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**Retiring Farmers With Expiring CRP Contracts May Receive Extra CRP Payments
If Land Is Sold Or Leased To Beginning Or Socially Disadvantage Farmers**
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Farmers who are in the process of retiring or have retired can receive two years of additional Conservation Reserve Program (CRP) rental payments after the contract expires if the land is leased or sold to a beginning or socially disadvantaged farmer or rancher who will use the land in sustainable grazing or crop production. USDA announced details, on May 14, 2010, of a new Transition Incentives Program (TIP), authorized by Farm Bill 2008, to encourage retired or retiring owners or operators of land with recently expired or expiring CRP contracts to transition the land to beginning or socially disadvantaged farmers or ranchers. The participating landowner, leasing or selling the land would be eligible to receive up to two years of additional CRP rental payments after the CRP contract expires, as long as the land is leased (five years) or sold to a beginning or socially disadvantage farmer, but not to a family member. USDA has set aside \$25 million to support this program.

Sign-up for this new program began on May 17, 2010, but the retiring farmer and the beginning or socially disadvantaged farmer/rancher should negotiate the sale or long term lease agreement before going to the Farm Service Agency office to sign up for the program.

According to USDA-FSA Notice CRP-659, a beginning farmer or rancher is a person or entity who 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 in the 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 2 requirements of this definition.

A socially-disadvantaged (SDA) Ag producer is one "... 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" and may include: American Indians or Alaskan Natives, Asians or Asian Americans, Blacks or

African Americans, Hispanics, and Native Hawaiians or other Pacific Islanders. Gender is not included as a covered group.

A retired or retiring owner or operator is a person(s) who owns 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.

During the final year of the CRP contract, the landowner must agree to sell, have a contract to sell, or agree to long-term lease the land previously under CRP contract to a beginning or socially disadvantaged farmer or rancher by Oct. 1 of the year the CRP contract expires. If leased, the lease must be a qualifying non-revocable lease of at least 5 years. USDA allows for the program to be used retroactively for CRP ground that came out of CRP after passage of the last Farm Bill on June 18, 2008, provided the land is enrolled in the new Transition program by September 30, 2010. In that final year of the CRP contract, the owner must agree to allow the beginning or socially disadvantaged farmer or rancher to make conservation and land improvements.

For specific details about this new program, contact your local FSA office or go to http://www.fsa.usda.gov/Internet/FSA_Notice/crp_659.pdf

CRP Contracts Ending in Texas

In Texas, of the 3.3 million acres actively participating in the CRP program, contracts covering 697,364 acres are scheduled to expire in 2010 and CRP contracts on over two million acres in Texas are scheduled to expire by 2014.

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