

2002 Farm Bill

Environmental Quality Incentives Program (EQIP)

Beginning Farmer/Rancher and Limited Resource Farmer/Rancher/Forest Owner Option

Fact Sheet

Salina, Kansas
September 2007

EQIP allows a higher payment rate for participants who meet Beginning Farmer/Rancher or Limited Resource Farmer/Rancher/Forest Owner criteria. Review the criteria below to determine if you might be eligible for either of these options. If you feel that you are eligible, you will be able to select either option on your EQIP application.

A Beginning Farmer/Rancher means an individual or entity who:

- Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity,
- Will materially and substantially participate in the operation of the farm or ranch.

In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or state where the farm is located.

In the case of a contract with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management, or labor and management necessary for day-to-day activities, such as if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired.

Limited Resource Farmer/Rancher or Forest Owner is:

- A person with direct or indirect gross farm sales not more than \$106,400 in each of the previous two years. (This value will be increased beginning in Fiscal Year 2005 to adjust for inflation using the "Prices Paid by Farmer Index" compiled by the National Agricultural Statistics Service [NASS].)

AND

- A person with a total household income at or below the national poverty level for a family of four or less than 50 percent of county median household income in each of the previous two years. (Total household income will be determined annually and indexed for inflation using Commerce Department data.) A tool to determine eligibility is located at the following Web site: www.nrcs.usda.gov/programs/SLB_Farmer.