

Conservation Reserve Program (CRP) Transition Incentives Program (TIP)

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FARM SERVICE AGENCY

PURPOSE

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**Conservation Reserve Program (CRP)
Transition Incentives Program (TIP)**
provides assistance for retired or retiring
landowners or operators to transition land
enrolled in the CRP to a beginning or socially
disadvantaged farmer or rancher for
sustainable grazing or crop production.

Background

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- On May 14, 2010, the Farm Service Agency (FSA) published an Interim Rule to implement the CRP TIP. This Interim rule implements Section 2111 of the Food, Conservation, and Energy Act of 2008.
- The CRP TIP pays retired or retiring owners or operators of land enrolled in an expiring CRP contract not more than two additional CRP payments if they sell or lease their expiring CRP land to a non-family member beginning or socially disadvantaged farmer or rancher.
- The beginning or socially disadvantaged farmer or rancher must return the land to production using sustainable grazing or crop production methods and be provided the opportunity to enroll some or all of the land into continuous CRP, Conservation Stewardship Program, or Environmental Quality Incentives Program.

Who Qualifies for TIP?

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To qualify for TIP, there must be both:

- A retired or retiring owner or operator of land enrolled in an expiring CRP contract.

AND

- A beginning or socially disadvantaged farmer or rancher.

Who is a retired or retiring farmer?

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- An owner or operator of land enrolled in a CRP contract who has ended active labor in farming operations as a producer of agricultural crops or expects to do so within 5 years and has land that is expiring under a CRP contract.
- *Example – A producer is a retiring farmer with land under a CRP contract that expires on September 30, 2010. He owns other land that is not enrolled in CRP but will no longer be operating any of his land. The producer has decided to sell the expiring CRP land to his neighbor's son, who is a beginning farmer.*

Who is a Beginning or Socially Disadvantaged Farmer and Rancher?

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Beginning Farmer or Rancher

- Has not been a farm or ranch operator or owner for more than 10 years.
- Materially and substantially participates in the operation of the farm or ranch involved
- If an entity, is an entity in which at least 50 percent of the members or stockholders of the entity meet the first two requirements.

Socially Disadvantaged Farmer or Rancher

- A farmer or rancher who is a member of a socially disadvantaged group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. Gender is not included as a covered group.

Examples include American Indians or Alaskan Natives, Asians or Asian-Americans, Blacks or African Americans, Hispanics, and Native Hawaiians or other Pacific Islanders.

What are the steps for to participate in CRP TIP?

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- **Step 1:** During the final year before the expiration of a CRP contract, a retired or retiring farmer or rancher agrees to sell or lease* land enrolled in CRP to a beginning or socially disadvantaged farmer or rancher and signs form CRP-1R at the county FSA office to enroll land in TIP.

**If leased, the lease must be a qualifying non-revocable lease of at least 5 years.*

- **Step 2:** The beginning or socially disadvantaged farmer or rancher develops a conservation plan for land enrolled in TIP.

What are the steps for to participate in CRP TIP? (continued)

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- **Step 3:** After CRP-1R and conservation plan approval, conservation and land improvements may be made and organic certification may begin.
- **Step 4:** Payments to the retired or retiring owner or operator may continue for up to two additional years after the CRP contract expires provided the beginning or socially disadvantaged farmer or rancher is not a family member.

When and Where to Apply?

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- TIP enrollment is on a continuous basis
- TIP enrollment may occur during the final year before a CRP contract's scheduled expiration date
- Producers interested in learning more can visit their local FSA office
- Producers are also encouraged to visit www.fsa.usda.gov/conservation for more information.

Frequently Asked Questions and Answers

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Q. What expiring CRP land is eligible to apply for the program?

A. All or a portion of land enrolled in a CRP contract that is scheduled to expire on or after September 30, 2010, is eligible for CRP TIP.

Q. Is a beginning or socially disadvantaged farmer or rancher eligible for enrollment in continuous CRP if the land is not owned or operated for at least 12 months prior to re-enrolling in CRP?

A. As part of TIP, the beginning or socially disadvantaged farmer or rancher is not required to meet the 12-month ownership provision when re-enrolling land under continuous signup.

Frequently Asked Questions and Answers (continued)

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Q. Can the retired or retiring owner or operator transition the land to a beginning or socially disadvantaged farmer or rancher that is a family member?

A. Yes, however the retired or retiring owner or operator may only receive the additional annual rental payments (of up to two years) when the beginning or socially disadvantaged farmer or rancher is not a family member.

Frequently Asked Questions and Answers (continued)

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Q. When will the additional annual rental payments be made to the retired or retiring owner or operator?

A. Up to two additional annual rental payments may be made to the retired or retiring owner or operator on the same schedule as all annual rental payments are made.

Q. What if the acres under a CRP contract that is scheduled to expire are owned or operated by an entity?

A. If a member or members are retiring and own at least 50 percent of the entity, the entity will be considered eligible provided the entity's payment share on the CRP contract is at least 50 percent.

Frequently Asked Questions and Answers (continued)

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Q. Where can I access the Interim CRP Transition Incentives Program Rule?

A. A copy of this interim rule is available through the FSA home page at <http://www.fsa.usda.gov/>.