

§ 1439.306

7 CFR Ch. XIV (1-1-08 Edition)

§ 1439.306 Duration of contracts.

Contracts under this subpart and their forage crop maintenance requirements shall be for three years. The installation of the practice must be completed no later than the date specified in the PRP contract.

§ 1439.307 Gross revenue limitation.

A person, as determined in accordance with part 1400 of this chapter, who has annual gross revenue in excess of \$2.5 million shall not be eligible to receive assistance under this part. For the purpose of this determination, annual gross revenue means:

(a) With respect to a person who receives more than 50 percent of such person's gross income from farming and ranching, the total gross revenue received from such operations; and

(b) With respect to a person who receives 50 percent or less of such person's gross income from farming and ranching, the total gross revenue from all sources.

§§ 1439.308-1439.319 [Reserved]

§ 1439.320 Obligations of participant.

All participants subject to a PRP contract must agree to:

(a) Carry out the terms and conditions of the PRP contract including carrying out all approved practices and meeting the schedule of dates for seeding and for maintenance measures provided for in the contract to establish and maintain the approved forage crop;

(b) Comply with all requirements of part 12 of this title;

(c) Comply with noxious weed laws of the applicable State or local jurisdiction on such land;

(d) Control, subject to the contract, all weeds, insects, pests and other undesirable species to the extent necessary to ensure that the establishment and maintenance of the approved forage crop is adequately protected, as determined by CCC;

(e) Not harvest the re-seeded cover crop at any time during the contract period; and

(f) Be jointly and severally responsible with other persons qualifying for payments under this program on the same land for compliance with such contract and the provisions of this part

and for any refunds, payment adjustments, or liquidated damages that may be required for violations of any of the terms and conditions of the PRP contract.

§ 1439.321 Obligations of the Commodity Credit Corporation.

CCC shall:

(a) Upon establishment of the required forage crop, and provided all other eligibility criteria have been met, make PRP payments to participants in accordance with the provisions of this part; and

(b) Provide such technical assistance as it determines necessary to assist the participant in carrying out the PRP contract.

§ 1439.322 Eligible practices.

Eligible practices are those practices specified in the contract that meet all quantity and quality standards needed to cost-effectively reestablish the approved forage crop, as determined by CCC, on acreage subject to the contract, including reseeding.

§§ 1439.323-1439.329 [Reserved]

§ 1439.330 Enrollment.

Only applications for contracts submitted by a participant at the FSA office responsible for administering CCC programs in the county where the participant's farm is located during designated signup periods, as announced by CCC, will be approved.

§ 1439.331 Termination of PRP contracts.

(a) As determined by CCC, PRP contracts may be terminated before the expiration date when:

(1) The owner loses control of, or transfers, all or part of the acreage under contract and the new owner does not wish to continue the contract;

(2) The participant voluntarily requests in writing to terminate the contract and obtains the approval of CCC subject to such conditions on approval as may be determined by CCC;

(3) The participant is not in compliance with the terms and conditions of the contract;

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(4) The same acreage is later enrolled in another State, Federal, or local conservation program;

(5) The PRP practice fails and CCC determines the cost of restoring the cover outweighs the benefits received from the restoration; or

(6) The PRP contract was approved based on erroneous eligibility determinations.

(b) When a PRP contract is terminated, the participant must, except as agreed to by CCC, refund all or part of the payments made with respect to such contract plus interest thereon, as determined by CCC, and shall pay liquidated damages as provided for in such contract.

§ 1439.332 Contract modifications.

By mutual agreement between CCC and the participant, a PRP contract may be modified in order to:

(a) Decrease acreage in the PRP;

(b) Facilitate the practical administration of the PRP; or

(c) Accomplish the goals and objectives of the PRP, as determined by CCC.

§§ 1439.333–1439.339 [Reserved]

§ 1439.340 Payments.

(a) Payments shall be made available upon a determination by CCC that an eligible practice, or an identifiable unit thereof, has been established in compliance with the appropriate standards and specifications. Payments will be prorated if requests for assistance exceed available funding.

(b) Except as otherwise provided for in this part, payments may be made under the PRP only for the cost-effective establishment or installation of an eligible practice.

(c) Payments shall be made in such amount and in accordance with a schedule specified in the PRP contract.

(d) Payment shall be made on a per-acre basis.

(e) The payment shall be divided among the participants on a single contract in the manner agreed upon in such contract.

(f) The maximum amount of all payments that a person may receive under the PRP shall not exceed \$2,500. The regulations set forth at part 1400 of this

chapter shall be applicable in making certain eligibility and “person” determinations as they apply to payment limitations under this part.

(g) Payments shall be limited as needed or appropriate to account for mandatory or discretionary limits on payments.

§ 1439.341 Levels and rates for payments.

(a) CCC shall pay not more than 65 percent of the average cost of reestablishing the approved forage crop, including reseeding, on eligible land.

(b) The average cost of performing a practice may be determined by CCC based on recommendations from the State Technical Committee or on such other basis as it deemed appropriate.

(c) Notwithstanding paragraph (a) or (b) of this section, no payment shall exceed \$100 per acre without approval of the Deputy Administrator. In no case shall a payment exceed \$125 per acre.

§§ 1439.342–1439.349 [Reserved]

§ 1439.350 Payments to participants.

Payments shall be made to the participants responsible for the establishment of the practice.

§ 1439.351 Violations.

(a) If a participant fails to carry out the terms and conditions of a PRP contract, CCC may terminate the PRP contract.

(b) If the PRP contract is terminated by CCC:

(1) The participant shall forfeit all rights to payments under such contract and refund all payments previously received together with interest; and

(2) Pay liquidated damages to CCC in such amount as specified in the contract.

(c) If the Deputy Administrator determines such failure does not warrant termination of such contract, the Deputy Administrator may authorize relief as the Deputy Administrator deems appropriate.

§ 1439.352 Executed PRP contract not in conformity with regulations.

If, after a PRP contract is approved by CCC, CCC discovers that the PRP