FACT SHEET

UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

May 2010

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

Overview

The Food, Conservation, and Energy Act of 2008 amendments to the Food Security Act of 1985, as amended, authorized $25 million for the transition of expiring CRP land from a retired or retiring owner or operator to a beginning or socially disadvantaged farmer or rancher to return land to production for sustainable grazing or crop production.

The Transition Incentive Program (TIP) provides annual rental payments for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

The program is implemented by FSA on behalf of USDA's Commodity Credit Corporation.

Signup

Enrollment in TIP is on a continuous basis. Beginning or socially disadvantaged farmers and ranchers and CRP participants may enroll in TIP beginning one year before the expiration date of a CRP contract.

For example, if a CRP contract is scheduled to expire on Sept. 30, 2012, the land may be enrolled in TIP from Oct. 1, 2011, through Sept. 30, 2012.

For contracts that expired on Sept. 30, 2008, and 2009, or are scheduled to expire on Sept. 30, 2010, TIP enrollment may begin immediately.

Provisions

To be eligible for TIP, an owner or operator must be a retired or retiring farmer or rancher on land enrolled in an expiring CRP contract.

The retired or retiring owner or operator must agree to sell, or have a contract to sell, or agree to lease long-term (at least 5 years) the land enrolled in an expiring CRP contract to a beginning or socially disadvantaged farmer or rancher.

Except for contracts that expired or are scheduled to expire on Sept. 30, 2008, 2009, or 2010, TIP enrollment must occur during the final year before the scheduled date of CRP contract expiration or Sept. 30.

For contracts that expired on Sept. 30, 2008, or 2009, or are scheduled to expire on or after Sept. 30, 2010, TIP enrollment must occur by Sept. 30, 2010.

The retired or retiring owner or operator must agree to permit the beginning or socially disadvantaged farmer or rancher to make conservation and land improvements according to an approved conservation plan.

Beginning and socially disadvantaged farmers and ranchers participating in TIP may re-enroll otherwise eligible land under CRP's continuous signup provisions including the Conservation Reserve Enhancement Program.

Also, the beginning or socially disadvantaged farmer or rancher may be eligible for enrollment in the Conservation Stewardship Program or the Environmental Quality Incentives Program (EQIP), provided all eligibility requirements are met.

Definitions

Retired or retiring owner or operator means 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 of the CRP contract modification.

Beginning farmer or rancher means, as determined by CCC, a person or entity who has not been a farm or ranch operator for more than 10 years; materially and substantially participates in the operation of the farm or ranch involved in CRP contract modification; and if an entity, is an entity in which 50 percent of the members or stockholders of the entity meet the first two criteria.

Socially disadvantaged farmer or rancher means 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.

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Transition Payments

Retired or retiring owners or operators participating in TIP may receive up to two additional annual rental payments after their CRP contract expires provided the beginning or socially disadvantaged farmer or rancher is not a family member.

For More Information

For more information about FSA and its programs, visit: http://www.fsda.usda.gov.

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