

U. S. DEPARTMENT OF AGRICULTURE
Commodity Credit Corporation

APPENDIX TO FORM CCC-920, GRASSLAND RESERVE PROGRAM CONTRACT

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 7 CFR Part 1415, the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), and the Food, Conservation, and Energy Act of 2008 (Pub. L. 110-246). The information will be used to determine eligibility for program benefits. 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 program benefits.

The information collection is exempted from the Paperwork Reduction Act, as it is required for the administration of the Food, Conservation, and Energy Act of 2008 (see Public L. 110-246, Title II, Subtitle J-Miscellaneous Conservation Provisions).

The provisions of criminal and civil fraud, privacy and other statutes may be applicable to the information provided.

1. DEFINITIONS

The following definitions are applicable to the Grassland Reserve Program (GRP) Contract:

- A. GRP contract or CCC-920** means the program documents including form CCC-920, the applicable contract appendix, Grazing Management Plan and the terms of any required easement, if applicable, entered into between CCC and the participant. Such contract will set forth the terms and conditions for participation in the GRP and receipt of GRP payments.
- B. Vegetative cover** means perennial or permanent grasses, legumes, forbs, and shrubs with a life span of 10 years or more, or trees.
- C.** All other words and phrases, unless the context of subject matter otherwise requires, will have the meanings assigned to them in the regulations governing the Grassland Reserve Program which are found at 7 CFR Part 1415.

2. ELIGIBILITY REQUIREMENTS FOR GRASSLAND RESERVE PROGRAM

- A.** By signing the GRP contract, the participant, except in the case of persons qualifying solely as a tenant, certifies that such participant will control the land subject to the contract for the contract period and will, upon demand, provide evidence to CCC demonstrating that such participant will control the land for that period.
- B.** Land otherwise eligible for the GRP will not be eligible, except as agreed otherwise, in writing, by CCC, if the land is subject to a deed or other restriction prohibiting the production of agricultural commodities or where a benefit has or will be obtained from a Federal agency in return for the participant's agreement not to produce such commodities on the land during the same time as the land would be enrolled in the GRP. By offering land for enrollment, the participant certifies as a condition for payment that no such restrictions apply to such land.

3. RESTRICTIONS ON PAYMENTS TO FOREIGN PERSONS

- A.** Any person who enters into this GRP contract or participates in such contract at any time who is not a citizen of the United States, or is an alien lawfully admitted into the United States for permanent residence under the Immigration and Nationality Act (8 U.S.C. 1101 et. seq.), will be ineligible to receive annual rental payments under this contract unless such person meets the requirements of 7 CFR Part 1400, which will be applicable to this contract.
- B.** Persons succeeding to a GRP contract subject to a reduction in payment under this paragraph 3 for any preceding party will not be eligible for payments during the contract period greater than those that could have been received by such preceding party.

4. AGREEMENT

A. The participant agrees:

- (1) That the applicable AD-1153 and CCC-920 and its addenda will, together, be considered an offer to enter into the Grassland Reserve Program on the terms specified on Form CCC-920 and its addenda. The offer, until revoked, may be accepted by CCC, provided further, that liquidated damages may apply in the case of a revocation as allowed for elsewhere in this Appendix;
- (2) To place eligible land into the GRP for a period of 10, 15, or 20 years, with such period beginning from the effective date of the GRP contract executed by CCC;
- (3) To comply with the terms and conditions of the Grazing Management Plan;
- (4) To establish, maintain, and replace, as specified in the GRP contract, the practices agreed to in the Grazing Management Plan;
- (5) Not to undertake any action on land under the participant's control which tends to defeat the purposes of this contract, as determined by CCC;
- (6) To control on land subject to a GRP contract all weeds, insects, pests and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the approved cover is adequately protected, and to provide such maintenance as necessary to avoid an adverse impact on surrounding land, taking into consideration water quality, wildlife and other factors;
- (7) Not to disturb the acreage under contract during the primary nesting and brood-rearing season for wildlife, except as approved by CCC;
- (8) To annually file any required forms as requested by CCC for payment limitation determinations;
- (9) To file applicable forms required by CCC for Adjusted Gross Income (AGI) determinations;
- (10) That it is understood that any payment or portion thereof due any participant will be made by CCC without regard to any question of title under State law, and without regard to any claim or lien which may be asserted by a creditor, except for agencies of the U. S. Government. Offsets for debts owed to agencies of the U. S. Government will be made prior to making any payments to participants or their assignees.
- (11) To perform certain periodic management activities described in the Grazing Management Plan.

B. CCC agrees, subject to the availability of funds:

- (1) To share the cost with owners and operators of establishing an eligible practice, or an identified unit thereof, as agreed to in the Grazing Management Plan as described herein
- (2) To pay the agreed-upon annual rental payment, based upon the shares to which the parties have agreed as set forth on Form CCC-920, for a period of years not in excess of the contract period;
- (3) To pay to the participant, to the extent required by CCC regulations, an interest penalty on cost-share payments, incentive payments, and all annual rental payments not made by the date that the payment is due, as determined by CCC;
- (4) To make annual rental payments beginning one year after the Contract is signed by CCC.

5. GRAZING MANAGEMENT PLAN

A. Subject to the approval of CCC, the Grazing Management Plan will include some or all of the following information and requirements:

- (1) The vegetative or water cover to be established on the GRP land;
- (2) A schedule of completion dates for establishment of the cover on the GRP land;

- (3) The level of environmental benefits which must be attained on the GRP land;
- (4) Any other practices required for the establishment or maintenance of the cover on the GRP land including weed, insect, pest, and other controls of undesirable species, and such maintenance as necessary to avoid an adverse impact on surrounding land as determined appropriate by CCC, taking into consideration the needs of water quality, wildlife concerns, and other factors.
- (5) That the acreage will not be disturbed during the primary nesting season for wildlife, as determined by CCC.

B. By signing the Grazing Management Plan, the participant agrees to implement the practices specified in that Grazing Management Plan on the GRP land even if such practices differ from those listed on Form CCC-920.

6. COST-SHARE PAYMENTS

- A.** Subject to the availability of funds, cost-share payments will be made available upon a determination by CCC that an eligible practice, or an identifiable unit thereof, has been established in compliance with the Grazing Management plan and with appropriate standards and specifications.
- B.** CCC will not make cost-share payments in excess of 50 percent of the actual or average cost of establishing the eligible practice specified in the Grazing Management Plan, as determined by CCC. It is understood that all cost-shares from all sources must be reported to CCC and that a reduction in the CCC cost-share may be made if there are other cost-shares received. Such reductions will be made to the extent required or allowed by the program regulations.
- C.** Except as otherwise provided for in program regulations, cost-share assistance may be made available under the GRP only for the establishment or installation of an eligible practice. In order to receive cost-share assistance, the participant, upon completion of the practice, must file Form AD-1245 or similar form approved by CCC, for approval by CCC.

7. ERRONEOUS REPRESENTATIONS, AND SCHEME AND DEVICE

- A.** A participant who is determined by CCC to have erroneously represented any fact affecting a determination with respect to this GRP contract and the regulations applicable to this GRP contract, adopted any scheme or device which tends to defeat the purposes of this GRP contract, or made any fraudulent representation with respect to this contract, will not be entitled to payments or any other benefits made in accordance with this GRP contract, and the participant must refund to CCC all payments received by such participant, plus interest and liquidated damages thereon, with respect to the GRP contract. Such liquidated damages will be determined in accordance with paragraph 8 of this Appendix.
- B.** Unless CCC regulations provide otherwise, refunds determined to be due and owed to CCC in accordance with this GRP contract will bear interest at the rate that CCC was required to pay for its borrowings from the United States Treasury on the date of the disbursement by CCC of the monies to be refunded. Interest will accrue from the date of such disbursement by CCC.
- C.** The remedies provided under paragraph 7 of this Appendix will be applicable in addition to any remedies under criminal and civil fraud statutes, including 18 U.S.C. 268, 287, 371, 641, 1001; 15 U.S.C. 714m; and 31 U.S.C. 3729, or any other remedy available under law.

8. LIQUIDATED DAMAGES

It is mutually agreed that in the event the GRP contract is breached by the participant, the CCC will suffer substantial damages that may not be possible to quantify with certainty. Therefore, in addition to the refund of payments received plus interest due for breach of contract prescribed in this contract, the participant agrees to pay an amount equal to the product obtained by multiplying: (1) 25 percent of the rental payment rate per acre on Form CCC-920 by (2) the number of acres that are the subject of the GRP contract. Such amount will be due as liquidated damages in addition to any other damages or amounts as may be due, and is not considered a penalty.

9. NOTIFICATION OF CHANGES TO TERMS AND CONDITIONS OF THE CONTRACT

CCC agrees that, if any changes of any terms and conditions of this GRP contract, including changes necessary to reconcile the practices listed on the CCC-920 with those specified in the Grazing Management Plan, become necessary prior to the date that this contract is approved on behalf of CCC, CCC will notify the person(s) signing the CCC-920 of such change and such person

will be given 10 days from the date of notification in which to agree either to the revised terms and conditions, or withdraw from the offer. The participant agrees to notify the CCC of an intention to withdraw from the offer within 10 days from the date of the issuance of such notice and further agrees that failure to notify the CCC in this time will constitute agreement to the revised terms and conditions.

10. CORRECTIONS

CCC reserves the right to correct all errors arising from entering data or computations in the contract.

11. TERMINATION OF CONTRACT; JOINT LIABILITY

If a participant fails to carry out the terms and conditions of this GRP contract but CCC determines that such failure does not warrant termination of this GRP contract, CCC may require such participant to refund, with interest, payments received under this GRP contract, or require the participant to accept such adjustments in the subsequent payment as are determined to be appropriate by CCC. Participants that sign the CCC-920 with zero percent interest in the annual rental payment will not be held responsible for contract compliance.

12. CONTRACT MODIFICATIONS

A. CCC may modify this contract to add or substitute certain practices when:

- (1) The installed practice failed to adequately control erosion through no fault of the participant;
- (2) The installed measure has deteriorated because of conditions beyond the control of the participant; or
- (3) Another practice will achieve at least the same level of environmental benefits.

B. Concurrence of the Natural Resources Conservation Service (NRCS) and the conservation district may be obtained by CCC when modifications to this contract involve a technical aspect of a participant's Grazing Management Plan.

13. EFFECTIVE DATE AND CHANGES TO CONTRACT

A. The GRP contract is effective when, as determined by CCC, it has been signed by the participant(s) and an authorized representative of CCC. Except as otherwise determined by CCC, as permitted by regulations or other law, the GRP contract may not be revoked or revised unless by mutual agreement between the parties. If, after the effective date of this contract, CCC determines that the offered acreage was erroneously enrolled or otherwise ineligible for enrollment, CCC may terminate the contract. Such termination will not effect payments already made to the participants as of the time of termination. The GRP contract must be signed by all required participants within the dates established by CCC.

B. In the event that a statute is enacted during the period of this GRP contract that would materially change the terms and conditions of this GRP contract, the CCC may require the participants to elect between acceptance of modifications in this GRP contract consistent with the provisions of such statute, or termination of this GRP contract.

14. TRANSFER OF LAND

A. If a new owner or operator purchases or obtains the right and interest in, or right to occupancy of, the land subject to this contract, such new owner or operator, upon the approval of CCC, may become a participant to a new GRP contract under the same terms and conditions with CCC covering such transferred land.

B. With respect to the transferred land, if the new owner or operator becomes a successor to the existing GRP contract, the new owner or operator will assume all obligations under such contract of the previous participant.

C. If the new owner or operator becomes a successor to a GRP contract with CCC:

- (1) Cost-share payments will be made to the participant who established the practice; and
- (2) Annual rental payments to be paid during the fiscal year when the land was transferred will be divided in an equitable manner, as determined by CCC.

D. A new owner or operator will not be eligible to succeed to the GRP contract or receive payments under the contract if a

previous participant in the contract maintains or acquires any interest of any kind in the property including, but not limited to, present, future, or conditional interests, or reversionary interests, or any option with respect to the property.

- E. The participant certifies that no person has, or will, obtain an interest in the property that would render the new owner or operator to be ineligible to succeed to the GRP contract under the provisions of this paragraph. The existence or acquisition of such an interest by another person will be considered a breach of the contract for which the CCC may terminate the contract and enforce the remedies provided in this Appendix.
- F. If a participant transfers all or part of the right and interest in, or right to occupancy of, the GRP land and the new owner or operator does not become a successor to such contract within 60 days, or such other time as determined appropriate by CCC, of such transfer, such contract will be terminated with respect to the affected portion of such land and the original participant must:
 - (1) Forfeit all rights to any future payments with respect to such acreage;
 - (2) Refund all or part of the payments made with respect to such contract plus interest thereon, as determined by CCC; and
 - (3) Pay liquidated damages to CCC as specified in paragraph 8 of this Appendix.

15. REGULATIONS TO PREVAIL

The regulations in 7 CFR Part 1415 for the GRP are incorporated herein. In the event of a conflict between these regulations and the terms of this Appendix, the provisions of the regulations will prevail.

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