

**AGREEMENT BETWEEN THE COUNTY OF CHAMPAIGN AND THE CHAMPAIGN
COUNTY FARM BUREAU FOR COVER CROP PROGRAM ASSISTANCE**

This Agreement is entered as of July 15, 2022, by and between the County of Champaign, Illinois (“County”), with an address of 1776 E. Washington Street, Urbana, IL 61802 and the Champaign County Farm Bureau (“CCFB”), with an address of 801 N. Country Fair Drive, Suite A, Champaign, IL 61821; collectively “the Parties.”

WHEREAS, The County is in receipt of funds pursuant to the American Rescue Plan Act of 2021, P.L. 117-2 (“ARPA Funds”); and

WHEREAS, The County is authorized by Section 603 of the Social Security Act and the United States Department of Treasury Interim and Final Rule 31 CFR Part 35 to transfer ARPA funds to make necessary investments in water infrastructure, including covering capital costs for projects to control non-point sources of pollution, *see* 33 U.S.C. 1383(c)(2), 33 U.S.C. 1329, 31 CFR 35.6(e)(1); and

WHEREAS, CCFB is a non-profit corporation that assists families in agriculture by recognizing and responding to issues of concern while strengthening partnerships and improving farm family life for current and future generations;

WHEREAS, the Parties desire to enter into this Agreement to recognize the roles and responsibilities for each Party in assisting with costs of establishing a Cover Crop Program in Champaign County.

NOW THEREFORE, the Parties agree as follows:

1. **Purpose and Scope.** The Parties intend for this Agreement to provide the foundation and structure for assisting Cover Crop Program costs through the following understanding:
 - a. **Cover Crop Program:** CCFB will conduct activities between July 15, 2022 and December 31, 2024 directly related to costs of establishing a Cover Crop Program; with proposed program details and budget included in Attachment 1. The Cover Crop Program intends to increase clean water and reduce nonpoint source pollution.
 - b. **Funding:** The County will transfer ARPA funds to CCFB in an amount of up to \$245,000 in support of this assistance beginning in County fiscal year 2022, according to the projected budget in Attachment 1. The transfer of funds shall be made in 2 installments of \$122,500. In order for funds to be released, CCFB must submit a Risk Assessment Form as provided by the County for the first installment; followed by documentation of needed funding and a Reporting Form as provided by the County for the second installment, prior to release of funds. The Risk Assessment Form and Reporting Form shall be made available by the County to CCFB in a fillable format.

2. Roles and Responsibilities of CCFB.

a. Oversight

- i. CCFB agrees to cooperate with meetings conducted by Champaign County Board Members and/or County staff, as requested, to review programs in progress.
- ii. CCFB will adhere to the ARPA Funds fiscal, accounting, and audit procedures that conform to Generally Accepted Accounting Principles (GAAP) and the requirements of federal Uniform Guidance (2 CFR Part 200).
- iii. CCFB will submit reporting information to the County as required by the Department of Treasury, upon request of the County. Information will include, but is not limited to: program details, program timeline and status, program impact, and expenditure information and status. Additional reporting that may be required as applicable to water infrastructure projects may also include: location of project; number of households served by the project; median household income and lowest quintile income of the service area as indicated through the most recent American Community Survey 5-year estimates available via the United States Census Bureau website; Public Water System (PWS) identification number if utilized; National Pollutant Discharge Elimination System (NPDES) Permit Number if utilized; project details and purpose; project timeline and status; Davis Bacon and Labor Reporting for capital expenditures over \$10 million; and project expenditure information/status. Reporting requirements will be specified by the County.
- iv. CCFB will provide to the County, upon reasonable notice, access to and the right to examine such books and records of CCFB and will make such reports to the County as the County may reasonably require so that the County may determine whether there has been compliance with this Agreement.
- v. No person shall be excluded from participation in programs the County is funding, be denied the benefits of such program, or be subjected to discrimination under any program or activity funded in whole or in part with the funds provided under this Agreement on the ground of race, ethnicity, color, national origin, sex, sexual orientation, gender identity or expression, religion, disability, or on any other ground upon which such discrimination is prohibited by law. CCFB understands that Executive Order 13985, Advancing Racial Equity and Support for Underserved Communities Through the Federal Government, applies to the use of ARPA Funds.
- vi. CCFB will comply with all applicable statutes, ordinances, and regulations. CCFB will not use any of these ARPA Funds for lobbying purposes. If it is

determined by the County that any expenditure made with the ARPA Funds provided under this Agreement is prohibited by law, CCFB will reimburse the County any amount that is determined to have been spent in violation of the law.

- vii. CCFB will enforce all applicable terms and requirements of this agreement with any subgrantees or partners of this program and is liable for all subgrantee and partner activity related to this specific program agreement.

b. Cover Crop Program

- i. Services: CCFB shall conduct activities toward establishment of a Cover Crop Program under the following requirements:
 - 1. CCFB shall conduct program activities between July 15, 2022 and December 31, 2024 in establishing a Cover Crop program, in order to increase clean water and reduce nonpoint source pollution.
 - 2. CCFB shall conduct activities in accordance with the proposed budget and details provided in Attachment 1.
- ii. Governance: The Cover Crop Program activities shall be overseen by the Champaign County CCFB Board of Directors with the following responsibilities:
 - 1. Review reports and program adherence.
 - 2. Approve significant changes in programs prior to implementation.


3. Roles and Responsibilities of the County.

- a. The County shall provide ARPA Funds to CCFB in the amount of up to \$245,000, divided into two installments of \$122,500 as needed; available beginning in 2022.
 - b. The County shall provide oversight as described in this Agreement for the purpose of ensuring that ARPA Funds are spent in compliance with federal law, and in compliance with the intended purpose of the funds as set forth in this Agreement.
 - c. The County is not responsible in any way for the operations of CCFB.
4. **Term.** This Agreement shall commence upon its execution between the Parties.
5. **Termination.** The Agreement may be terminated by either party upon a thirty-day notice in writing to the other party. Upon termination, CCFB shall provide to the County an accounting of the ARPA Funds and shall remit unspent ARPA Funds to the County. Additionally, if CCFB does not spend the ARPA Funds in accordance with the regulations and requirements specified in this Agreement, CCFB will be required to repay the County in the amount of ARPA funds that were utilized incorrectly.
6. **Amendments.** This Agreement may be amended only by an agreement of the parties executed in the same manner in which this Agreement is executed.

7. **Representations and Warranties.** Both Parties represent that they are fully authorized to enter into this Agreement. The performance and obligations of either Party will not violate or infringe upon the rights of any third-party or violate any other agreement between the Parties, individually, and any other person, organization, or business or any law or governmental regulation.
8. **Indemnity.** Each party to this Agreement agrees to indemnify and hold harmless the other party to this Agreement, its respective affiliates, officers, agents, employees, and permitted successors and assigns against any and all claims, losses, damages, liabilities, penalties, punitive damages, expenses, reasonable legal fees and costs of any kind or amount whatsoever, which result from the negligence of or breach of this Agreement by the indemnifying party, its respective successors and assigns that occurs in connection with this Agreement. This section remains in full force and effect even after termination of the Agreement by its natural termination or the early termination by either party.
9. **Limitation of Liability.** UNDER NO CIRCUMSTANCES SHALL EITHER PARTY BE LIABLE TO THE OTHER PARTY OR ANY THIRD PARTY FOR ANY DAMAGES RESULTING FROM ANY PART OF THIS AGREEMENT SUCH AS, BUT NOT LIMITED TO, LOSS OF REVENUE OR ANTICIPATED PROFIT OR LOST BUSINESS, COSTS OF DELAY OR FAILURE OF DELIVERY, WHICH ARE NOT RELATED TO OR THE DIRECT RESULT OF A PARTY'S NEGLIGENCE OR BREACH.
10. **Severability.** In the event any provision of this Agreement is deemed invalid or unenforceable, in whole or in part, that part shall be severed from the remainder of the Agreement and all other provisions should continue in full force and effect as valid and enforceable.
11. **Waiver.** The failure by either party to exercise any right, power or privilege under the terms of this Agreement will not be construed as a waiver of any subsequent or further exercise of that right, power or privilege or the exercise of any other right, power or privilege.
12. **Conflicts.** In the event of an unresolvable dispute, both parties agree to participate in a mediation process and to split equally any costs associated with such. Any outcomes of mediation shall be in writing and binding on the parties.
13. **Legal and Binding Agreement.** This Agreement is legal and binding between the Parties as stated above. The Parties each represent that they have the authority to enter into this Agreement.
14. **Entire Agreement.** The Parties acknowledge and agree that this Agreement represents the entire agreement between the Parties. In the event that the Parties desire to change, add, or otherwise modify any terms, they shall do so only by an agreement of the parties executed in the same manner in which this Agreement is executed.

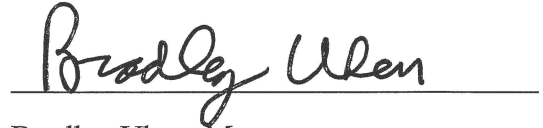
The Parties agree to the terms and conditions set forth above as demonstrated by their signatures as follows:

**THE COUNTY OF CHAMPAIGN,
ILLINOIS**

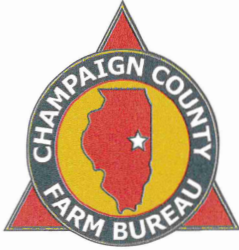
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Darlene A. Kloeppel, County Executive

**CHAMPAIGN COUNTY
FARM BUREAU**

A handwritten signature in cursive script, appearing to read "Bradley Uken", written over a horizontal line.

Bradley Uken, Manager



Champaign County Farm Bureau

801 N. Country Fair Drive, Suite A • Champaign IL 61821-2492
 Phone: (217) 352-5235 • Fax: (217) 352-8768 • www.ccfarmbureau.com
 Bradley Uken, *Manager*

March 31, 2022

The Champaign County Farm Bureau, in strong partnership with the Champaign County Soil & Water Conservation District (CCSWCD) and the Illinois Nutrient Research and Education Council (NREC), are proposing a county-based cover crop program. All three of the partners on this project are committed to conservation practices, soil health, clean water and helping farmers meet the goals associated with them. Each of the three partners have dedicated countless hours and financial resources through various programs to help farmers throughout the county be successful in making long-term investments in conservation.

Cover crops are crops that are planted to provide winter soil cover and are not intended to be used as a cash crop. Crops used as cover crops run the gamut of species ranging from cereal rye to radishes, plus a whole host of mixtures of various species. The 2017 USDA Census of Agriculture, which is the most accurate data available, found a 50% increase in cover crop acreage between 2012 and 2017.

Cover crops have been proven to be highly successful in reducing nutrient runoff, preventing soil erosion, improving soil health, and helping control weeds, pests, and diseases. Cover crops often grow very deep roots, deeper than corn and soybean plants. These extensive root systems help mitigate compaction issues in fields by loosening the soil and creating a better seed bed for spring planting season. With the challenges of herbicide resistant weeds, cover crops are also a potential avenue to control those weeds and reduce herbicide usage. The USDA's Sustainable Agriculture Research and Education program's 2019-2020 Cover Crop survey found that 91.2% of farmers reported an improvement in weed control after a solid stand of cereal rye cover crop. This report also found that 68% of farmers who planted a cash crop like corn or soybeans into a still-living cover crop reported better soil moisture management.

Despite the positive impact cover crops have, the challenges to widespread adoption of these practices are vast. Farmers lack the financial flexibility to invest in the added seed cost, the additional passes over the field, and to withstand the possible decrease in yield during the first years of cover crop usage. It takes multiple years for soil quality and moisture management benefits to be measurable enough to offset the initial investment cost. Unfortunately, these challenges have slowed the growth of planted acres among first time growers of cover crops.

Recent incentive programs have had great success in increasing the acreage on which cover crops are utilized. One example of incentive efforts is through the Illinois Department of Agriculture's (IDOA) Fall Covers for Spring Savings program. Over the last three years the IDOA has offered a \$5 per acre incentive for farmers to plant cover crops. In 2020, the 50,000-acre statewide allotment was met in

12 hours and a total of 185,000 acres were requested. The IDOA has doubled their allotted acreage for 2022 to 100,000 acres, still below the total requested last year. Additionally, the CCSWCD has funds available for cover crops, but funds available varies depending on state allocation each year. Utilizing incentives to increase the usage of cover crops has proven to work. However, virtually, none of these dollars are directly allocated to Champaign County, as we are proposing, but rather are allocated on a statewide, regional, or national level.

The American Rescue Plan Act (ARPA) under its Investment in Infrastructure and Water section specifically allows for funds to be utilized to address non-point source pollution. Non-point source pollution as defined by the US EPA as resulting from land runoff, precipitation, and/or drainage. Furthermore, the EPA explains that non-point source pollution is caused by rainfall or snowmelt moving over and through the ground. As the runoff moves, it picks up and carries away natural and human made pollutants, depositing them in various bodies of water. The EPA identifies two specific sources of non-point source pollution that can be attributed to agriculture: excess fertilizers, herbicides, and insecticides from agricultural lands and sediment from crop lands. It is clearly stated in the final rules that ARPA funds can be used for non-point source pollution. Cover crops are part of larger solution to address non-point source pollution through prevention of soil runoff, reducing herbicide and fertilizer usage, and by filtering both surface and sub-surface water.

The Champaign County Farm Bureau and our partners (CCSWCD and NREC) are requesting \$245,000 from the ARPA funds to accelerate the usage of cover crops in Champaign County. The funding will allow Champaign County farmers to be at the forefront of the farm conservation effort and will allow Champaign County to become an example of how local investment in farm conservation efforts can drive change.

Budget Outline

- **\$245,000** is budgeted to be spent in total in 2022, 2023, and 2024
- **\$36,500** over three years to be spent on farmer/landowner training, education and field days. Also included in this figure is dollars for NREC to complete a study/white paper on the project.
- **\$208,500** over three years to accelerate the usage of cover crops through a per acre incentive paid to the farmer or landowner.
 - **\$69,500** to be spent on an annual basis incentivizing usage of cover crops
 - **\$33 per acre** in incentive. On 40 acres that would be an incentive of \$1,320. A minimum of 5 acres planted in cover crops would be needed to participate in the program.
 - **2,106 acres** of cover crops would be incentivized each of the three years of the program.

In January 2022, farmdocDAILY published an article titled *Policy Budget for Cover Crops and the Lesson of Crop Insurance*. The authors, Gary Schnitkey, Department of Agricultural and Consumer Economics at the University of Illinois and Carl Zulauf, Department of Agricultural, Environmental and Developmental Economics at Ohio State University outlined several financial challenges impacting farmers planting cover crops. Key among those were as follows:

- “Current evidence largely suggests cover crops do not raise yields or returns in the first years of adoption.”
- “Lack of clear evidence of higher return or lower risk means public subsidies will have to be paid to incentivize the planting of cover crops.”
- “For cover crops, practice cost is at least the planting cost of seed, equipment, and labor. We estimate that it averages at least \$37/acre as of 2021. It will vary by farm, farmer, land, and agroclimate.”
- “...the subsidy needed to obtain a large planting of cover crops will need to be sizable and will need to increase as the target acres of cover crops increase.”

Two aspects of the program that the partners want to highlight are ensuring that small farmers have equal opportunity for funding and that first time planters of cover crops also have an opportunity for funding. To achieve these goals, the partners, through the application process, will provide extra points to those that are first time planter of cover crops and are considered small farmers. These additional points and the manner of distribution will be clearly outlined on the application for applicants to understand prior to apply for the incentive dollars.

The program partners will perform random verification checks on 20% of the farmers/landowners enrolled in the program. This verification process will confirm planted acres, seed variety planted, and seeding rate along with other pertinent information.

We feel a key to the success of a cover crop program is making it a multi-year program. Incentivizing farmers and landowners to try cover crops over multiple years will allow farmers to get to the point where the returns of investment in cover crops will start to eclipse the cost of implementation. It will also allow farmers the time to evaluate all their options with regards to cover crop implementation and let them make the best management decisions for their farms.

All partners will work in concert with each other on the project. Generally, the Champaign County Farm Bureau will handle the education portion of the program, the CCSWCD will work with farmers/landowners on their application and signing up, and NREC will develop grower surveys and develop a white paper on the outcomes of the program. However, each group will provide input and resources to other aspects of the program.

The vision of the Champaign County Farm Bureau, CCSWCD, and NREC is that farmers across the county will embrace cover crops to further improve the health of the soil, water, and the environment. This program offers a unique opportunity to demonstrate that a local commitment can have a significant impact on conservation in the county. We believe this program will show that focused programs at a local level will have an impact on cover crop usage in Champaign County. We strongly believe that with the help of ARPA funds we can accelerate these advances for the betterment of farmers, landowners, and our urban neighbors.