

§ 1469.35

§ 1469.35 Offsets and assignments.

(a) Except as provided in paragraph (b) of this section, NRCS will make any payment or portion thereof to any participant without regard to questions of title under State law and without regard to any claim or lien against the crop, or proceeds thereof, in favor of the owner or any other creditor except agencies of the U.S. Government. The regulations governing offsets and withholdings found at 7 CFR part 1403 are applicable to contract payments.

(b) Any producer entitled to any payment may assign any payments in accordance with regulations governing assignment of payment found at 7 CFR part 1404.

§ 1469.36 Misrepresentation and scheme or device.

(a) If the Department determines that a participant erroneously represented any fact affecting a CSP determination made in accordance with this part, the participant's conservation stewardship contract will be terminated immediately in accordance with §1469.25(b). The participant will forfeit all rights for future contract payments, and must refund payments received, plus interest, and liquidated damages as described in §1469.25.

(b) A producer who is determined to have knowingly:

(1) Adopted any scheme or device that tends to defeat the purpose of CSP;

(2) Made any fraudulent representation; or

(3) Misrepresented any fact affecting a CSP determination, must refund to NRCS all payments, plus interest, and liquidated damages as determined in accordance with §1469.25 received by such participant with respect to all contracts. In addition, NRCS will terminate the participant's interest in all conservation stewardship contracts.

(c) If the producer acquires land subsequent to enrollment in CSP, that land is not considered part of the agricultural operation; however, if the land was previously owned or controlled by them before the date of enrollment and after May 13, 2002, then NRCS will conduct an investigation into the activity to see if there was a scheme or device.

7 CFR Ch. XIV (1–1–25 Edition)

PART 1470—CONSERVATION STEWARDSHIP PROGRAM

Subpart A—General Provisions

- Sec.
- 1470.1 Applicability.
 - 1470.2 Administration.
 - 1470.3 Definitions.
 - 1470.4 Allocation and management.
 - 1470.5 Outreach activities.
 - 1470.6 Eligibility requirements.
 - 1470.7 Conservation activities.
 - 1470.8 Technical and other assistance.

Subpart B—Contracts and Payments

- 1470.20 Application for contracts and selecting offers from applicants.
- 1470.21 Contract requirements.
- 1470.22 Conservation stewardship plan.
- 1470.23 Conservation activity operation and maintenance.
- 1470.24 Payments.
- 1470.25 Contract modifications and transfers of land.
- 1470.26 Contract renewal.
- 1470.27 Contract violations and termination.
- 1470.28 Grassland conservation initiative contracts.

Subpart C—General Administration

- 1470.30 Fair treatment of tenants and sharecroppers.
- 1470.31 Appeals.
- 1470.32 Compliance with regulatory measures.
- 1470.33 Access to agricultural operation.
- 1470.34 Equitable relief.
- 1470.35 Offsets and assignments.
- 1470.36 Misrepresentation and scheme or device.
- 1470.37 Environmental credits for conservation improvements.

AUTHORITY: 16 U.S.C. 3839aa–21–3839aa–25.

SOURCE: 84 FR 60891, Nov. 12, 2019, unless otherwise noted.

Subpart A—General Provisions

§ 1470.1 Applicability.

(a) This part sets forth the policies, procedures, and requirements for the Conservation Stewardship Program (CSP) as administered by the Natural Resources Conservation Service (NRCS), for enrollment during fiscal year (FY) 2019 and thereafter. Contracts entered into prior to FY 2019 will use the regulations and policies in effect prior to December 20, 2018.

Commodity Credit Corporation, USDA

§ 1470.3

(b) The purpose of CSP is to encourage producers to address priority resource concerns and improve and conserve the quality and condition of natural resources in a comprehensive manner by—

(1) Undertaking additional conservation activities; and

(2) Improving, maintaining, and managing existing conservation activities.

(c) CSP is applicable in any of the 50 States, District of Columbia, Commonwealth of Puerto Rico, Guam, Virgin Islands of the United States, American Samoa, and Commonwealth of the Northern Mariana Islands.

(d) NRCS provides financial and technical assistance to eligible producers.

§ 1470.2 Administration.

(a) The regulations in this part will be administered under the general supervision and direction of the Chief, NRCS.

(b) No delegation in the administration of this part to lower organizational levels will preclude the Chief from making any determinations under this part, re delegating to other organizational levels, or from reversing or modifying any determination made under this part. The Chief may modify or waive a nonstatutory, discretionary provision of this part if the Chief determines the application of that provision to a particular limited situation is inappropriate and inconsistent with the purposes of the program.

(c) To achieve the conservation goals of CSP, NRCS will—

(1) Make the program available nationwide to eligible applicants on a continuous application basis with one or more ranking periods to determine enrollments. One of the ranking periods will occur in the first quarter of each fiscal year to the extent practicable.

(2) Establish a science-based stewardship threshold for each priority resource concern at the level of management required to conserve and improve the quality and condition of a natural resource. To the extent practicable, NRCS will use scientifically developed assessment tools and guides including, but not limited to, soil erosion prediction tools, wildlife habitat assessment tools, rangeland health assess-

ments, and soil health assessments, to establish the stewardship threshold and measure the level of improvement once the participant applies additional conservation activities to meet or exceed a resource concern.

(3) To the maximum extent feasible, manage CSP to enhance soil health.

(d) To support locally led conservation, NRCS will solicit input from State technical committees, Tribal Conservation Advisory Councils, and local working groups to develop State-level technical, outreach, and program materials, including:

(1) Establishment of ranking pools appropriate for the conduct of CSP within the State to ensure program availability and better distribution of the funds. Ranking pools may be based on watersheds, geographic areas, or other appropriate regions within a State and may consider high-priority regional and State-level priority resource concern areas;

(2) Identification of not less than five priority resource concerns in particular geographic areas or other appropriate regions within a State;

(3) Identification of resource-conserving crops that will be part of resource-conserving crop rotations; and

(4) Identification of combinations of grazing conservation activities that will be part of an advanced grazing management system.

(e) NRCS may enter into agreements with Federal, State, and local agencies, conservation districts, Indian Tribes, private entities, and individuals to assist NRCS with program implementation including, but not limited to, planning activities, outreach, and providing other forms of technical assistance.

[84 FR 60891, Nov. 12, 2019, as amended at 85 FR 64002, Oct. 9, 2020]

§ 1470.3 Definitions.

The following definitions will apply to this part and all documents issued in accordance with this part, unless specified otherwise:

Advanced grazing management means the use of a combination of grazing conservation activities, as determined by NRCS, which may include management-intensive rotational grazing, that provide for—

§ 1470.3

7 CFR Ch. XIV (1-1-25 Edition)

- (1) Improved soil health and carbon sequestration;
- (2) Drought resilience;
- (3) Wildlife habitat;
- (4) Wildfire mitigation;
- (5) Control of invasive plants; and
- (6) Water quality improvement.

Agricultural operation means all eligible land, as determined by NRCS, whether contiguous or noncontiguous that is—

- (1) Under the effective control of a producer at the time of enrollment in the program; and
- (2) Operated by the producer with equipment, labor, management, and production or cultivation practices that are substantially separate from other agricultural operations.

Applicant means a producer who has requested in writing to participate in CSP.

Beginning farmer or rancher means a person or legal entity who—

- (1) Has not operated a farm, ranch, or nonindustrial private forest land (NIPF); or who has operated a farm, ranch, or NIPF for not more than 10 consecutive years. The requirement in this paragraph (1) applies to all members of a legal entity who will materially and substantially participate in the operation of the farm or ranch.
- (2) In the case of a contract with an individual, individually, or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.
- (3) In the case of a contract with a legal entity or joint operation, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

Chief means the Chief of NRCS, United States Department of Agriculture (USDA), or designee.

Comprehensive conservation plan means a conservation plan that meets or exceeds the stewardship threshold for each priority resource concern identified by NRCS across all land uses included in the operation.

Conservation activities mean conservation systems, practices, enhancements, or management measures, as determined by NRCS, and may include—

- (1) Structural measures, vegetative measures, and land management measures, including agricultural drainage management systems as determined by NRCS;
- (2) Planning needed to address a priority resource concern;
- (3) Development of a comprehensive conservation plan;
- (4) Soil health planning, including planning to increase soil organic matter; and
- (5) Activities that will assist a producer to adapt to, or mitigate against, increasing weather volatility.

Conservation district means any district or unit of State, Tribal, or local government formed under State, Tribal, or territorial law for the express purpose of developing and carrying out a local soil and water conservation program. Such district or unit of government may be referred to as a “conservation district,” “soil conservation district,” “soil and water conservation district,” “resource conservation district,” “land conservation committee,” “natural resource district,” or similar name.

Conservation practice means a specified treatment, such as a structural, vegetative, or management technique commonly used to meet a specific need in planning and carrying out conservation programs for which standards and specifications have been developed. Conservation practices are in the Field Office Technical Guide (FOTG).

Conservation stewardship plan means a plan developed in accordance with the requirements of § 1470.22.

Conservation system means a combination of conservation practices, management measures, and enhancements used to address natural resource and environmental concerns in a comprehensive, holistic, and integrated manner.

Commodity Credit Corporation, USDA

§ 1470.3

Contract means a legal document that specifies the rights and obligations of any participant who has been accepted into the program. A CSP contract is a binding agreement under this part for the transfer of assistance from NRCS to the participant for installing, adopting, improving, managing, and maintaining conservation activities.

Effective control means possession of the land by ownership, written lease, or other legal agreement and authority to act as decision maker for the day-to-day management of the operation both at the time the applicant enters into a stewardship contract and for the duration of the contract.

Eligible land means:

(1) Private and Tribal land upon which:

(i) Agricultural commodities, livestock, or forest-related products are produced; and

(ii) Priority resource concerns could be addressed through a contract under the program. Eligible land includes cropland, grassland, rangeland, pastureland, nonindustrial private forest land, and other agricultural lands including cropped woodland, marshes, and agricultural land used or capable of being used for the production of livestock as determined by the Chief; and

(2) Publicly owned land where the—

(i) Land is associated with the land described in paragraph (1) of this definition and is a working component of the producer's agricultural or forestry operation;

(ii) Producer has control of the land for the term of the contract; and

(iii) Conservation activities the producer will implement on the public land are necessary and will address an identified priority resource concern.

Enhancement means a type of conservation activity used to treat natural resources and improve conservation performance that allows a producer to address levels of conservation beyond what the minimum conservation practice standard requires. Enhancements, alone or in combination with other enhancements and practices, result in conservation systems that are equal to or greater than the performance level for the planning criteria identified for a given resource concern. Planning criteria are defined for each resource concern

in Section III—Conservation Management Systems, Field Office Technical Guide.

Field Office Technical Guide (FOTG) means the official local NRCS source of resource information and interpretations of guidelines, planning criteria, and standards for planning and implementation of conservation practices. The FOTG contains detailed information on the planning standard to achieve conservation of soil, water, air, plant, energy, and animal resources applicable to the local area for which it is prepared. (See <https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/technical/fotg/> to access your State FOTG.)

Historically underserved producer means a person, joint operation, legal entity, or Indian Tribe who is a beginning farmer or rancher, socially disadvantaged farmer or rancher, limited resource farmer or rancher, or veteran farmer or rancher.

Indian lands mean land held in trust by the United States for individual Indians or Indian Tribes, or all land titles held by individual Indians or Tribes, subject to Federal restrictions against alienation or encumbrance, or land which is subject to the rights of use, occupancy, and/or benefit of certain Indian Tribes. This term also includes lands for which the title is held in fee status by an Indian, Indian family, or Indian Tribe.

Indian Tribe means any Indian Tribe, band, nation, pueblo, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 *et seq.*), which is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

Joint operation means, as defined in 7 CFR part 1400, a general partnership, joint venture, or other similar business organization in which the members are jointly and severally liable for the obligations of the organization.

Legal entity means, as defined in 7 CFR part 1400, an entity created under Federal or State law that owns land or an agricultural commodity, product, or

§ 1470.3

7 CFR Ch. XIV (1–1–25 Edition)

livestock; or produces an agricultural commodity, product, or livestock.

Limited resource farmer or rancher means:

(1) A person with direct or indirect gross farm sales not more than the current indexed value in each of the previous 2 fiscal years (adjusted for inflation using Prices Paid by Farmer Index as compiled by the National Agricultural Statistical Service); and

(2) Has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous 2 years (to be determined annually using Department of Commerce Data).

(3) A limited resource farmer or rancher also includes a legal entity or joint operation if all individual members independently qualify under paragraphs (1) and (2) of this definition.

Liquidated damages means a sum of money stipulated in the CSP contract that the participant agrees to pay NRCS if the participant fails to fulfill the terms of the contract. The sum represents an estimate of the technical assistance expenses incurred to service the contract and reflects the difficulties of proof of loss and the inconvenience or nonfeasibility of otherwise obtaining an adequate remedy.

Management-intensive rotational grazing means a strategic, adaptively managed multipasture grazing system in which animals are regularly and systematically moved to a fresh pasture in a manner that, as determined by NRCS:

(1) Maximizes the quantity and quality of forage growth;

(2) Improves manure distribution and nutrient cycling;

(3) Increases carbon sequestration;

(4) Improves the quality and quantity of cover for wildlife;

(5) Provides permanent cover to protect the soil from erosion; and

(6) Improves water quality.

Management measure means one or more specific actions that is not a conservation practice, but which has the effect of alleviating problems or improving the treatment of the natural resources.

National Organic Program means the program established under the Organic

Foods Production Act of 1990 (7 U.S.C. 6501 *et seq.*), administered by the Agricultural Marketing Service, which regulates the standards for any farm, wild crop harvesting, or handling operation that wants to market an agricultural product as organically produced.

Natural Resources Conservation Service means an agency of USDA which has responsibility for administering CSP using the funds, facilities, and authorities of the Commodity Credit Corporation.

Nonindustrial private forest land means rural land, as determined by NRCS, that has existing tree cover or is suitable for growing trees, and is owned by any nonindustrial private individual, group, association, corporation, Indian Tribe, or other private legal entity that has definitive decision-making authority over the land.

Operation and maintenance means work performed by the participant to maintain existing conservation activities to at least the level of conservation performance identified at the time of enrollment, and maintain additional conservation activities installed and adopted over the contract period. Operation includes the administration, management, and performance of non-maintenance actions needed to keep the completed activity functioning as intended. Maintenance includes work to prevent deterioration of the activity, repairing damage, and replacement or restoration of the activity to its original condition if one or more components fail.

Participant means a producer that has applied for participation and has entered into a CSP contract and is receiving payment or is responsible for implementing the terms and conditions of a CSP contract.

Payment means financial assistance provided to the participant under the terms of the CSP contract.

Person means, as defined in 7 CFR part 1400, an individual, natural person and does not include a legal entity.

Priority resource concern means a natural resource concern or problem, as determined by NRCS, that is likely to be addressed successfully through implementation of conservation activities under this program.

Producer means a person, legal entity, joint operation, or Indian Tribe who either has an interest in the agricultural operation or who NRCS determines is engaged in agricultural production or forestry management on the agricultural operation.

Resource-conserving crop means a crop that is one of the following, as determined by NRCS:

- (1) A perennial grass;
- (2) A legume grown for use as a cover crop, forage, seed for planting, or green manure;
- (3) A legume-grass mixture or grass-forb mixture; or
- (4) A non-fragile residue or high residue crop or a crop that efficiently uses soil moisture, reduces irrigation water needs, or is considered drought tolerant.

Resource-conserving crop rotation means a crop rotation that—

- (1) Includes at least one resource-conserving crop as determined by NRCS;
- (2) Reduces erosion;
- (3) Improves soil fertility and tilth;
- (4) Interrupts pest cycles;
- (5) Builds soil organic matter; and
- (6) In applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.

Secretary means the Secretary of the USDA.

Socially disadvantaged farmer or rancher means a producer who is a member of a group whose members have been subjected to racial or ethnic prejudices without regard to its members' individual qualities.

State technical committee means a committee established by the NRCS in a State pursuant to 7 CFR part 610, subpart C.

Stewardship threshold means the level of management required, as determined by NRCS, to conserve and improve the quality and condition of a natural resource through the use of—

- (1) Planning criteria under a resource management system;
- (2) Predictive analytics tools or models developed or approved by NRCS;
- (3) Data from past and current enrollment in the program; and
- (4) Other methods that measure conservation and improvement in priority resource concerns, as determined by the Chief.

Technical assistance means technical expertise, information, and tools necessary for the conservation of natural resources on land active in agricultural, forestry, or related uses. The term includes the following:

(1) Technical services provided directly to farmers, ranchers, Indian Tribes, forest producers, and other eligible entities, such as conservation planning, technical consultation, and assistance with the design and implementation of conservation activities; and

(2) Technical infrastructure, including processes, tools, and agency functions needed to support delivery of technical services; such as technical standards, resource inventories, training, data, technology, monitoring, and effects analyses.

Technical service provider (TSP) means an individual, private-sector entity, Indian Tribe, or public agency certified pursuant to 7 CFR part 652 and placed on the approved list to provide technical services to participants; or selected by USDA to assist USDA in the implementation of conservation programs covered by this part through a procurement contract, contribution agreement, or cooperative agreement with USDA.

Veteran farmer or rancher means a producer who meets the definition in section 2501(a)(7) of the Food, Agriculture, Conservation, and Trade Act of 1990, as amended (7 U.S.C. 2279).

[84 FR 60891, Nov. 12, 2019, as amended at 85 FR 64002, Oct. 9, 2020; 86 FR 41702, Aug. 3, 2021]

§ 1470.4 Allocation and management.

(a) The Chief will allocate funds to States, and may adjust the weighting of the following allocation factors to provide for equitable geographic distribution and meet enrollment goals, based on the consideration of—

- (1) Each State's proportion of eligible land to the total acreage of eligible land in all States;
- (2) The extent and magnitude of the conservation needs associated with agricultural production in each State;
- (3) The degree to which implementation of the program in the State is, or will be, effective in helping producers address those needs; and

§ 1470.5

(4) Other considerations determined by the Chief to achieve equitable geographic distribution of program funds.

(b) The Chief will allocate funding to the States to support organic production and transition to organic production based on—

(1) The number of certified and transitioning organic operations within the State; and

(2) The number of acres of certified and transitioning organic production within the State.

(c) Of the funds made available for each of fiscal years 2019 through 2023 to carry out CSP, NRCS will, to the maximum extent practicable, use at least:

(1) Five percent to assist beginning farmers or ranchers; and

(2) Five percent to assist socially disadvantaged farmers or ranchers.

(d) NRCS may adjust State allocations or reallocate funds in any fiscal year if a State cannot use their full allocation.

[84 FR 60891, Nov. 12, 2019, as amended at 85 FR 64002, Oct. 9, 2020]

§ 1470.5 Outreach activities.

(a) NRCS will establish program outreach activities at the national, State, and local levels to inform potential applicants who control eligible land that they may be eligible to apply for program assistance.

(b) NRCS will specifically conduct outreach to historically underserved producers.

(c) NRCS will provide outreach so as not to limit producer participation because of size or type of operation or production system, including specialty crop and organic production.

§ 1470.6 Eligibility requirements.

(a) *Eligible applicant.* To apply for CSP, a producer must—

(1) Be the operator, owner, or other tenant of an agricultural operation in the Farm Service Agency (FSA) farm records management system. Applicants must establish or update records with FSA before NRCS will consider an applicant as eligible;

(2) Share in the risk of producing a crop; share in the crop available for marketing from the farm (or would have shared had the crop been produced); and participate in the daily

7 CFR Ch. XIV (1–1–25 Edition)

management, administration, and performance of the operation for the land included in the contract;

(3) Have effective control of the land unless an exception is made by the Chief in the case of land administered by the Bureau of Indian Affairs, Indian lands, or other instances in which NRCS determines that there is sufficient assurance of control;

(4) Be in compliance with the highly erodible land and wetland conservation provisions found at 7 CFR part 12;

(5) Be in compliance with adjusted gross income provisions found at 7 CFR part 1400;

(6) Supply information, as required by NRCS, to determine eligibility for the program, including but not limited to, information related to eligibility requirements and ranking factors; conservation activity and production system records; information to verify the applicant's status as an historically underserved producer, if applicable; and payment eligibility as established by 7 CFR part 1400; and

(7) Provide a list of all members of the legal entity or joint operation, as applicable, and embedded entities along with members' tax identification numbers and percentage interest in the legal entity or joint operation. Where applicable, American Indians, Alaska Natives, and Pacific Islanders may use another unique identification number for each individual eligible for payments.

(b) *Eligible land.* A contract application must include all of the eligible land on an applicant's agricultural operation. A participant may submit an application(s) to enter into an additional contract(s) for newly acquired or newly eligible land, which would then compete with other applications in a subsequent ranking period.

(c) *Ineligible land.* The following lands (even if covered by the definition of eligible land in § 1470.3) are part of the agricultural operation, but are not eligible for enrollment in CSP:

(1) Land enrolled in the Conservation Reserve Program (CRP), 7 CFR part 1410, unless—

(i) The conservation reserve contract will expire at the end of the fiscal year in which the land is to be enrolled in the program; and

Commodity Credit Corporation, USDA

§ 1470.20

(ii) Conservation reserve program payments for land enrolled in the program cease before the first program payment is made to the applicant under this subchapter;

(2) Land enrolled in a wetland reserve easement through the Agricultural Conservation Easement Program, 7 CFR part 1468; and

(3) Land used for crop production after December 20, 2018, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date, unless the land does not meet such requirements because that land—

(i) Had previously been enrolled in CRP;

(ii) Has been maintained using long-term crop rotation practices as determined by the NRCS; or

(iii) Is incidental land needed for efficient operation of the farm or ranch as determined by NRCS.

§ 1470.7 Conservation activities.

(a) NRCS will record in the conservation stewardship plan the additional conservation activities the participant agrees to implement under the conservation stewardship contract.

(b) NRCS will make available to the public the list of conservation activities an applicant may choose to implement and manage through the CSP.

(c) NRCS may make available bundles of conservation activities that when implemented together address resource concerns in a more comprehensive and cost-effective manner.

§ 1470.8 Technical and other assistance.

(a) NRCS may provide technical assistance to an eligible applicant or participant either directly or through a TSP as set forth in 7 CFR part 652.

(b) NRCS retains approval authority over certification of work done by non-NRCS personnel for the purpose of approving CSP payments.

(c) NRCS will ensure that technical assistance is available and program specifications are appropriate so as not to limit producer participation because of size or type of operation or production system, including specialty crop and organic production.

(d) NRCS will assist potential applicants dealing with the requirements of certification under the National Organic Program and CSP requirements concerning how to coordinate and simultaneously meet eligibility standards under each program.

(e) NRCS may utilize the services of State foresters and existing technical assistance programs such as the Forest Stewardship Program of the U.S. Forest Service, in coordinating assistance to NIPF owners.

Subpart B—Contracts and Payments

§ 1470.20 Application for contracts and selecting offers from applicants.

(a) *Submission of contract applications.* Applicants may submit an application for CSP at any time to enroll all of the eligible land included in their agricultural operation.

(b) *Stewardship threshold requirement.* To be eligible to participate in CSP, an applicant must submit to NRCS for approval, a contract offer for the agricultural operation that—

(1) Demonstrates that the applicant's conservation activities, at the time of contract offer, meet or exceed the stewardship threshold for at least two priority resource concerns; and

(2) Would, at a minimum, meet or exceed the stewardship threshold for at least one additional priority resource concern by the end of the conservation stewardship contract by:

(i) Installing and adopting additional conservation activities; and

(ii) Improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract application is accepted by NRCS; and

(3) Provides a map, aerial photograph, or overlay that—

(i) Identifies the applicant's agricultural operation; and

(ii) Delineates eligible land with associated acreage amounts.

(c) *Evaluation of contract applications.* NRCS will conduct one or more ranking periods each fiscal year.

(1) To the extent practicable, one ranking period will occur in the last

§ 1470.21

7 CFR Ch. XIV (1–1–25 Edition)

quarter of the previous fiscal year or the first quarter of the current fiscal year.

(2) In evaluating CSP applications for new enrollment or for renewal, NRCS will rank applications based on the following factors:

(i) The natural resource conservation and environmental benefits that result from the conservation treatment on all State identified priority resource concerns at the time of submission of the application;

(ii) The degree to which the proposed conservation activities increase natural resource conservation and environmental benefits; and

(iii) Other consistent criteria, as determined by NRCS, including criteria the Chief determines are necessary to ensure that national, State, and local priority resource concerns are effectively addressed.

(3) In the event that two or more applications receive the same ranking under paragraph (c)(2) of this section, NRCS shall rank those contracts based on the extent to which the actual and anticipated conservation benefits from each contract are provided at the lowest cost relative to other similarly beneficial contract offers.

(4) NRCS may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

(d) *Ranking pools.* States will establish ranking pools in accordance with §1470.2(d)(1).

(1) Nonindustrial private forest land (NIPF) applications will compete in separate ranking pools. An applicant with both NIPF and other eligible land may submit one application for NIPF and one application for all other eligible land.

(2) Within each State or established ranking pool, NRCS will address conservation access for certain farmers or ranchers, including—

(i) Socially disadvantaged farmers or ranchers;

(ii) Beginning farmers or ranchers;

(iii) Producers who are veteran farmers or ranchers; and

(iv) Organic producers or producers who are transitioning to organic.

(e) *Application preapproval.* NRCS will make application preapproval determinations throughout the fiscal year based on eligibility and ranking score.

(f) *Field verification.* NRCS will conduct onsite field verification prior to entering into a conservation stewardship contract to substantiate the accuracy of the information provided by applicants during the application process and to verify applicability of planned conservation activities.

§ 1470.21 Contract requirements.

(a) After NRCS approves the application and develops the conservation stewardship plan in accordance with §1470.22, NRCS will enter into a conservation stewardship contract with the participant to enroll the participant's agricultural operation in the program.

(b) The conservation stewardship contract will—

(1) Be for a period of 5 years;

(2) Incorporate by reference the conservation stewardship plan;

(3) State the payment amount NRCS agrees to make to the participant annually, subject to the availability of funds;

(4) Incorporate all provisions as required by law or statute, including requirements that the participant will—

(i) Implement the conservation stewardship plan as described in §1470.22;

(ii) Operate and maintain conservation activities on the agricultural operation consistent with §1470.23;

(iii) Comply with the terms of the contract or documents incorporated by reference into the contract;

(iv) Refund as determined by NRCS, any program payments received with interest, and forfeit any future payments under the program, upon the violation of a term or condition of the contract, consistent with §1470.27;

(v) Refund as determined by NRCS, all program payments received with interest, upon the transfer of the right and interest of the participant, in land subject to the contract, unless the transferee of the right and interest agrees to assume all obligations of the contract, consistent with §1470.25;

(vi) Maintain and supply information as requested by NRCS, to determine compliance with the conservation

Commodity Credit Corporation, USDA

§ 1470.24

stewardship plan and any other requirements of the program; and

(vii) Not conduct any activities on the agricultural operation that would tend to defeat the purposes of the program, as determined by NRCS;

(5) Permit all economic uses of the eligible land that—

(i) Maintain the agricultural or forestry nature of the land; and

(ii) Are consistent with the conservation purposes of the contract;

(6) Include a provision to ensure that NRCS will not consider a participant in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the participant, including a disaster or related condition, as determined by NRCS; and

(7) Include such other provisions as NRCS determines necessary to ensure the purposes of the program are achieved.

§ 1470.22 Conservation stewardship plan.

(a) NRCS will use the conservation planning process as outlined in the NRCS “National Planning Procedures Handbook” to encourage participants to address resource concerns in a comprehensive manner.

(b) The conservation stewardship plan will contain a record of the participant’s objectives and decisions to meet or exceed stewardship thresholds for identified resource concerns through implementation or adoption of one or more conservation activities. The plan will document the schedule of conservation activities to be implemented, managed, or improved under the conservation stewardship contract.

(c) Supporting documentation for the participant’s plan will include—

(1) Identification and inventory of priority resource concerns;

(2) Establishing benchmark data on the condition of existing conservation activities at the time of enrollment;

(3) A plan map delineating the agricultural operation included in the program contract with associated acreage amounts;

(4) For organic producers or producers transitioning to organic production, documentation that supports the participant’s transition to or participa-

tion in the National Organic Program; and

(5) Other information as determined appropriate by NRCS.

§ 1470.23 Conservation activity operation and maintenance.

Throughout the conservation stewardship contract period, the participant will maintain and manage existing conservation activities across the entire agricultural operation to at least the benchmark level of conservation performance identified at the time of enrollment for the conservation stewardship contract period. The participant will also maintain and manage additional activities installed and adopted under the conservation stewardship contract.

§ 1470.24 Payments.

(a) *Annual payments.* Subject to the availability of funds, NRCS will provide, as appropriate, annual payments under the program to compensate a participant for installing and adopting additional conservation activities, and for improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time NRCS accepts the contract offer. A split-rate annual payment structure is used to provide separate payments for additional and existing conservation activities in order to place emphasis on implementing additional conservation.

(1) NRCS will make equal annual payments for the existing activity portion of the payment, specific to the operation, based on the land uses and NRCS assessment of existing stewardship. NRCS will make payments for the additional conservation activities based on the complexity and extent of the individual activities completed by the participant during the previous fiscal year. Additional activities implemented may vary from year to year, so the total annual payment may fluctuate;

(2) In order to receive an annual payment for a land use, participants must schedule, install, and adopt at least one additional conservation activity on the land use type;

(3) At least one additional conservation activity must be implemented within the first 12 months of the contract. NRCS may extend this timeframe if NRCS determines that the participant is unable to complete the conservation activity for reasons beyond their control;

(4) NRCS will base the annual payment rates, to the maximum extent practicable, on the following factors:

(i) Costs incurred by the participant associated with planning, design, materials, installation, labor, management, maintenance, or training;

(ii) Income foregone by the participant;

(iii) Expected conservation benefits;

(iv) The extent to which priority resource concerns will be addressed through the installation and adoption of conservation activities on the agricultural operation;

(v) The level of stewardship in place at the time of application and maintained over the term of the contract;

(vi) The degree to which the conservation activities will be integrated across the entire agricultural operation for all State identified priority resource concerns over the term of the contract; and

(vii) Such other factors as determined by the Chief; and

(5) Participants will receive payments for cover crop activities at not less than 125 percent of the annual payment amount, as determined by NRCS.

(b) *Supplemental payments.* Subject to the availability of funds, NRCS will provide a supplemental payment to a participant receiving annual payments, who also agrees to adopt or improve a resource-conserving crop rotation or adopt advanced grazing management, as defined by NRCS, to achieve beneficial crop or grazing rotations as appropriate for the eligible land of the participant.

(1) NRCS will determine whether a resource-conserving crop rotation or advanced grazing management is eligible for supplemental payments based on whether the resource-conserving crop rotation or advanced grazing management is designed to provide natural resource conservation and production benefits;

(2) A participant must adopt or improve the resource-conserving crop rotation or adopt advanced grazing management during the term of the contract to be eligible to receive a supplemental payment;

(3) Supplemental payments will be based, to the maximum extent practicable, on the factors from paragraph (a)(4) of this section; and

(4) Supplemental payments will be not less than 150 percent of the annual payment amount, as determined by NRCS.

(c) *Comprehensive conservation plan.* Participants choosing to develop a comprehensive conservation plan through their conservation stewardship contract will receive a one-time payment for this activity. NRCS will determine the payment based on the number of priority resource concerns addressed in the comprehensive conservation plan and the number of types of land uses included in the plan. Participants will not be eligible to receive payment for plans developed prior to their enrollment in a conservation stewardship contract.

(d) *Minimum contract payment.* NRCS may make a minimum contract payment to a participant in any fiscal year in which the contract's payment amount total is less than a rate determined equitable by the Chief based upon the effort required by a participant to comply with the terms of the contract.

(e) *Timing of payments.* NRCS will make payments as soon as practicable after October 1 of each fiscal year for activities carried out in the previous fiscal year. For newly enrolled contracts, NRCS will make payments as soon as practicable after October 1 following the fiscal year of enrollment.

(f) *Noncompensatory matters.* NRCS will not provide a CSP payment to a participant for—

(1) New conservation activities applied with financial assistance through other USDA conservation programs;

(2) The design, construction, or maintenance of animal waste storage or treatment facilities, or associated waste transport or transfer devices for animal feeding operations;

Commodity Credit Corporation, USDA

§ 1470.25

(3) Conservation activities for which there is no cost incurred or income foregone by the participant; or

(4) New conservation activities initiated or implemented prior to contract approval, unless NRCS granted a waiver prior to the participant starting the activity.

(g) *Payment limits.* A person or legal entity may not receive, directly or indirectly, payments that, in the aggregate, exceed \$200,000 under all CSP contracts entered into during fiscal years 2019 through 2023, excluding funding arrangements with Indian Tribes, regardless of the number of contracts entered into under the CSP by the person or legal entity.

(h) *Contract limits.* Each conservation stewardship contract will be limited to \$200,000 over the term of the contract period, except that conservation stewardship contracts with any joint operation will be limited to \$400,000 over the term of the contract period.

(i) *Scope of payment and contract limitations for Indian Tribes and individual Tribal members.* Contracts with Indian Tribes are not subject to payment or contract limitations but payment limitations in paragraph (f) of this section apply to individual Tribal member(s). Indian Tribes and the Bureau of Indian Affairs will certify in writing that no one individual, directly or indirectly, will receive more than the payment limitation. Certification provided at the time of enrollment will cover the entire contract period. The Tribal entity must also provide, upon request from NRCS, a listing of individuals and payment made, by Social Security number or other unique identification number, during the previous year for calculation of overall payment limitations.

(j) *Tax Identification Number.* To be eligible to receive a CSP payment, all applicants must provide a tax identification number. In accordance with 7 CFR part 1400, applicants who participate as a legal entity or joint operation must provide a list of all members of the legal entity or joint operation and associated embedded entities, along with the members' Social Security numbers and percentage interest in the legal entity or joint operation. NRCS attributes payments directly to legal

entity members for the purpose of complying with paragraph (f) of this section.

(k) *Unique identification numbers.* American Indians, Alaska Natives, and Pacific Islanders may use another unique identification number for each individual eligible for payment. Any participant that uses a unique identification number as an alternative to a tax identification number will use that identifier for all CSP contracts in which they participate.

[84 FR 60891, Nov. 12, 2019, as amended at 85 FR 64002, Oct. 9, 2020]

§ 1470.25 Contract modifications and transfers of land.

(a) NRCS may modify a conservation stewardship contract, if—

(1) The participant agrees to the modification; and

(2) NRCS determines the modification is in the public interest.

(b) NRCS may allow modification to a conservation stewardship contract to accommodate certain changes in the agricultural operation, including—

(1) Removing contract acres the participant will enroll in CRP, protect with a wetland reserve easement through the Agricultural Conservation Easement Program (ACEP), or enroll in other Federal or State programs that offer greater natural resource protection through an easement, long-term contract, land use restrictions, or similar authority as determined by NRCS. NRCS may reduce payments for such modified contracts to reflect the modified acreage and performance. Participants will not be subject to liquidated damages or refund of payments received for enrolling land in these programs.

(2) Accommodating other limited changes, in response to a participant's request made prior to implementing the change, that would take land out of production or convert an area under contract to a different land use. These situations apply only to land for which the participant has and will retain effective control, and not for situations of involuntary loss of land.

(3) Allowing a participant to substitute a conservation activity as long

§ 1470.26

7 CFR Ch. XIV (1–1–25 Edition)

as the level of conservation performance agreed to at the time of enrollment remains the same or is improved with implementation of the substitute activity.

(i) Adjustments to existing activities may occur consistent with conservation performance requirements from §1470.23.

(ii) [Reserved]

(4) Prior to approval, NRCS must determine that any modification under this section is authorized by the provisions of 16 U.S.C. 3838d–3838g.

(c) A contract modification under this section will not increase the scheduled annual payments under the program, except to make minor adjustments to a conservation activity, as determined by NRCS; implement an appeal determination; correct an administrative error as approved by NRCS; or to adjust payment limitations. Contracts transferred from an individual or entity to a joint operation will retain the original contract limit outlined in §1470.24(h).

(d) Within the time specified in the contract, a participant must provide NRCS with written notice regarding any voluntary or involuntary loss of control of any acreage under the CSP contract, which includes changes in a participant's ownership structure or corporate form. Failure to provide timely notice may result in termination of the entire contract.

(e) Unless NRCS approves a transfer of contract rights under this paragraph (e), a participant losing control of any acreage may constitute a violation of the CSP contract and NRCS may terminate the contract and require a participant to refund all or a portion of any financial assistance provided. NRCS may approve a transfer of the contract if—

(1) NRCS receives written notice that identifies the new producer who will take control of the acreage, as required in paragraph (d) of this section;

(2) The new producer meets program eligibility requirements within a reasonable time frame, as specified in the CSP contract;

(3) The new producer agrees to assume the rights and responsibilities for the acreage under the contract; and

(4) NRCS determines that the purposes of the program will continue to be met despite the original participant's losing control of all or a portion of the land under contract.

(f) Until NRCS approves the transfer of contract rights, the new producer is not a participant in the program and may not receive payment for conservation activities commenced prior to approval of the contract transfer.

(g) NRCS may not approve a contract transfer and may terminate the contract in its entirety if NRCS determines that the loss of control of the land was voluntary, the new producer is not eligible or willing to assume responsibilities under the contract, or the purposes of the program cannot be met.

(h) In the case of death, incompetency, or disappearance of any participant, NRCS may, as identified in the CSP contract—

(i) Terminate the contract;

(ii) Make any payments due under this part pursuant to guidance under applicable provisions of 7 CFR parts 707 and 1400 (including payment to successor(s)); or

(iii) Take any further action that the Chief determines is fair and reasonable in light of all of the circumstances.

[84 FR 60891, Nov. 12, 2019, as amended at 85 FR 64003, Oct. 9, 2020]

§ 1470.26 Contract renewal.

(a) During the first half of the fifth year of the initial contract period, NRCS may allow a participant to apply and compete for the opportunity under § 1470.20 to renew the contract to receive payments for an additional 5-year period, subject to the availability of funds, if the participant meets criteria from paragraph (b) of this section.

(b) To be considered for contract renewal, the participant must—

(1) Be in compliance with the terms of their existing contract as determined by NRCS;

(2) Add any newly acquired eligible land that is part of the agricultural operation that NRCS determines must be included in the renewal contract;

(3) Agree to adopt and continue to integrate new or improved conservation

activities across the entire agricultural operation, demonstrating continued improvement during the additional 5-year period, as determined by NRCS; and

(4) By the end of the renewal contract period, agree to meet or exceed the stewardship threshold of at least two additional priority resource concerns on the agricultural operation; or to adopt or improve conservation activities, as determined by NRCS, to achieve higher levels of conservation performance with respect to not less than two existing priority resource concerns that are specified by the Chief in the initial contract.

(c) NRCS will determine a participant ineligible for a new CSP contract on an agricultural operation for 2 years following expiration of their prior contract if the participant does not enter a renewal contract on the agricultural operation at the end of the prior contract period.

[84 FR 60891, Nov. 12, 2019, as amended at 85 FR 64003, Oct. 9, 2020]

§ 1470.27 Contract violations and termination.

(a) NRCS may terminate a contract:

(1) Without the consent of the participant where NRCS determines that the participant—

- (i) Violated the contract; or
- (ii) Is unable to comply with the terms of the contract as the result of conditions beyond their control.

(2) With the consent of the participant if NRCS determines that the termination is in the public interest. NRCS will not assess liquidated damages for contracts terminated under this basis.

(b) When NRCS terminates a contract in accordance with paragraph (a) of this section, NRCS may allow a participant to retain payments already received based on—

(1) The level of effort the participant has made to comply with the contract. NRCS may require a participant to provide only a partial refund of the payments received if a previously installed conservation activity has achieved the expected conservation performance improvement, is not adversely affected by any contract violation or the absence of other conserva-

tion activities that would have been installed under the contract, and has met the associated operation and maintenance requirement of the activity; or

(2) Hardship situations where circumstances beyond the participant's control prevented the participant from complying with the contract. Any hardship affecting the participant's ability to comply with the contract must not have existed at the time the contract was executed by the participant. Participants may submit a written request to NRCS, along with additional supporting documentation, for NRCS to consider granting a waiver of any requested repayment and/or assessment of liquidated damages.

(c) If NRCS determines that a participant is out of compliance with the contract terms or incorporated documents, NRCS will notify the participant to explain what the participant must do to regain compliance and the consequences for not correcting the violation. NRCS will give the participant reasonable time to complete all necessary corrective actions, not to exceed one year. NRCS may authorize additional time for the participant to complete the corrective actions if, during the initial period, the participant was unable to complete the corrective actions due to circumstances beyond their control. If a participant's contract continues in violation, NRCS may:

(1) Terminate the contract in accordance with paragraph (e) of this section; or

(2) Where NRCS determines the violation does not warrant termination, NRCS may require the participant to:

(i) Refund all or a portion of the payments provided; or

(ii) Agree to such adjustments to the contract terms as determined appropriate by NRCS.

(d) Notwithstanding the provisions of paragraph (c) of this section, NRCS will terminate a contract, effective immediately, upon a determination by NRCS that the participant:

(1) Has submitted false information or filed a false claim;

(2) Engaged in any act, scheme, or device for which NRCS found the participant ineligible for payments as provided in § 1470.36; or

§ 1470.28

(3) Incurred a contract violation that the participant cannot correct in a timeframe established by NRCS.

(e) If NRCS terminates a contract, the participant will forfeit all rights to future payments under the contract, pay liquidated damages, and refund all or part of the payments received, plus interest, except as otherwise noted in paragraph (b) of this section.

§ 1470.28 Grassland conservation initiative contracts.

(a) The purpose of the grassland conservation initiative (GCI) is to assist producers in protecting grazing uses, conserving and improving soil, water, and wildlife resources, and achieving related conservation values by conserving eligible land through grassland conservation contracts.

(b) The GCI is applicable on eligible cropland for which base acres have been maintained by the FSA under section 1112(d)(3) of the Agricultural Act of 2014 (7 U.S.C. 9012(d)(3)).

(c) Producers with eligible land will have one-time election to enroll in the GCI during fiscal years 2019 through 2023. A producer may elect to enroll eligible acres in the GCI or under a general CSP contract. A producer with land eligible for the GCI may not have the same land enrolled under both a GCI and general CSP contract at the same time.

(d) Participants enrolled in the GCI must agree to meet or exceed the stewardship threshold for at least one priority resource concern before the end of the contract.

(e) A GCI plan shall:

(1) Encompass all enrolled land;

(2) Require adoption of conservation activities to address grassland resource concerns; and

(3) If crops are grown, require adoption of conservation activities that achieve conservation stewardship levels analogous to the land being planted or maintained in grass.

(f) The GCI contract will be for one 5-year term and will not be subject to renewal.

(g) GCI annual payments will be \$18 per acre, not to exceed the acres enrolled in the GCI contract.

7 CFR Ch. XIV (1–1–25 Edition)

(1) GCI contracts are not subject to the payment limitations or contract limits provided in §1470.24(f) and (g).

(2) GCI contracts are not eligible for supplemental payments as provided in §1470.24(b).

(h) The participant may request to terminate their GCI contract at any time and retain payments already received under the contract.

Subpart C—General Administration

§ 1470.30 Fair treatment of tenants and sharecroppers.

Participants must divide payments received under this part in the manner specified in the applicable contract. NRCS will ensure that tenants and sharecroppers who have an interest in acreage being enrolled receive equitable treatment, as determined by NRCS. NRCS may refuse to enter into a contract when joint applicants seeking enrollment disagree on an applicant's eligibility to participate in the contract as a tenant.

§ 1470.31 Appeals.

A participant may obtain administrative review of an adverse decision under this part in accordance with 7 CFR parts 11 and 614. Determinations in matters of general applicability, such as payment rates, payment limits, the designation of identified priority resource concerns, and eligible conservation activities are not subject to appeal.

§ 1470.32 Compliance with regulatory measures.

Participants will be responsible for obtaining the authorities, rights, easements, permits, or other approvals or legal compliance necessary for the implementation, operation, and maintenance associated with the conservation stewardship plan. Participants will be responsible for compliance with all laws and for all effects or actions resulting from the implementation of the contract.

Commodity Credit Corporation, USDA

§ 1470.37

§ 1470.33 Access to agricultural operation.

NRCS, or its authorized representative, will have the right to enter an agricultural operation to ascertain the accuracy of any representations, including natural resource information provided by an applicant to evaluate a contract application. Access will include the right to provide technical assistance, determine eligibility, assess natural resource conditions, inspect any work undertaken under the contract, and collect information necessary to evaluate the implementation of conservation activities in the contract. NRCS, or its authorized representative, will try to contact the participant prior to the exercise of the provision in this section.

§ 1470.34 Equitable relief.

(a) If a participant relied upon the advice or action of NRCS and did not know, or have reason to know, that the action or advice was improper or erroneous, the participant may be eligible for equitable relief under 7 CFR part 635. NRCS will not assume the financial or technical liability for any action by a participant that was taken based on the advice of a TSP. This liability will remain with the TSP.

(b) If NRCS finds that a participant is in violation of a provision of the conservation stewardship contract or any incorporated document through failure to comply fully with that provision, the participant may be eligible for equitable relief under 7 CFR part 635.

§ 1470.35 Offsets and assignments.

(a) Any payment or portion thereof due to any participant under this part will be allowed without regard to any claim or lien in favor of any creditor, except agencies of the United States Government. The regulations governing offsets and withholdings found at part 3 of this title will be applicable to contract payments.

(b) Any participant entitled to any payment may assign such payments in accordance with regulations governing assignment of payment found at 7 CFR part 1404.

[84 FR 60891, Nov. 12, 2019, as amended at 85 FR 64003, Oct. 9, 2020]

§ 1470.36 Misrepresentation and scheme or device.

(a) If NRCS determines that an applicant intentionally misrepresented any fact affecting a CSP determination, the application will be determined ineligible immediately.

(b) A participant who is determined to have erroneously represented any fact affecting a program determination made in accordance with this part will not be entitled to contract payments and must refund to NRCS all payments, plus interest determined in accordance with 7 CFR part 1403.

(c) A participant will refund to NRCS all payments, plus interest determined in accordance with 7 CFR part 1403, received by such participant with respect to all CSP contracts if they are determined to have—

(1) Adopted any scheme or device that tends to defeat the purpose of the program;

(2) Made any fraudulent representation;

(3) Adopted any scheme or device for the purpose of depriving any tenant or sharecropper of the payments to which such person would otherwise be entitled under the program; or

(4) Misrepresented any fact affecting a program determination.

(d) Participants determined to have committed actions identified in paragraph (c) of this section will have their interest in all CSP contracts terminated.

§ 1470.37 Environmental credits for conservation improvements.

(a) NRCS will not prohibit a participant under this part from participating in, and receiving compensation from, an environmental services market if one of the purposes of the market is the facilitation of additional conservation benefits that are consistent with CSP purposes, as determined by NRCS. CSP participation may create environmental benefits that qualify for environmental credits under an environmental credit-trading program. NRCS will not prohibit a participant under this part from participating in, or receiving compensation from, an environmental credit-trading program, and

NRCS asserts no direct or indirect interest in these credits. However, in addition, any requirements or standards of an environmental market program in which a CSP participant simultaneously enrolls to receive environmental credits must be compatible with the purposes and requirements of the CSP contract and with this part. NRCS retains the authority to ensure that CSP purposes are met and that one of the purposes of the market is the facilitation of additional conservation benefits that are consistent with CSP purposes.

(b) The participant must meet all operation and maintenance requirements for CSP-funded activities, consistent with §§1470.21 and 1470.23. Where activities required under an environmental credit agreement may affect the land and conservation activities under a CSP contract, NRCS recommends that CSP participants request assistance with the development of a compatibility assessment prior to entering into any credit agreement. The CSP contract may be modified in accordance with policies outlined in §1470.25 provided the modifications meet CSP purposes and is in compliance with this part.

(c) CSP participants may not use CSP funds to implement conservation practices and activities that the participant is required to establish because of a court order.

PART 1471—PIMA AGRICULTURE COTTON TRUST FUND (AGRICULTURE PIMA TRUST) AND AGRICULTURE WOOL APPAREL MANUFACTURERS TRUST FUND (AGRICULTURE WOOL TRUST)

Subpart A—Agriculture Pima Trust

Sec.

- 1471.1 Provisions common to this subpart.
- 1471.2 Pima cotton payments.
- 1471.3 Affidavit of producers of ring spun pima cotton yarn.
- 1471.4 Affidavit of manufacturers of pima cotton shirts.
- 1471.5 Affidavit of pima cotton trade associations.

Subpart B—Agriculture Wool Trust

- 1471.10 Provisions common to this subpart.

- 1471.11 Payments to manufacturers of certain worsted wool fabrics.
- 1471.12 Refund of duties paid on imports of certain wool products.
- 1471.13 Monetization of the wool tariff rate quota.
- 1471.14 Wool yarn, wool fiber, and wool top duty compensation payment.

AUTHORITY: Sections 12314 and 12315, Pub. L. 113–79, 128 Stat. 649, as amended by sections 12602 and 12603, Pub. L. 115–334, 132 Stat. 4490 (7 U.S.C. 2101 note and 7101 note).

SOURCE: 86 FR 68876, Dec. 6, 2021, unless otherwise noted.

Subpart A—Agriculture Pima Trust

§1471.1 Provisions common to this subpart.

(a) *Agriculture Pima Trust*—(1) *Establishment*. The Agriculture Pima Trust has been established to provide funding for payments under this subpart.

(2) *Purpose*. The purpose of the Agriculture Pima Trust is to reduce the injury to domestic manufacturers resulting from tariffs on cotton fabric that are higher than tariffs on certain apparel articles made of cotton fabric.

(3) *Funding availability*. \$16,000,000 will be available annually for eligible payments authorized under this subpart.

(4) *Definitions*. As used in this subpart:

Agriculture Pima Trust means the Pima Agriculture Cotton Trust Fund.

CCC means the Commodity Credit Corporation.

FAS means the Foreign Agricultural Service.

Secretary means the Secretary of Agriculture.

U.S. means the United States of America.

(b) *Other provisions common to this subpart*—(1) *Affidavits*. FAS shall annually, not later than February 15 of the year of the applicable payment, make affidavits available on the FAS website. Affidavits must be submitted in accordance with the instructions provided on the FAS website.

(2) *Filing deadline*. Any person filing an affidavit under this subpart for a particular year must file the affidavit not later than March 15 of the applicable calendar year.

(3) *Affirmation*. By submitting an affidavit under this subpart, an applicant