

**Addendum  
Between  
The State of Iowa  
And  
The U.S. Department of Agriculture  
Commodity Credit Corporation  
Concerning the Existing  
Iowa Conservation Reserve Enhancement Program Agreement**

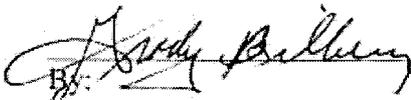
This Addendum Agreement is entered into between the U.S. Department of Agriculture (USDA), Commodity Credit Corporation (CCC), and the State of Iowa (together, "the Parties") in order to effectuate modifications to the above-captioned Conservation Reserve Enhancement Program (CREP) Agreement ("CREP Agreement") entered into between USDA, CCC, and the State of Iowa. The CREP is part of the Conservation Reserve Program (CRP), operated by the USDA's Farm Service Agency for CCC.

The parties hereby agree as to the existing CREP Agreement that:

1. The reference in the CREP Agreement to the current statutory ending date for CRP enrollments is considered eliminated. This change is made to reflect that Congress may extend that date from time to time.
2. The CREP Agreement shall not terminate automatically on December 31, 2007 and, subject to other provisions of the Agreement, including enrollment goals, new enrollments may be allowed, subject to the availability of funds, so long as there is statutory authority for such enrollments.

The parties may terminate the CREP Agreement at will, to the extent provided for in the original Agreement, and understand that the purpose of this Addendum is to avoid ending the program automatically based on the current, as of December 31, 2007, statutory termination date for new enrollments. As of that date, the statutory ending date for new enrollments was December 31, 2007. This agreement allows the CREP to continue in the event that Congress extends that date. However, until Congress extends that date, new enrollments past December 31, 2007, under the CREP are not allowed.

FOR THE U.S. DEPARTMENT OF AGRICULTURE

By:   
Title: *Fax* Deputy Administrator for Farm Programs  
U.S. Department of Agriculture

Date: 12/31/07

FOR THE STATE OF IOWA

  
By: Chet Culver  
Title: Governor, State of Iowa

Date: 12/28/07

**Addendum Agreement**  
**between**  
**The State of Iowa**  
**and**  
**The U.S. Department of Agriculture**  
**Commodity Credit Corporation**  
**concerning the implementation of the**  
**Iowa Conservation Reserve Enhancement Program**

**RECEIVED IN**

AUG 6 8 2003

IOWA STATE FSA OFFICE

This Addendum Agreement is entered into between the U. S. Department of Agriculture (USDA), Commodity Credit Corporation (CCC), and the State of Iowa (Iowa) to implement a Conservation Reserve Enhancement Program (CREP) for the enhancement of water quality, with a focus on reducing nitrate loads to surface waters, and hereby modifies the Agreement entered into between USDA, CCC, and Iowa. The CREP is part of the national Conservation Reserve Program (CRP), operated by USDA for CCC.

The following language is made as an Addendum to the Agreement and to modify the respective clause number.

**IV. PROGRAM ELEMENTS**

Section IV(B) of the Agreement between the State of Iowa and The U.S. Department of Agriculture Commodity Credit Corporation concerning the implementation of the Iowa Conservation Reserve Enhancement Program is hereby amended by adding the phrase "Marginal pasture land converted to wetland or established as buffer for water quality purposes will be eligible for CREP, Component 1, upon implementation of this revised agreement". Section IV(B) of the Agreement now reads as follows:

- B. Land that meets the eligibility criteria set in this agreement and in Farm Services Agency Handbook 2-CRP procedures may be considered for enrollment under this CREP. Marginal pasture land for wetland restoration or converted to a CP 23 practice will be eligible for CREP, Component 1, upon implementation of this revised agreement. Selection criteria will be provided as an amendment to the Farm Services Agency Handbook 2-CRP and will be reviewed annually by a State Advisory Committee with the intent of maximizing participation and environmental benefits.

The following new paragraph is hereby added to Section IV.

G. For the purposes of this CREP, rental payments for lands enrolled as marginal pasture land will be the same as for those enrolled under basic CRP cropland eligibility as described in Section V of this agreement.

All other paragraphs of Section IV are hereby renumbered accordingly.

In Witness Whereof, the parties here to have set their hands as of the dates indicated herein below.

  
\_\_\_\_\_  
John A. Johnson  
Deputy Administrator for Farm Programs  
Farm Service Agency  
Deputy Vice President  
Commodity Credit Corporation

8-4-03  
Date

  
\_\_\_\_\_  
Patty Judge  
Secretary of Agriculture  
Department of Agriculture and Land Stewardship  
State of Iowa

6/27/03  
Date

**Addendum Agreement  
between  
The State of Iowa  
and  
The U.S. Department of Agriculture  
Commodity Credit Corporation  
concerning the implementation of the  
Iowa Conservation Reserve Enhancement Program**

This Addendum Agreement is entered into between the U. S. Department of Agriculture (USDA), Commodity Credit Corporation (CCC), and the State of Iowa (Iowa) to implement a Conservation Reserve Enhancement Program (CREP) for the enhancement of water quality, with a focus on reducing nitrate loads to surface waters, and hereby modifies the Agreement entered into between USDA, CCC, and Iowa. The CREP is part of the national Conservation Reserve Program (CRP), operated by USDA for CCC.

The following language is made as an Addendum to the Agreement and to modify the respective clause number.

**III. AUTHORITY**

Paragraph one of Section III is hereby amended to read as follows:

The CCC has the authority under provisions of the Food Security Act of 1985 (1985 Act), as amended (16 U.S.C. 3830 et seq.) and the regulations at 7 CFR Part 1410 to perform all its activities contemplated by this Agreement. In accordance with the 1985 Act, CCC is authorized to enroll land in CRP through December 31, 2007.

**IV. PROGRAM ELEMENTS**

Paragraph Section IV(G) is hereby amended to read as follows:

- G. For the purposes of this CREP, CP23 enrollment acreage considered as buffer shall not exceed 4 to 1, upland buffer to wetland, ratio, except upon consultation and approval by a review board (members to be determined by the FSA and the State).

The following new paragraphs are hereby added to Section IV.

- N. For purposes of the Iowa CREP, CCC may allow, on a case-by-case basis, certain acreage enrolled in CRP to be terminated without refund of payments provided the acreage is immediately offered for enrollment in the CREP.
- O. In order to participate in the Iowa CREP, landowners must agree to enter into an agreement with the State of Iowa whereby the State will act as the contracting authority for all construction and practice establishment.

**VI. STATE COMMITMENTS**

Paragraph VI(B)(7) is hereby deleted.

In Witness Whereof, the parties here to have set their hands as of the dates indicated herein below.

\_\_\_\_\_  
John A. Johnson  
Deputy Administrator for Farm Programs  
Farm Service Agency  
Deputy Vice President  
Commodity Credit Corporation

\_\_\_\_\_  
Date

\_\_\_\_\_  
Patty Judge  
Secretary of Agriculture  
Department of Agriculture and Land Stewardship  
State of Iowa

\_\_\_\_\_  
Date

AGREEMENT

BETWEEN

THE U.S. DEPARTMENT OF AGRICULTURE  
COMMODITY CREDIT CORPORATION

AND

THE STATE OF IOWA

CONCERNING THE IMPLEMENTATION OF A  
CONSERVATION RESERVE ENHANCEMENT PROGRAM

I. PURPOSE

This Agreement is between the Commodity Credit Corporation (CCC) of the United States Department of Agriculture (USDA) and the State of Iowa (State) to implement a Conservation Reserve Enhancement Program (CREP) to improve water quality, with a focus on reducing nitrate loads to surface waters. Additional benefits include the enhancement of wildlife habitat and increased recreational opportunities on the agricultural crop land in the tile drained areas of the State in 37 counties.

II. GENERAL PROVISIONS

The State has identified 37 counties (Exhibit 1) where extensive tile drainage contributes to high nonpoint source nitrogen losses from agricultural lands. This CREP Agreement (Agreement) is designed to help alleviate some of these water quality concerns by restoring and constructing wetlands and buffers to improve water quality in the affected watersheds, as well as in public drinking water supplies in Des Moines and other locations in the State, and to help reduce nonpoint source nitrogen losses, which may contribute to hypoxia in the Gulf of Mexico.

The Iowa CREP will include two components, identified below, which will total approximately 9,000 enrollment acres. Both components are consistent with the goals and objectives of this program. In addition to enrolling participants in the Conservation Reserve Program (CRP) by this CREP, the State for Component 1 of the program, and private organizations (including the Lake Panorama Association) for Component 2 of the program, will offer incentives to participants to extend the environmental benefit of the CRP agreements for either 15 additional years or permanently through easements. These extensions will be State and private partner obligations only and will not be part of the CRP program itself.

Component 1 of this program will be the restoration and/or construction of up to 8000 wetland and buffer acres to reduce nutrient loading to surface waters from agricultural tile drainage. The non-federal portion of this program component will be supported by the State of Iowa and will consist of additional cost-share payments to landowners and incentives to extend the environmental benefit of the CRP agreements.

Component 2 of this program will be the establishment of streamside buffers in the Lake Panorama Watershed. The area enrolled under this portion of the program shall be no more than 1000 acres. The non-federal portion of funding for this program component will be supported by private organizations and will consist of additional cost-share payments to landowners and incentives to extend the environmental benefit of the CRP agreements.

It is the intent of USDA-CCC and the State of Iowa that this Agreement will address the following objectives:

1. Annually, add the capacity to remove 300 to 600 tons of nitrate-nitrogen from agricultural tile drainage. Over the next 10 years, this would add wetland capacity to annually remove 3000 to 6000 tons of nitrate-nitrogen from agricultural tile drainage. Over a 60 year life, each wetland acre would remove approximately 20 to 40 tons of nitrate-nitrogen.
2. Reduce sediment entering surface waters in the Lake Panorama Watershed by 80,000 tons per year following filter strip and riparian buffer establishment. This has the potential of significantly reducing total sediment accumulation into Lake Panorama..
3. Reduce or maintain soil erosion on the agricultural land enrolled in the CREP to below the soil loss tolerance level for the soils present (2-5 tons per acre).
4. Demonstrate a variety of available wetlands technologies and their value for improving water quality.

The intended outcome of this Agreement in particular is to enhance the ability of producers to enroll certain acreage under the CRP, where deemed desirable by USDA-CCC and the State. This Agreement is not intended, and does not, supersede any rules or regulations, which have been, or may be, promulgated by either USDA-CCC or the State.

### III. AUTHORITY

The CCC has the authority under provisions of the Food Security Act of 1985 (1985 Act), as amended (16 U.S.C. 3830 et seq.) and the regulations at 7 CFR Part 1410 to perform all its activities contemplated by this Agreement. In accordance with the 1985 Act, CCC is authorized to enroll land in CRP through December 31, 2002.

The State is authorized to enter into this Agreement pursuant to Iowa Code section 28E.4 (2001). Additional support for the State's entry into this Agreement is provided under Iowa Code section 466.5 (2001).

### IV. PROGRAM ELEMENTS

USDA-CCC, and the State agree that:

- A. Component 1 will consist of a continuous sign-up CREP and a State of Iowa incentive program. This portion of the Iowa CREP will seek to enroll cropland within 37 counties in the tile drained areas of the State (Exhibit 1).

Component 2 will consist of a continuous sign-up CREP in partnership with local government and private entities to enroll eligible land as filter strips and riparian buffers for water quality purposes in the Lake Panorama watershed, which includes portions of three counties (Exhibit 2).

- B. Land that meets the eligibility criteria set in this agreement and in Farm Services Agency (FSA) Handbook 2-CRP procedures may be considered for enrollment under this CREP. Selection criteria will be provided as an amendment to the FSA Handbook 2-CRP and will be reviewed annually by a State Advisory Committee with the intent of maximizing participation and environmental benefits.

- C. The following CRP practices are approved for Component 1:

- Erosion Control Structure (CP7)
- Wetland restoration (CP23)

CRP practices approved for Component 2:

- Filter Strips (CP21)
- Riparian Buffer (CP22)

- D. All installed practices must be consistent with applicable USDA Natural Resources Conservation Service (NRCS) Field Office Technical Guides (FOTG) and USDA FSA Handbook 2-CRP.

- E. In determining CCC's share of the cost of practice establishment, CCC shall use appropriate CRP procedures. All approved conservation plans shall be consistent with applicable CRP statute and regulations and such cost shares shall be subject to normal limits as stated in program rules.
- F. For the purposes of this CREP, wetland restoration (CP23) will be considered a continuous program practice.
- G. For the purposes of this CREP, CP23 enrollment acreage considered as buffer shall not exceed 2 to 1, upland buffer to wetland, ratio, except upon consultation and approval by a review board (members to be determined by the FSA and the State).
- H. The continuous sign-up CRP contracts for acres enrolled in this CREP will be for a minimum of 14 years, but may not exceed a maximum of 15 years.
- I. Eligible producers will not be denied the opportunity to offer eligible acreage for enrollment during general or continuous CRP enrollment periods.
- J. No lands may be enrolled under this program until the USDA's Deputy Administrator for Farm Programs concurs with a detailed Iowa Amendment to Handbook 2-CRP which will provide a thorough description of this program and applicable practices.
- K. For purposes of the Iowa CREP, normal CRP requirements for one-year ownership of land shall not apply to the extent consistent with the operation of the normal CRP continuous sign-up and allowed by law.
- L. For purposes of the Iowa CREP, lands enrolled as practice CP23 shall only be approved if the landowner also enters into an agreement under the State Incentive Program to enter into a conservation easement beyond the CRP contract period for an additional 15 years or permanently.
- M. CRP contracts executed under this Agreement will be administered in accordance with, and subject to, the CRP regulations at 7 CFR Part 1410, and the provisions of this Agreement. In the event of a conflict, the CRP regulations will be controlling.

#### V. FEDERAL COMMITMENTS

USDA and CCC agree to:

- A. Cost share with producers up to 50 percent of the eligible reimbursable costs of all approved CRP conservation practices.

- B. Make an annual rental payment under the CRP contract. The annual payment shall be comprised of three components. The three components will consist of a base soil rental rate (paragraph C), an incentive payment (paragraph D), and an annual maintenance payment (paragraph E).
- C. Determine the base soil rental for the purposes of (B) by calculating the normal CRP weighted average soil rental rate for the three predominant soil types using the current posted applicable local soil rental rates.
- D. Make, as part of the annual rental payment for the purposes of (B), an "incentive payment," as a percentage of the base CRP contract annual rental rate otherwise applicable to the land to be enrolled in the CREP (as calculated under paragraph V.B. without regard to other incentive payments), in the following amounts:
  - (1) for land to be established as wetland restoration (CP23), 50 percent;
  - (2) for land to be established as erosion control structure (CP7), 50 percent;
  - (3) for land to be established as filter strips (CP21) or riparian buffer (CP22), 40 percent.
- E. Make an annual maintenance payment, referred to in (B), in an amount consistent with applicable CRP regulations.
- F. Make a one-time Signing Incentive Payment (SIP) for land enrolled in practices CP21 and CP22, according to regular continuous CRP enrollments, under the terms of the FSA Handbook 2-CRP.
- G. Make a one-time Practice Incentive Payment (PIP) for practices CP7, CP21, CP22, and CP23 equal to 40 percent of the cost of the practice, under the terms of Farm Service Agency Handbook 2-CRP. This payment will be considered to be, and treated as, a rental payment for payment limitation purposes.
- H. Administer CRP contracts for lands approved under the CREP.
- I. Develop and review CRP conservation plans to address identified natural resource problems by devoting eligible land to approved CRP practices for applicants offering to enroll eligible acreage in the CREP.
- J. Conduct normal annual compliance reviews in accordance with FSA Handbook 2-CRP to ensure compliance with the CRP contract.
- K. Provide information to landowners concerning Iowa's CREP program.
- L. Permit successors-in-interest for enrolled lands to enroll in CRP agreements under this CREP in the same manner as allowed for under any other CRP contract.

M. Share appropriate data, in accordance with procedures and restrictions and exemptions established under the Federal Freedom of Information Act, Federal privacy laws and other applicable laws, with the State of Iowa to facilitate State monitoring efforts.

## VI. STATE COMMITMENTS

The State agrees to:

- A. Contribute not less than 20 percent of the overall annual in-kind and direct program costs. However, for purposes of the 20 percent obligation, the State's contribution will be deemed to include contributions of the private partners as well. A budget and report monitoring the State's compliance with its 20 percent obligation will be established and maintained by the Iowa Department of Agriculture and Land Stewardship.
- B. Be responsible for:
- (1) making, with respect to Component 1 of the program, direct cost-share payments to approved participants of 10 percent of the eligible reimbursable costs for conservation practices CP23 and CP7;
  - (2) securing, with respect to Component 1 of the program and in consultation with the advisory review committee (see Exhibit 4), the agreement of participants to extend the environmental benefits of the CP 23 or CP 7 CRP agreements under this CREP by entering into 15 year "extensions" or permanent easements. Such extensions and easements will be State obligations and all obligations for administering these supplemental arrangements shall be with the State.
  - (3) paying, with respect to Component 1 of the program, an up-front signing incentive for the previously referred to 15-year supplementary contracts and permanent easements, at a rate to be determined by the state, based on a formula that considers land values, landowner time investment, and the discounted value of the annual base rental payment of the CRP contract with bonus payments, for all land enrolled in the program under CP23 and CP7;
  - (4) paying all costs associated with the CREP annual water quality monitoring program;
  - (5) providing for additional technical assistance in the development of conservation plans;
  - (6) providing for Component 1 of the program, additional technical assistance in the location, design, and engineering of wetlands to be restored or constructed;
  - (7) paying, for Component 1 of the program, the associated wetland costs offsite of the CREP acreage, such as conveyance devices.

- C. Enter into a memorandum of understanding with private partners to coordinate the portion of the program (Component 2) that will provide non-state funding for:
- (1) making direct cost-share payments to approved participants of 10 percent of the eligible reimbursable costs for conservation practices CP 21 and CP22 of this CREP;
  - (2) paying an up-front signing incentive for a) 15-year supplementary contracts, or b) permanent easements, as contemplated by this agreement, based on a formula that considers land values, landowner time investment, and the discounted value of the annual base rental payment of the CRP contract, with bonus payments, for all land enrolled in the program under CP21 and CP22, at rates to be agreed upon by the private funding source.
- D. Seek applicants willing to offer eligible and appropriate land for enrollment in the CREP.
- E. Assist local Soil and Water Conservation Districts and other conservation cooperators in providing technical assistance to develop conservation plans for applicants offering to enroll eligible acreage in the CREP.
- F. Establish a CREP advisory group to meet at least annually to review the program in the State, including its functioning and technical aspects, and to make recommendations on ways that the program can maximize participation and environmental benefits.
- G. Appoint a Program Director responsible for administering the State's obligations under this Agreement. This person shall be appointed by the Director of the Iowa Department of Agriculture and Land Stewardship, Division of Soil Conservation.
- H. Implement a plan for outreach to landowners, and provide public information and education regarding the CREP.
- I. Ensure that the CREP is coordinated with other agricultural and natural resource conservation programs at the State and Federal level.
- J. By January 1<sup>st</sup> of each year, beginning in 2002, provide a report to the USDA FSA summarizing the status of enrollments under this CREP and progress on fulfilling the other commitments of this program. The annual report to FSA shall include: level of program participation; the results of the annual water quality monitoring program in terms of accomplishing program objectives; a summary of non-Federal CREP program expenditures; and, recommendations to improve the program.
- K. By January 1<sup>st</sup> of each year, beginning in 2002, submit information summarizing the State's overall costs for the program. In the event that the State has not obligated 20 percent of the overall costs for a relevant Federal fiscal year, the State will fulfill its obligations within

90 days by paying the shortfall to CCC, or by providing some other mutually agreed-upon remedy, subject to the provisions of VII. A below.

- L. The State of Iowa will temporarily release participants from any contractual restriction on crop production during the CRP contract period if such release is determined to be necessary by the Secretary of Agriculture in order to address a national emergency.

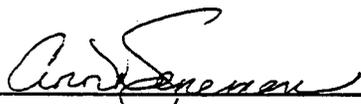
## VII. MISCELLANEOUS PROVISIONS

- A. All commitments by USDA and the State are subject to the availability of funds, including funds committed by Lake Panorama Association. In the event either party is subject to a funding limitation, it will notify the other party expeditiously and make any necessary modifications to this Agreement.
- B. All CRP contracts under this CREP shall be subject to all limitations set forth in the regulations at 7 CFR Part 1410, including, but not limited to, such matters as economic use, transferability, violations, and contract modifications. Agreements between owners or operators and the State may impose additional conditions not in conflict with those under the CRP regulations, but only if approved by CCC.
- C. Neither the State nor USDA shall assign or transfer any rights or obligations under this Agreement without the prior written approval of the other party.
- D. The State and USDA agree that each party will be responsible for its own acts and results to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof.
- E. The Deputy Administrator for Farm Programs, FSA, is delegated authority to carry out this Agreement, and with the concurrence of the Governor of Iowa or his designee, may further amend this Agreement consistent with the provisions of the 1985 Act and the regulations at 7 CFR Part 1410. The provisions of this Agreement may only be modified by written agreement between the parties. Any amendments to this Agreement must be filed with the Secretary of State and the Polk County Recorder and shall refer to this Agreement by its applicable indexing numbers in the Polk County Recorder's Office.
- F. No real or personal property will be acquired, held, or disposed of by the parties as a result of this Agreement.
- G. It is agreed that the State of Iowa will file this Agreement, and any of its modifications, with the Iowa Secretary of State and the Polk County Recorder as required by Iowa Code section 28E.8.

H. This Agreement shall remain in force and effect until terminated by USDA-CCC or the State. Either party upon written notice may terminate this Agreement. Such termination will not alter responsibilities regarding existing contractual obligations under the CREP between participants and USDA or CCC, or between participants and the State. The termination of this Agreement must be filed with the Iowa Secretary of State and the Polk County Recorder and shall refer to this Agreement by its applicable indexing numbers in the Polk County Recorder's Office.

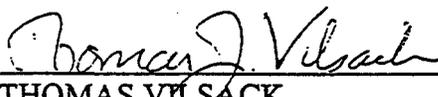
IT IS SO AGREED:

**FOR THE U.S. DEPARTMENT OF AGRICULTURE AND THE COMMODITY CREDIT CORPORATION**

  
\_\_\_\_\_  
ANN M. VENEMAN  
Secretary  
U.S. Department of Agriculture and  
Chairman of the Board  
Commodity Credit Corporation

8/17/01  
\_\_\_\_\_  
Date

**FOR THE STATE OF IOWA**

  
\_\_\_\_\_  
THOMAS VILSACK  
Governor  
State of Iowa

August 17, 2001  
\_\_\_\_\_  
Date