UNITED STATES DEPARTMENT OF AGRICULTURE
FARM SERVICE AGENCY

CONSERVATION

FACT SHEET

June 2014

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

OVERVIEW

The Transition Incentives Program, administered by the USDA Farm Service Agency (FSA), assists with the transition of expiring Conservation Reserve Program (CRP) land from a retired or retiring owner or operator to a beginning, veteran, or socially disadvantaged farmer or rancher to return land to production for sustainable grazing or crop production.

CRP is a voluntary program that contracts with agricultural producers so that environmentally sensitive agricultural land is not farmed or ranched, but instead used for conservation benefits. CRP participants establish long-term, resource-conserving vegetative species, such as approved grasses or trees (known as "covers") to control soil erosion, improve the water quality, and enhance wildlife habitat. In return, FSA provides participants with rental payments and cost-share assistance. Continuous sign-up contracts are 10 to 15 years in duration.

CRP protects millions of acres of American topsoil from erosion and is designed to safeguard the nation's natural resources. By reducing water runoff and sedimentation, CRP protects groundwater and helps improve the condition of lakes, rivers, ponds, and streams. The vegetative covers also make CRP a major contributor to increased wildlife populations in many parts of the country.

The Agricultural Act of 2014 (the 2014 Farm Bill) authorizes $33 million for fiscal years 2014 through 2018 for TIP. The Food Security Act of 1985, as amended, authorized CRP, and is governed by regulations published in 7 CFR, part 1410.

FSA implements TIP and CRP on behalf of USDA's Commodity Credit Corporation (CCC).

ENROLLMENT

Enrollment in TIP is on a continuous basis until the total funds authorized for the program are exhausted. Beginning (including veteran), or socially disadvantaged farmers and ranchers and retired or retiring CRP participants may enroll in TIP during the final year before the scheduled date of CRP contract expiration or Sept. 30.

For example, if a CRP contract is scheduled to expire on Sept. 30, 2014, the land may be enrolled in TIP from Oct. 1, 2013, through Sept. 30, 2014.

TIP enrollment may begin immediately for contracts scheduled to expire on Sept. 30 2014.

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, veteran, or socially disadvantaged farmer or rancher.

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

Beginning or 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 (CREP).

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 five 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; and
- Materially and substantially participates in the operation of the farm or ranch involved in CRP contract modification.
- A veteran farmer or rancher who served in the Armed Forces and who has:
  - Not operated a farm or ranch; or
  - Operated a farm or ranch for no more than 10 years.

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.

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 your local FSA county office or USDA Service Center, or on the web at : http://www.fsda.usda.gov.

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