

For: Iowa, Minnesota, Montana, North Dakota and South Dakota State and County Offices

Announcing CRP Soil Health and Income Protection Program (SHIPP) Pilot

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food Security Act of 1985, as amended, authorizes a voluntary soil health and income protection program pilot under which eligible cropland is enrolled in CRP to assist owners and operators of eligible land to conserve and improve the soil, water, and wildlife resources of the eligible land. Automation instructions will be provided in future guidance.

On February 26, 2020, USDA announced FSA will begin accepting offers through SHIPP.

B Purpose

This notice provides:

- policy for:
 - SHIPP
 - offer processing and contract approval
- required practice information for conservation plans
- conservation plan and signature deadlines
- State and County Office actions.

C Applicability

The policy and provisions in this notice apply only to enrollment of cropland in CRP through SHIPP.

Disposal Date	Distribution
November 1, 2020	Above State Offices; State Offices relay to County Offices and NRCS State Offices

Notice CRP-892

2 Policy for SHIPP

A Signup Period and Number and Contract Period

The National Office will be sending a postcard announcing the SHIPP pilot to all 2020 owners and operators in all counties in Iowa, Minnesota, Montana, North Dakota and South Dakota the week of March 2. See Exhibit 1.

Offers to enroll cropland in CRP through SHIPP may be submitted beginning March 30, 2020, through August 21, 2020. SHIPP will be administered under CRP signup number 400. The contract period for land enrolled through SHIPP may be 3, 4, or 5-years, as elected by the producer.

All CRP contracts through SHIPP will have an effective start date of October 1, 2020.

SHIPP offers will be:

- accepted on a non-competitive first come, first served basis
- placed in a “Submitted” status for batch processing on the 15th of each month to ensure that program enrollment levels do not exceed the statutory cap of 50,000 acres
- placed in “Submit for Plan” status only after notification by the National Office on a monthly basis, pending availability of acres.

Note: County Offices shall **not** submit these offers to NRCS for conservation planning until notified by the National Office.

B Acreage Enrollment Location and Limitation

A maximum of 50,000 acres may be enrolled through SHIPP. All counties located within the prairie pothole region states of Iowa, Minnesota, Montana, North Dakota, and South Dakota are eligible.

Notice CRP-892

2 Policy for SHIPP (Continued)

C Land Eligibility and Cropping History Criteria

Only cropland that meets all the following is eligible for enrollment through SHIPP.

- The land is physically located within the SHIPP pilot area. See subparagraph 2B.
- The land is determined to be the less productive land, as compared to other cropland on the farm.
- The land was annually planted or considered planted to an agricultural commodity in each of the years 2017, 2018, and 2019. Acreage for which the producer received an approved prevented planting claim according to 2-CP will be considered planted for that year for SHIPP cropping history purposes.

Important: The following are considered planted for cropping history purposes for SHIPP during 2017 through 2019:

- Alfalfa or other multi-year grasses or legumes, if it was planted in 2017, 2018, or 2019
- summer fallow provided the summer fallow is part of a regular identified summer fallow rotation pattern with an agricultural commodity.

The 2017, 2018, and 2019 years used for cropping history are fixed by statute.

Land that was enrolled in CRP during 2017, 2018, or 2019 is not eligible to be enrolled through SHIPP.

No more than 15 percent of the eligible land on a farm (FSN) may be enrolled. One hundred percent of the offered acreage must be less productive based on the maximum productivity values of the soils on the farm (FSN).

D Eligible Practice

The eligible practice for SHIPP is CP90, Soil Health Perennial Conservation Cover. Practice details are in Exhibit 2.

Notice CRP-892

2 Policy for SHIPP (Continued)

E Soil Rental Rates

The soil rental rates for signup 400 SHIPP offers and contracts will be FY 2020 SRR's. The soil rental rates will **not** be subject to the 10 percent reduction that is applied to the soil rental rate for continuous non-CREP offers or the 15 percent reduction that is applied to the soil rental rate for general signup offers.

The Conservation Online System (COLS) will automatically adjust the applicable soil rental rates provided on the COLS offer. County Offices in the SHIPP pilot area must reprint the COLS Soil Rental Rate Posting Report for Continuous CRP Signup, "For CREP Signup 53 (beginning December 9, 2019) and SHIPP Signup 400, the rates may differ".

Annual rental payments will be made at 50 percent of the weighted average soil rental rate (WASRR) for the applicable offer, and 75 percent of the WASRR rate for the applicable offer for limited resource, socially disadvantaged (not including gender), beginning or veteran farmers and ranchers.

WASRR is calculated for each offer using the acreage and SRR's of the 3 predominant soils on the land offered for enrollment.

Example: Weighted Average SRR = \$100

Annual Rental Rate per acre = $\$100 \times 50\% = \50.00

Annual Rental Rate per acre for limited resource, socially disadvantaged, (not including gender) beginning or veteran farmers and ranchers = $\$100 \times 75\% = \75.00

F Perennial Conservation Cover Establishment

Producers must establish the lowest practical cost perennial conserving use cover crop that promotes soil health under SHIPP.

G Cost share for Practice CP90, Soil Health Perennial Conservation Cover

Cost-share for practice establishment is **only** available for beginning, limited resource, socially disadvantaged (not including gender), or veteran farmers and ranchers.

Notice CRP-892

2 Policy for SHIPP (Continued)

G Cost share for Practice CP90, Soil Health Perennial Conservation Cover

For the “New GIS Offer” COLS process, FSA must establish a cost for the SHIPP practice to be used for the estimated practice cost for each offer. County Offices must update or establish an estimated total C/S amount using “not to exceed” C/S rates for components that accurately reflect the average per acre cost of installing the whole practice. This cost data will be used in the COLS software to print the **estimated** C/S amount on CRP-1S.

C/S paid for seed **will not** exceed 50 percent of the actual seed costs and will not be combined with other costs associated with cover establishment. At least 2 separate components will be created for the SHIPP cover establishments.

Example: CP90, Soil Health Perennial Conservation Cover

Component 1: CP90 – Eligible Seed

Component 2: CP90 – Seed bed preparation, minerals, seeding costs, herbicides, and insecticides

State Offices will create the separate seed component starting with **CRPSEED** for tracking the seed components in Program Provisioning (PP).

H Incentives

SHIPP is not eligible for CRP Incentives including Signup Incentives, Practice Incentives nor Annual Rental Incentives.

Notice CRP-892

3 Offer Processing

A Processing Offers

County Offices must process offers for SHIPP according to instructions in Exhibit 3 using TERRA and COLS.

Producers requesting eligibility consideration based on socially disadvantaged (not including gender), limited resource, beginning, or veteran farmer or rancher status **must** provide their certification on CCC-860 according to 1-CM (Rev.3), paragraph 950.

Manual CRP-1S's (Exhibit 4) and CRP-2S's (Exhibit 5) are not authorized. If County Offices have a situation that requires a manual form, SED must request DAFP to allow on a case-by-case basis.

4 Required Practice Information for Conservation Plan

A Practice Implementation for CRP Practice CP90, Soil Health Perennial Conservation Cover

When developing the conservation plan, State Conservation Program Specialists must work with the NRCS State CRP Program Manager to develop practice implementation for SHIPP practice CP90. Guidance for the producer may be included in NRCS practice job sheets or a CP90 job sheet can be developed.

Note: It is possible that multiple job sheets could be needed if there is a variance because of soil properties, moisture regimes, etc., that would impact planting requirements.

As part of these job sheets, State Offices must request that NRCS provide any soil limitations for suitable vegetation by practice that includes, but is not limited to the following:

- grasses
- legumes.

These tables must list the factors (salinity, water table, depth to bedrock, etc.) that would limit planting or practice options for CRP.

Practice criteria should include a minimum of the following:

- seedbed and site preparation
- timing of seeding or planting
- fertilization requirements
- weed control
- varieties of seed or planting material
- amount of seeding or planting
- maintenance requirements for the practice
- soil limitations.

Notice CRP-892

5 Conservation Plan Provisions for SHIPP Signup 400

A Conservation Plan Requests

After notification from the National Office that the offer status may be changed to “Submit for Plan,” County Offices must provide, to NRCS, the CRP-2S and CRP1S signed by one producer and geospatial data or map identifying the land offered for enrollment for all eligible SHIPP signup offers.

After providing all documents to NRCS, County Offices, must immediately, but no later than 2 business days, enter the status in COLS as “Submit for Plan.”

B Conservation Plan Completion

A conservation plan must be completed, signed by NRCS/TSP and all signatories on CRP-1S, and returned to FSA no later than September 11, 2020. The NRCS National Office has agreed with this deadline.

Notes: Participants must be notified that starting a practice before approval of CRP-1S is at their own risk. C/S will only be paid for those eligible costs that are approved under the conservation plan for limited resource, socially disadvantaged (not including gender), beginning or veteran farmers or ranchers.

The specifications for all applicable practices must be included in the approved conservation plan.

6 Contract Approval

A Contract Effective Dates

The effective date for the CRP-1S must be October 1, 2020. The effective date **cannot** be deferred and the CRP-1S must have an approval date on or before September 30, 2020.

B Approving Continuous Signup 53 Offers

All offers authorized to be “submitted to plan” during the batching processes must be approved by CED or COC on or before COB on September 30, 2020.

Notes: Harvest of the prior year’s agricultural commodity crop is permitted after October 1 without a payment reduction.

Notice CRP-892

7 Contract Termination

A Voluntary Contract Termination

The CRP-1S contract may be terminated at any time before the end of the contract period by written request of all participants on the CRP contract. Should the contract be terminated in this manner, the participants **must** refund to CCC all rental payments received from CCC.

B CCC Contract Termination

If the CRP-1S Contract is terminated by CCC due to non-compliance by the participant liquidated damages must be paid. In addition to the refund of all annual rental payments received plus interest, the participant must pay an amount equal to 25% of the applicable rental rate per acre on the CRP-1S times the number of acres terminated.

8 Deadlines for Processing Offers, Conservation Plans and Approval in COLS

A Deadlines

The following table provides deadlines for SHIPP offers.

Date	Action
August 21	Deadline for producers to submit signed offers for SHIPP.
August 21	Deadline for FSA to deliver offers to NRCS after notification by the National Office to "Submit for Plan". County Office deadline to enter the status in COLS as "Submit for Plan."
September 11	Deadline for NRCS/TSP to complete the conservation plan, sign and obtain signatures for all signatories on the CRP-1S and return the conservation plan to FSA.
September 30	Deadline for COC or CED to approve CRP-1S and load CRP-1S approval in COLS.

Notice CRP-892

9 Action

A State Office Action

The National Office provided webinar training to FSA and NRCS State Office Specialists on February 20, 2020. All County Offices must complete the recorded training by COB, March 20, 2020.

State Offices will:

- follow the provisions in this notice
- provide the SHIPP webinar training to all County Offices
- notify the Deputy Administrator for Farm Programs and the Deputy Administrators for Field Operations when all County Offices have completed training by e-mail to Jody Kenworthy at **jodi.kenworthy@usda.gov**
- ensure County Offices follow the provisions in this notice
- submit questions to John Carter by:
 - e-mail at **john.carter@wdc.usda.gov**
 - telephone at 202-720-8774.

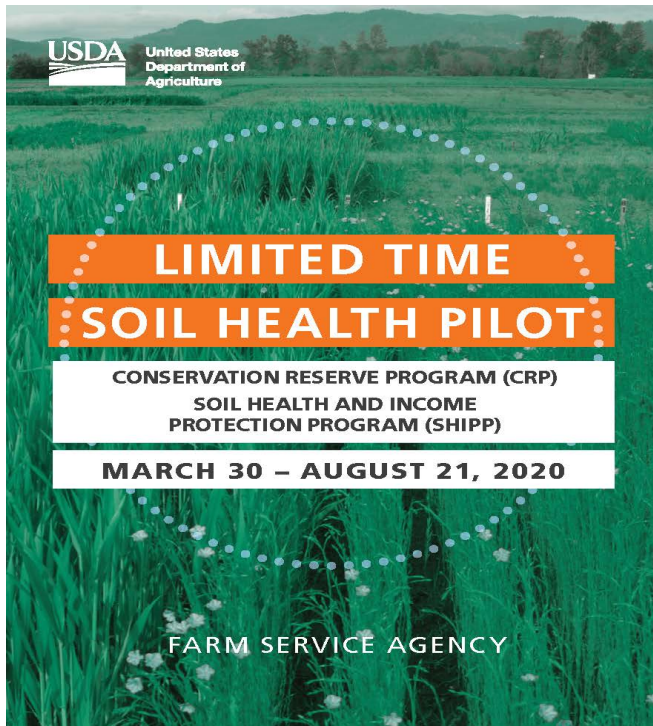
B County Office Action

County Offices must:

- follow the provisions of this notice
- complete the recorded training by COB March 20, 2020
- submit questions to the State Office.

SHIPP Pilot Announcement Postcard

Following is an example of the SHIPP pilot announcement postcard.



DON'T MISS THIS OPPORTUNITY

Our records indicate you may be eligible to enroll in CRP SHIPP.

ENROLL IN CRP SHIPP:

ENROLL your less productive land in CRP SHIPP for 3, 4, or 5 years and plant perennial cover crops to help restore the soil health and productivity of your land in return for a payment.

Deadline: August 21, 2020

Signup may end early if 50,000-acre cap is reached.

CALL OR VISIT FSA SOON

For local USDA Service Center information, visit farmers.gov/service-locator.

USDA is an equal opportunity provider, employer, and lender.

**United States
Department
of Agriculture**



**Farm Service Agency
1400 Independence Avenue, SW
Washington, DC 20250
STOP 0569**

Official Business

**PRESORTED
FIRST CLASS MAIL
U.S. POSTAGE PAID
USDA-FSA
PERMIT NO. G-98**



SHIPP Eligible Practice**CP90 Soil Health Perennial Conservation Cover****A Purpose**

This practice is to establish new perennial vegetative cover on eligible cropland. When this practice is applied it will support at least one of the following:

- reduce soil erosion from wind and water
- maintain or increase soil health and organic matter content
- protect water quality by utilizing excessive nutrients
- suppress excessive weed pressures and break pest cycles
- improve soil moisture use efficiency
- minimize soil compaction.

B Size Requirements

Offered acreage is limited to 15% of eligible land on the farm (FSN).

C C/S Eligibility for Limited Resource, Socially Disadvantaged, Beginning or Veteran Farmer or Rancher

To be eligible for C/S, this practice must be:

- required by the approved conservation plan
- improve environmental benefits to an acceptable level
- meet the purpose of the practice
- be maintained for the CRP-1S period
- prevent degradation of environmental benefits from recurring.

SHIPP Eligible Practice (Continued)

CP90 Soil Health Perennial Conservation Cover (Continued)

D C/S Policy

The following shows C/S policies for this practice.

IF the component is...	AND the justification is...	THEN C/S is...
minerals	substantiated as needed by COC	authorized using technical practice codes, 327, 512, 590, 595, 472, 645.
eligible seed		
seedbed preparation		
seeding		
herbicides	specified as necessary in the approved conservation plan	
insecticides		
temporary cover	<ul style="list-style-type: none"> • required in the practice specifications • needed until required seed or plant stock is available • needed because normal planting period for the species has passed • that a soil condition, such as chemical residue, will not allow establishment of cover immediately 	
herbicides	to maintain vegetative cover	not authorized.
insecticides	to maintain vegetative cover	not authorized.
earthmoving		
clearing rocks or other obstructions from the area to be seeded		
fencing		
minerals	to enhance production	

SHIPP Eligible Practice (Continued)**CP90 Soil Health Perennial Conservation Cover (Continued)****E Requirements**

The following are requirements for this practice.

- **Must** be for the purpose of erosion and water quality with secondary benefits of wildlife habitat.
- Limit C/S to the minimum minerals and seed necessary to establish adequate cover to improve environmental benefits.
- Chemicals used in performing the practice **must** be:
 - Federally, State, and locally registered
 - Applied according to authorized registered uses, directions on the label, and other Federal or State policies and requirements.
 - Noxious weeds and other undesirable plants, insects, and pests must be controlled, including such maintenance as necessary to avoid an adverse impact on surrounding lands.

F Planting Timespan

Planting or sowing of the approved cover must be completed within 12 months of the effective date of CRP-1. See 2-CRP (Rev. 6), paragraph 426 for exceptions.

G Environmental Concerns

Consider wildlife concerns when making determinations about seed varieties and other practice specifications.

H Practice Maintenance

The practice must be maintained without additional C/S for the CRP-1 period. C/S must be refunded if:

- producer destroys the cover during the CRP-1 period
- cover fails to provide enhancement of environmental benefits during the practice lifespan unless caused by circumstances beyond the producer's control.

SHIPP Eligible Practice (Continued)

CP90 Soil Health Perennial Conservation Cover (Continued)

I Management Activity

Management Activities are not required for SHIPP Practice CP90.

J Program Development

County practice must include the practice length. County programs must also provide details of any requirements, such as seedbed preparation, seeding dates, eligible seed, etc., that are conditions for C/S for the practice. STC may establish these requirements.

K Technical Responsibility

Technical responsibility for this practice must be assigned to NRCS or TSP.

CRP SHIPP Signup Process Flow

See the following table for the SHIPP signup process flow.

Signup Process Flow	
Step	CRP SHIPP Signup Activities
1	National Office announces CRP SHIPP signup period.
2	<p>Producer:</p> <ul style="list-style-type: none"> • expresses an interest in enrolling in CRP • indicates the acreage they want to enroll on a digital imagery/map. <p>The County Office must explain program details, such as:</p> <ul style="list-style-type: none"> • required cropping history • maximum payment rate calculations • COC determinations • available practice and C/S rates. <p>County Offices must provide the producer with the CRP SHIPP Signup Fact Sheet, CRP-1 Appendix, and CRP-1S Addendum (Exhibit 6) available at https://fsaintranet.sc.egov.usda.gov/dam/ffasforms/currentforms.asp.</p>
3	Producer requests to submit an offer for enrollment in CRP SHIPP signup.
4	<p>County Office determines whether all of the following are met:</p> <ul style="list-style-type: none"> • all producer eligibility requirements • all land eligibility requirements (cropping history) • CRP county cropland limit has not been exceeded. <p>If all are:</p> <ul style="list-style-type: none"> • met, proceed to step 5 • not met, STOP. Do not proceed. Inform the producer the eligibility requirements are not met using CRP-26.
5	If all requirements in step 4 are met, determine less productive land on the farm.
6	Create a TERRA offer scenario and upload into COLS.
7	County Office must enter the offer data (practice, cover type, acres, CRP-1S period) in COLS, as provided by the producer.

CRP SHIPP Signup Process Flow (Continued)

Signup Process Flow	
Step	CRP SHIPP Signup Activities
8	County Office completes and prints CRP-2S and CRP-1S and notifies the producer that CRP-2S and CRP-1S are ready for signature.
9	<p>Producer signs and dates the completed CRP-1S and CRP-2S and provides the signed documents to the County Office.</p> <p>Note: Only 1 signature is required to submit an eligible offer. All signatures are required before COC/CED approves CRP-1S.</p>
10	County Office must ensure that offer is in “Submitted” status in COLS.
11	National Office notifies the State Office that the offer may be submitted to plan
12	<p>County Office:</p> <ul style="list-style-type: none"> • notifies producer of acceptability of offer using CRP-23 and provides producer a copy of signed CRP-1S and CRP-2S • provides producer a copy of CRP-1 Appendix and CRP-1S Addendum • updates offer status in COLS to “submit for plan” • provides NRCS a copy of the: <ul style="list-style-type: none"> • letter of acceptability sent to producer (CRP-23) • signed CRP-1S • signed CRP-2S • geospatial data/map created in step 6.
13	County Office will complete a paid for measurement service for acceptable offers, if requested by the producer.
14	NRCS completes site visit as determined necessary as part of the conservation plan development.
15	<p>NRCS provides County Office with:</p> <ul style="list-style-type: none"> • NRCS signed conservation plan and all supporting documentation, including signature from the Conservation District, if applicable • NRCS-CPA-52 with the NRCS portion completed.

CRP SHIPP Signup Process Flow (Continued)

Signup Process Flow	
Step	CRP SHIPP Signup Activities
16	<p>County Office:</p> <ul style="list-style-type: none"> • completes all necessary consultations, if needed • obtains copy of all permits or other permissions necessary to perform and maintain practices as provided by NRCS on NRCS-CPA-52, Section G • completes FSA’s portion of NRCS-CPA-52 • ensures all required signatures on CRP-1S and conservation plan have been obtained • updates offer status in COLS to “submit to COC”.
17	If determined complete and acceptable, COC or CED signs conservation plan.
18	County Office ensures that AGI certification is filed and recorded in subsidiary file for the FY of the COC/CED approval date.
19	COC or CED approves CRP-1S.
20	County Office enters COC approval date and effective start date from CRP-1S into COLS.
21	<p>County Office:</p> <ul style="list-style-type: none"> • records CRP-1S number obtained from CCMS on CRP-1S • notifies producer that CRP-1S is approved using CRP-24 and provides producer a copy of approved CRP-1S.

CRP-1S

Following is an example of CRP 1S.

CRP-1S (02-01-20)		U.S. DEPARTMENT OF AGRICULTURE Commodity Credit Corporation		Page of	
				1. ST. & CO. CODE & ADMIN. LOCATION	2. SIGN-UP NUMBER
CONSERVATION RESERVE PROGRAM CONTRACT SOIL HEALTH and INCOME PROTECTION PROGRAM				3. CONTRACT NUMBER	
				4. ACRES FOR ENROLLMENT	
5A. COUNTY FSA OFFICE ADDRESS (Include Zip Code)				6. TRACT NUMBER	7. CONTRACT PERIOD
5B. COUNTY FSA OFFICE PHONE NUMBER (Include Area Code):				8. SIGNUP TYPE:	
THIS CONTRACT is entered into between the Commodity Credit Corporation (referred to as "CCC") and the undersigned owners, operators, or tenants (referred to as "the Participant"). The Participant agrees to place the designated acreage into the Conservation Reserve Program ("CRP") or other use set by CCC for the stipulated contract period from the date this Contract is executed by the CCC. The Participant also agrees to implement on such designated acreage the conservation plan developed for such acreage and approved by the CCC and the Participant. Additionally, the Participant and CCC agree to comply with the terms and conditions contained in this Contract, including the Appendix to this Contract, entitled Appendix to CRP-1, Conservation Reserve Program Contract (referred to as "Appendix"). By signing below, the Participant acknowledges receipt of a copy of the Appendix/Appendices for the applicable contract period. The terms and conditions of this contract are contained in this Form CRP-1S and in the CRP-1 Appendix and any addendum thereto. BY SIGNING THIS CONTRACT, PARTICIPANTS ACKNOWLEDGE RECEIPT OF THE FOLLOWING FORMS: CRP-1S; CRP-1 Appendix and any addendum thereto.					
9A. Rental Rate Per Acre		9B. Annual Contract Payment		9C. First Year Payment (Item 9C is applicable only when the first-year payment is prorated.)	
Regular 50%		SDA/BF/LR/V 75%			
\$		\$		\$	
10. Identification of CRP Land (See Page 2 for additional space)					
A. Tract No.	B. Field No.	C. Practice No.	D. Acres	E. Estimated Cost-Share	
11. PARTICIPANTS (If more than three individuals are signing, see Page 3.)					
A. PARTICIPANT'S NAME AND ADDRESS (Include Zip Code)		B. SHARE	C. SIGNATURE (By)	D. TITLE/RELATIONSHIP OF THE INDIVIDUAL SIGNING IN THE REPRESENTATIVE CAPACITY	E. DATE (MM-DD-YYYY)
1.		SDA/LR/BF/V % <input type="checkbox"/>			
2.		SDA/LR/BF/V % <input type="checkbox"/>			
3.		SDA/LR/BF/V % <input type="checkbox"/>			
12. CCC USE ONLY		A. SIGNATURE OF CCC REPRESENTATIVE			B. DATE (MM-DD-YYYY)
NOTE: 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 the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), the Food Security Act of 1985 (16 U.S.C. 3801 et seq.), the Agricultural Act of 2014 (16 U.S.C. 3831 et seq.), the Agricultural Improvement Act of 2018 (Pub. L. 115-334) and 7 CFR 1410. The information will be used to determine eligibility to participate in and receive benefits under the Conservation Reserve Program. 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 to participate in and receive benefits under the Conservation Reserve Program.					
Paperwork Reduction Act (PRA) Statement: The information collection is exempted from PRA 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. RETURN THIS COMPLETED FORM TO YOUR COUNTY FSA OFFICE.					
<small>In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.</small>					
<small>Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.</small>					
<small>To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by: (1) mail: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, SW Washington, D.C. 20250-9410; (2) fax: (202) 696-7442; or (3) email: program.intake@usda.gov. USDA is an equal opportunity provider, employer, and lender.</small>					
Date Printed:					

CRP 1S Addendum to CRP-1 Appendix

Following is an example of the Addendum to CRP-1 Appendix.

This form is available electronically.
CRP-1 (Appendix) Addendum 2
 (02-20-20)

See CRP-1 for Privacy Act and Paperwork Reduction Act Statements.

U. S. DEPARTMENT OF AGRICULTURE
 Commodity Credit Corporation

**ADDENDUM TO APPENDIX TO FORM CRP-1 SPECIFICALLY FOR
 CONSERVATION RESERVE PROGRAM CONTRACTS UNDER THE SOIL HEALTH
 AND INCOME PROTECTION PROGRAM (SHIPP) PILOT**

I. INTRODUCTION

The provisions of this Addendum apply only to Conservation Reserve Program (CRP) contracts enrolled through the Soil Health and Income Protection Program (“SHIPP CRP contracts”) Pilot.

II. FOR PURPOSES OF SHIPP CRP CONTRACTS, AND NOTWITHSTANDING ANY OTHER PROVISIONS OF THE GENERALLY APPLICABLE APPENDIX TO FORM CRP-1 (“APPENDIX”), THE FOLLOWING PROVISIONS SHALL SUPERSEDE THEIR RESPECTIVE PROVISIONS IN THE APPENDIX

1. DEFINITIONS

A. **CRP contract or CRP-1** means the CRP documents including not only forms CRP-1 and CRP-1S, but also the Appendix, the conservation plan, this and any other 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.

4. AGREEMENT

A. The participant agrees:

- (1) That forms CRP-2S and CRP-1S shall, together, 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 the Appendix or 7 CFR Part 1410;
- (2) To place eligible land into the CRP for a period of 3, 4 or 5 years starting from the effective date of the CRP contract executed by CCC;

B. CCC Agrees:

- (1) With respect only to beginning, limited resource, socially disadvantaged, or veteran farmers and ranchers, and only when CCC determines that cost-sharing is appropriate and in the public interest, to share the cost with such owners and operators of installing an eligible CRP practice agreed to on the CRP contract 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

CRP 1S Addendum to CRP-1 Appendix (Continued)

CRP-1 (Appendix) Addendum 2 (02-20-20)

Page 2 of 3

approval must specifically reference the particular land enrolled in the CRP under this CRP contract;

7. COST-SHARE PAYMENTS**A. CCC cost-share payments shall be made available:**

- (1) Only to beginning, limited resource, socially disadvantaged, or veteran farmers and ranchers; and
- (2) Only 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 cost of establishing the eligible practice agreed to on the CRP-1S 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 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 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; and
- (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.

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-1S 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.

SHIPP Addendum to CRP-1 Appendix (Continued)

CRP-1 (Appendix) Addendum 2 (02-20-20)

Page 3 of 3

10. LIQUIDATED DAMAGES

It is mutually agreed that in the event of a violation of the CRP contract by the participant, the CCC will suffer damages which may not be possible to quantify with certainty. Therefore, in addition to the refund of payments received, plus interest, due to a violation of the CRP contract, as provided for in this contract, the participant agrees to pay an amount equal to the product obtained by multiplying: (1) 25 percent of the applicable rental payment rate per acre on the CRP-1S by, (2) the number of acres on which the violation 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, as determined appropriate by CCC, and not as a penalty.

16. TRANSFER OF LAND

- C. If the new owner or operator becomes a successor to this CRP contract with CCC, the annual rental payment to be paid during the fiscal year when the land was transferred shall be divided in an equitable manner between the participants, as determined by CCC.

III. FOR PURPOSES OF SHIPP CRP CONTRACTS, THE FOLLOWING PROVISION OF THE APPENDIX IS NOT APPLICABLE TO SHIPP CRP CONTRACTS**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.

IV. FOR PURPOSES OF SHIPP CRP CONTRACTS, THE FOLLOWING PROVISION IS IN ADDITION TO THE PROVISIONS OF THE APPENDIX**15. EFFECTIVE DATE AND CHANGES TO CRP CONTRACT**

- D. With respect only to SHIPP CRP contracts:
- (1) CCC may terminate the CRP contract at any time before the end of the contract period if it determines that such termination is necessary; and
 - (2) The CRP contract may be terminated at any time before the end of the contract period by written request of all participants on the CRP contract. Should the contract be terminated in this manner, the participants must refund to CCC all rental payments received from CCC.