



TRANSITION INCENTIVES PROGRAM

USDA Farm Service Agency
Conservation Reserve Program

Fact Sheet
January 2023

Overview

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

Program at a Glance

CRP is a voluntary program that contracts with agricultural producers so that environmentally sensitive agricultural land is not farmed or ranched, but instead devoted to 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 signup 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 2018 Farm Bill authorizes \$50 million for fiscal years 2019 through 2023 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).



USDA Photo by Preston Keres

How to Apply

TIP enrollment is on a continuous basis until the total funds authorized for the program are exhausted. Beginning, veteran, and socially disadvantaged farmers and ranchers and CRP participants may enroll in TIP two years before the scheduled date of CRP contract expiration or the \$50 million statutory limit has been reached.

For example, if a CRP contract is scheduled to expire on September 30, 2022, the land may be offered for enrollment in TIP from October 1, 2020, through September 30, 2022, or the \$50 million statutory limit has been reached.

Who is Eligible?

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

The owner or operator must agree to sell, or have a contract to sell, or agree to lease long-term (at least five years) the land enrolled in an expiring CRP contract to a beginning, veteran or socially disadvantaged farmer or rancher who is not a family member.

CRP TRANSITION INCENTIVE PROGRAM

The 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 during the last two years of the CRP contract.

Beginning, veteran, 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.

Beginning, veteran, or socially disadvantaged farmers and ranchers must materially and substantially participate in the operation of the farm or ranch involved in CRP contract modification.

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

Beginning farmer or rancher means a person, or for entities has at least 50 percent interest in that entity, who:

- Has not been a farm or ranch operator for more than 10 years

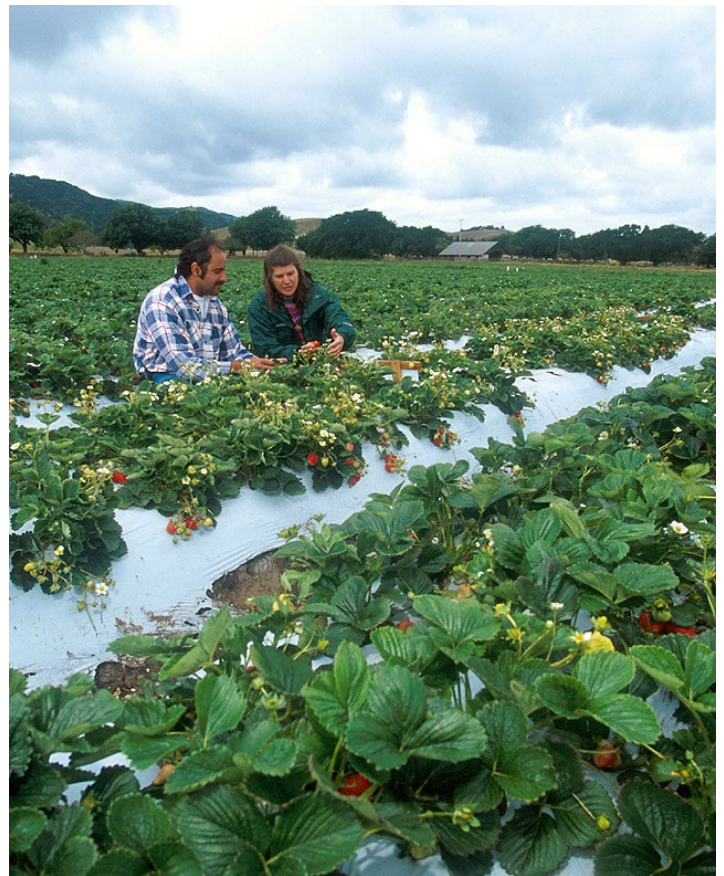
Veteran farmer or rancher means a person, or for entities has at least 50 percent interest in that entity, who served in the Armed Forces and who has:

- Obtained status as a veteran during the most recent 10-year period, or
- Operated a farm or ranch for no more than 10 years.

Socially disadvantaged farmer or rancher means a person, or for entities has at least 50 percent interest in that entity, 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

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



USDA Photo by Scott Bauer

More Information

For more information about FSA and its programs, visit fsa.usda.gov or contact your local FSA office. To find your local FSA office, visit farmers.gov/service-locator