices has impacted the livestock industry.

The path of future crop prices is projected to moderate somewhat in the next year as production increases in the United States and globally. However, assuming no global recession, demand is not expected to slow down noticeably.

B Purpose

This notice provides:

- policy for contract modifications for critical feed use
- software instructions for modifications to CRP contracts
- CRP-1M Addendum, CRP-1 Modification to Allow Critical Feed Use (Exhibit 1).

<p>Disposal Date</p> <p>December 1, 2008</p>	<p>Distribution</p> <p>State Offices; State Offices relay to County Offices and NRCS State Offices</p>
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2 Policy

A Voluntary Modification to the CRP Contract

CRP participants may request a voluntary modification to the CRP contract, using CRP-1M Addendum to allow critical feed use, such as haying or grazing, of the CRP acreage. See Exhibit 1 for CRP-1M Addendum.

B Eligible Producers

CRP participants may use their CRP acreage for a critical feed use or may lease the privilege to any other individual.

C Eligible Acreage

Acreage eligible for critical feed use includes acreage devoted to practices:

- CP1, Establishment of Permanent Introduced Grasses and Legumes
- CP2, Establishment of Permanent Native Grasses
- CP4B, Permanent Wildlife Habitat – Corridors
- CP4D, Permanent Wildlife Habitat
- CP10, Vegetative Cover – Grass - Already Established
- CP18B, Establishment of Permanent Vegetation to Reduce Salinity
- CP18C, Establishment of Permanent Salt Tolerant Vegetative Cover.

Note: Acreage is eligible 12 months after the cover is fully established.

D Ineligible Acreage

Acreage ineligible for critical feed use includes acreage devoted to:

- useful life easements
- land within 120 feet of a stream or other permanent waterbody
- any practice not listed in subparagraph C.

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2 Policy (Continued)

E Haying Provisions

CRP participants that modify the CRP contract to include haying as a critical feed use must:

- remove all hay from CRP acreage before November 10, 2008
- limit haying of CRP acreage to 1 cutting
- not hay and graze the same acreage
- leave at least 50 percent of each field unhayed
- not conduct the haying activity during the primary nesting season
- re-establish, at the participant's expense, any cover destroyed or damaged as a result of critical feed use.

F Grazing Provisions

CRP participants that modify the CRP contract to include grazing as a critical feed use must:

- remove the livestock from the CRP acreage before November 10, 2008
- not hay and graze the same acreage
- leave at least 25 percent of each field ungrazed for wildlife or graze all of the CRP acreage at no more than 75 percent of the stocking rate, as determined by NRCS or TSP
- not conduct the grazing activity during the primary nesting season
- re-establish, at the participant's expense, any cover destroyed or damaged as a result of critical feed use.

G Modified Conservation Plan

CRP participants that request to hay or graze as a critical feed use must obtain a modified conservation plan from NRCS or TSP to provide for haying or grazing in a manner that is consistent with the conservation goals of CRP.

H Administrative Fee

Participants requesting to modify the CRP contract for critical feed use will be required to pay an administrative fee of \$75 before COC approval of CRP-1M Addendum. See subparagraph 3 F for application fee collection.

No payment reduction will be assessed for any producer requesting to modify the CRP contract for critical feed use.

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2 Policy (Continued)

I Compliance Reviews/Spotchecks

To ensure that CRP cover is not damaged, wildlife and associated habitat is protected, and participants are complying with the modified conservation plan for critical feed use, COC's shall conduct spot checks on at least 10 percent of CRP-1's, including CREP, approved for feed critical use.

3 Software

A Recording Critical Use Activity

County Offices shall record critical feed use activity through the System 36.

B Main CRP Contract Selection Screen

This is an example of the main CRP selection menu.

```

                                     EPCA00                                Z9
CONSERVATION - CRP CONTRACT FILE MENU
-----
Main Activity Selection

1. County Signup Data File          7. Acreage Reduction by Farm
2. Inquiry                          8. Special Corrections
3. Update Contract File (1 - 9)     9. Reset Flags in Master Files
4. Update Contract File (10 & Up)  10. Available Cropland and Easement Data
5. Reports/Letters                 11. Backup Transaction Files
6. Payment Activities              12. Purge CRP Contracts
                                   13. Modify or Reverse Modification
                                   14. Peanuts or Tobacco History Preservation
                                   15. REX Extend or Reverse Extension
                                   16. Critical Use Activities

Enter the option number and press ENTER.      Action  _

Cmd3=Previous Menu      Cmd7=End CRP Processing

MA a                                     18/075
```

County Offices will select option 16, "Critical Use Activities", from the main CRP selection menu.

3 Software (Continued)

C CRP Critical Use Activity Selection Screen

This is an example of the Critical Use Menu. From the Critical Use Menu, County Offices shall select option 1, "Update Critical Use Data".

```

EPCI00                                Z9
CRP CONTRACTS - CRITICAL USE MENU
-----
Critical Use Activity Selection

1. Update Critical Use Data
2. Print Critical Use County Listing
3. Print Critical Use Form for Contract

Enter the option number and press ENTER.      Action: _

Cmd3=Previous Menu      Cmd7=End CRP Processing
    
```

D CRP Contract Selection Screen

This is an example of the CRP contract selection screen. On this screen the user will enter the number of the CRP contract that is applying for critical use.

```

017 BREMER - CRP 2000      Extend      EPCF8501
CRP CONTRACTS - Select Contract      Version: AA01 04-03-2008 06:37 Term Z7
-----

Enter CRP Contract Number: _ .....

Is there another CRP Contract to enter? (Y or N) ..

Cmd3=Previous Screen      Cmd7=End CRP Processing      Enter to Continue
    
```

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3 Software (Continued)

E Critical Use Data Screen

This is an example of the Critical Use Data Screen. Information from the CRP contract will be displayed on the screen.

```
017 BREMER - CRP 2000      Update      EPCI1001
CRP CONTRACTS - CRITICAL USE DATA      Version: AA01 04-11-2008 09:00 Term Z9
-----
Contract Number:      8      Signup: 26      Program Year: 2005

Farm Number:      2715      CRP-1 Rental Rate: 99.00      Acres Approved:      100.0

Physical State:      IOWA      Physical County:      BREMER

Original Start Date:      10-01-2004      Contract End Date:      09-30-2014

Date of Application:      05-03-2008      Date of COC Approval:      07-05-2008

      Critical Use Acres:      .....100.0

      Amount Critical Use Fee Paid:      .....74.00

      Cmd24=Delete
Cmd3=Previous Screen      Cmd7=End CRP Processing      Enter to Continue
```

County Offices shall enter the number of critical use acres, the date the application was submitted, the date the County Office approved the application, and the amount of the application fee collected in whole dollars.

After all entries have been made, the County Office will print CRP-1M Addendum.

F Application Fee Collection

County Offices shall follow 3-FI, paragraph 62, to deposit collected fees. This process will be automated in a future software release. A future notice will provide instructions for the automated process.

4 Action

A County Office Action

County Offices shall read and follow the provisions of this notice.

B State Office Action

State Offices shall ensure that County Offices follow instructions in this notice.

Example of CRP-1M Addendum, CRP-1 Modification to Allow Critical Feed Use

This form is available electronically.

CRP-1M Addendum (05-27-08) CRP-1 MODIFICATION TO ALLOW CRITICAL FEED USE	U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		1. ST. & CO. Code	2. Contract No.
			3. Farm No.	4. Acres

5. TERMS TO ALLOW CRITICAL FEED USE

This contract modification is entered into by the Commodity Credit Corporation (CCC) and the undersigned participant(s) on the Conservation Reserve Program contract number in Item 2 above. By signing this contract modification, the CCC agrees to allow the participants identified below to utilize forage on the acreage covered by Item 4 above. This allowance applies to 2008 only and activities in 2008 only. It is possible that other modifications for other years could occur and it is possible that haying and grazing for later years may be allowed under authorities available to the Secretary. Participation in this opportunity does not foreclose, for any other year, participation in those other opportunities, should they arise.

The participant(s), in return, agrees to:

- Obtain a modified conservation plan to include haying and/or grazing, as determined by the Natural Resources Conservation Service (NRCS) or Technical Service Provider (TSP).
- Re-establish, at the participant(s) own expense, any cover destroyed or damaged as a result of participating under this authority.
- Remove all hay or livestock from CRP acreage before November 10, 2008.
- Limit haying of CRP acreage to one cutting.
- Not hay and graze the same acreage.
- If haying, leave at least 50 percent of each field unhayed.
- If grazing, leave at least 25 percent of each field ungrazed for wildlife or, in the alternative, graze all of the CRP acreage at no more than 75 percent of the stocking rate as determined by NRCS or TSP.
- If the actual acreage hayed or grazed is more or less than originally indicated in Item 4 above (which states the participant's intentions), notify the county FSA office identified in Item 11 below of the actual number of acres and location.
- Pay an administrative fee of \$75 to CCC prior to approval, and as a condition for, this modification.

It is so agreed and understood.

6. Participant Name (Printed)	Participant Signature	Date (MM-DD-YYYY)
7. Participant Name (Printed)	Participant Signature	Date (MM-DD-YYYY)
8. Participant Name (Printed)	Participant Signature	Date (MM-DD-YYYY)
9. Participant Name (Printed)	Participant Signature	Date (MM-DD-YYYY)

10a. Approval by CCC Representative	10b. Date (MM-DD-YYYY)	11. County FSA Office Name and Address (Including Zip Code)
		12. Telephone No. (Including Area Code):
		13. Fax No. (Including Area Code):

Note: The authority for collecting the following information is Pub. L. 107-171. This authority allows for the collection of information without prior OMB approval mandated by the Paperwork Reduction Act of 1995. The time required to complete this information collection is estimated to average 5 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The following statement is made in accordance with the Privacy Act of 1974 (5 USC 552a). The authority for requesting the following information is 7 CFR Part 1410. The information will be used to modify the CRP-1 contract by allowing a critical feed use. Furnishing the requested information is voluntary. This information may be provided to other agencies, IRS, Department of Justice, or other State and Federal Law enforcement agencies, and in response to a court magistrate or administrative tribunal. The provisions of criminal and civil fraud statutes, including 18 USC 286, 287, 372, 651, 1001; 15 USC 714m; and 31 USC 3729, may be applicable to the information provided. **RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.**

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