

For: State Offices and County Offices

**Pasture Recovery Program (PRP) Compliance Policy and Procedure**

Approved by: Deputy Administrator, Farm Programs



**1 Overview**

**A**

**Background**

Policies and procedures for PRP have been issued through notices. No policy or procedure on compliance activity for PRP were included in any of the notices. In addition, a change was made to the length of the PRP contract that will affect the compliance provisions of the program.

Because the PRP signup is ending and producers will soon be approved and paid, there is a need to have compliance procedures issued so that State and County Offices and producers will be aware of the policies and procedures in effect for PRP compliance.

**B**

**Purpose**

This notice provides compliance policies and procedures for PRP.

**2 Certification**

**A**

**Producer Certification**

When PRP payment is requested on AD-245(PRP), the producer will certify that the PRP1 or PRP2 practice:

- was needed to re-establish the forage crop because the 1999 drought severely damaged or destroyed the vegetative cover
- was established according to specifications
- will be maintained for 3 full calendar years after the calendar year of establishment.

Continued on the next page

<b>Disposal Date</b>	<b>Distribution</b>
January 1, 2001	State Offices; State Offices relay to County Offices

## Notice DF-329

### 2 Certification (Continued)

---

#### B

#### Withdrawal

Producers who wish to withdraw from the program because of the change in the length of the PRP contract may do so without any penalty.

Cancel AD-245(PRP) for requests withdrawn before preparing the ACP-301 report as instructed by Notice DF-328.

---

### 3 Spot Check Requirements

---

#### A

#### Random Sample Spot Checks

PRP spot checks will be performed annually and will be:

- random sample
  - performed on a minimum of 5 percent of the PRP contracts approved and paid or 5 contracts, whichever is more
  - mandatory for FSA employees, STC or COC members, or their immediate family members.
- 

#### B

#### What to Check

When performing a spot check, the following items should be reviewed for compliance with PRP policies and procedures:

- certified acreage versus actual acreage
- documentation of practice completion according to subparagraph C
- eligibility requirements of producer and land, that is, producer produces livestock for food or fiber
- onsite inspection of established practice.

See 2-CP, Part 3, for spot check guidelines.

---

Continued on the next page

### 3 Spot Check Requirements (Continued)

---

#### C Required Documentation for Spot Checks

When selected for spot check, producers must provide sufficient documentation that the practice was completed according to practice standards and specifications. STC's or COC's shall determine sufficiency of proof of performance. Such proof may include:

- copies of invoices or bills
  - copies of checks written to contractors or dealers
  - producer's records of time and dates worked in seeding the practice
  - other documentation as determined by STC or COC.
- 

### 4 Refunds and Liquidated Damages

---

#### A Required Refunds

A refund of the entire PRP payment may be required, as determined by COC if:

- the producer has not applied the practice as certified
- the practice is not maintained for the required practice lifespan (3 full calendar years after the year of establishment)

**Note:** A refund may not be required if COC determines that failure of the practices was a result of conditions beyond the control of the participant.

- a spot check reveals less acreage was reseeded than was certified as completed by the producer.

Handle refunds according to 67-FI using program code "00PRP".

---

Continued on the next page

4 Refunds and Liquidated Damages (Continued)

---

**B**

**When to Assess  
Liquidated  
Damages**

Liquidated damages:

- shall be computed at a rate of 25 percent of the PRP payment
- will be imposed only on producers who receive a PRP payment

**Note:** Use program code “00PRPLIDA” to record the receivable collection.

- will be assessed if:
  - a spot check reveals that the producer did not apply the practice as certified to on AD-245(PRP)
  - the producer cannot provide sufficient evidence that the practice was completed according to subparagraph 3 C
  - the practice is not maintained for the required lifespan
  - there is evidence of the producer knowingly filing a false claim.

**Note:** If there is evidence of possible violation of criminal or civil statutes, handle promptly according to 4-CP.

---