

# Rules and Regulations

Federal Register

Vol. 75, No. 93

Friday, May 14, 2010

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## DEPARTMENT OF AGRICULTURE

### Commodity Credit Corporation

#### 7 CFR Part 1410

RIN 0560-AH80

#### Conservation Reserve Program; Transition Incentives Program

**AGENCY:** Commodity Credit Corporation, USDA.

**ACTION:** Interim rule.

**SUMMARY:** The Commodity Credit Corporation (CCC) is amending the Conservation Reserve Program (CRP) regulations to add provisions for incentives to retired or retiring owners or operators to transition land enrolled in CRP to a beginning or socially disadvantaged farmer or rancher for production. The Transition Incentives Program involves new and mandatory provisions for CRP authorized by the Food, Conservation, and Energy Act of 2008 (2008 Farm Bill). Retired or retiring owners or operators of land enrolled in an expiring CRP contract who sell or lease their expiring CRP land to a beginning or socially disadvantaged farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods in compliance with the required conservation plan will, if otherwise approved for the Transition Incentives Program, receive CRP payments for an additional 2 years after the contract expires if the new or socially disadvantaged farmer is not a family member.

**DATES:** *Effective Date:* This rule is effective May 14, 2010.

*Comment Date:* We will consider comments that we receive by July 13, 2010.

**ADDRESSES:** We invite you to submit comments on this interim rule. In your

comment, include the volume, date, and page number of this issue of the **Federal Register**. You may submit comments by any of the following methods:

- *E-Mail:* [cepdmail@wdc.usda.gov](mailto:cepdmail@wdc.usda.gov).
- *Fax:* 202-720-4619.
- *Mail:* Director, Conservation and Environmental Programs Division

(CEPD), USDA Farm Service Agency (FSA) CEPD, STOP 0513, 1400 Independence Ave., SW., Washington, DC 20250-0513.

- *Hand Delivery or Courier:* Deliver comments to the above address.

- *Federal eRulemaking Portal:* Go to <http://www.regulations.gov>. Follow the online instructions for submitting comments.

Comments may be inspected at the mail address listed above between 8 a.m. and 4:30 p.m., Monday through Friday, except holidays. A copy of this interim rule is available through the FSA home page at <http://www.fsa.usda.gov/>.

#### FOR FURTHER INFORMATION CONTACT:

Beverly J. Preston, CRP Program Manager, telephone 202-720-9563 or e-mail: [cepdmail@wdc.usda.gov](mailto:cepdmail@wdc.usda.gov). Persons with disabilities who require alternative means for communication (Braille, large print, audiotape, etc.) should contact the USDA Target Center at 202-720-2600 (voice and TDD).

#### SUPPLEMENTARY INFORMATION:

##### Background

CRP was first authorized in the Food Security Act of 1985 (16 U.S.C. 3830-3835a, commonly known as the 1985 Farm Bill). This rule amends the CRP regulations in 7 CFR part 1410 to implement provisions for the Transition Incentives Program as specified in section 2111 of the 2008 Farm Bill (Pub. L. 110-246). The 2008 Farm Bill requires other changes to the CRP program, several of which were published in a previous interim rule (74 FR 30907-30912) and others that will be implemented separately. This interim rule amends the CRP regulations to add the provisions needed to implement the Transition Incentives Program, including definitions and eligibility requirements.

Section 2111 of the 2008 Farm Bill amends Section 1235 of the 1985 Farm Bill (16 U.S.C. 3835) to authorize CRP contract modifications—

to facilitate a transition of land subject to the contract from a retired or retiring owner or

operator to a beginning farmer or rancher or a socially disadvantaged farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods.

Section 2111 further authorizes that “in the case of a contract modification approved in order to facilitate the transfer” that the Secretary of Agriculture will:

- Allow conservation and land improvements to be made;
- Allow the certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501) to begin;
- Require the retired or retiring owner to sell or lease the land subject to the contract for production purposes;
- Require the beginning or socially disadvantaged farmer or rancher to develop and implement a conservation plan;
- Provide the beginning or socially disadvantaged farmer or rancher the opportunity to enroll in the Conservation Stewardship Program or the Environmental Quality Incentives Program;
- Provide the beginning or socially disadvantaged farmer or rancher with the option to reenroll any applicable partial field conservation practice that is eligible for enrollment under the continuous signup requirement of CRP, if part of an approved conservation plan; and

- Continue to make annual payments to the retired or retiring owner or operator for not more than an additional 2 years after the termination of the contract, if the beginning or socially disadvantaged farmer or rancher is not a family member.

Section 2701 of the 2008 Farm Bill, by amendment to Section 1241 of the 1985 Farm Bill, requires that to the maximum extent practicable, \$25 million in CCC funds be used for the Transition Incentives Program for fiscal years 2009 to 2012.

The purpose of CRP is to cost-effectively assist producers in conserving and improving soil, water, wildlife, and other natural resources by converting environmentally-sensitive acreage generally devoted to the production of agricultural commodities to a long-term vegetative cover and to address issues raised by State, regional, and national conservation initiatives. Participants enroll land in CRP contracts for 10 to 15 years in exchange for annual rental payments and

financial assistance to install certain conservation practices and to maintain approved vegetative, tree, or other appropriate covers. The purpose and scope of CRP are not changing with this rule.

This rule will allow retired or retiring CRP participants with land enrolled in an expiring CRP contract to amend their CRP contracts during the last year of the CRP contract to be permitted to transition that land to beginning or socially disadvantaged farmers or ranchers for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods (also referred to as "sustainable farming"). The rule provides a general definition of what would, for these purposes, be considered to be sustainable farming. Also, there is an allowance for incentive payments for CRP contracts that ended after the 2008 Farm Bill became law but before the publication of this rule. As an incentive, such CRP participants may be eligible for 2 additional years of CRP payments provided the retired or retiring owner or operator is not a family member of the beginning or socially disadvantaged farmer or rancher.

The 2008 Farm Bill defines "family member" as it is defined in 7 U.S.C. 1308-1 (part of the 1985 Farm Bill), which defines it as an individual to whom another family member in the farming operation is related as a lineal ancestor, lineal descendant, sibling, spouse, or otherwise by marriage. This definition, which FSA and CCC use in many other programs, has been clarified in 7 CFR part 718 to include a specific list of individuals who are considered family members. To provide clarity and consistency with other FSA and CCC programs, the definition from 7 CFR part 718 will be used. Therefore, a "family member" will mean an individual to whom a person is related as spouse, lineal ancestor, lineal descendant, or sibling, including a:

- (1) Great grandparent;
- (2) Grandparent;
- (3) Parent;
- (4) Child, including a legally adopted child;
- (5) Grandchild;
- (6) Great grandchildren;
- (7) Sibling of the family member in the farming operation; and
- (8) Spouse of a person listed in items 1 through 7.

Contracts on over 15 million acres of land enrolled in CRP are scheduled to expire between 2010 and October 2012.

The goal of the CRP Transition Incentives Program is to assist beginning or socially disadvantaged farmers and

ranchers get a start in farming. Any beginning or socially disadvantaged farmer or rancher is eligible to participate.

The program provides an opportunity for beginning or socially disadvantaged farmers or ranchers to prepare the land enrolled in an expiring CRP contract for production using sustainable grazing or crop production methods up to one year before they farm the land. This program allows such farmers or ranchers to make conservation and land improvements or begin the process for organic certification during the last year of the expiring CRP contract. The program provides a financial incentive to increase the likelihood that land enrolled in an expiring CRP contract will be returned to production in a sustainable manner by providing additional CRP payments to retired or retiring owners and operators who sell or lease land for those purposes. This program, by offering an incentive to retired or retiring owners or operators of land enrolled in an expiring CRP contract, provides a significant opportunity to promote sustainable and organic farming.

#### Definitions

This rule amends section 1410.2, "Definitions," to add definitions for "beginning farmer or rancher," "retired or retiring owner or operator," and "socially disadvantaged farmer or rancher."

The 2008 Farm Bill gives the term "beginning farmer or rancher" for conservation programs the meaning given under the section 343(a)(8) of the Consolidated Farm Rural Development Act (7 U.S.C. 1991(a)(8)), which in turn gives the Secretary discretion to define the term. That term has been defined in farm loan programs. This rule uses the same definition except for necessary modifications to reflect the different program involved. Under the adopted definition, the individual or entity must, as determined by CCC:

- (1) Have operated a farm or ranch for 10 years or less,
- (2) Have substantial involvement in the operation of the farm or ranch, and
- (3) If an entity, be an entity where 50 percent of the members or stockholders of such entity meet the previous two requirements.

Also, Section 2111 of the 2008 Farm Bill uses the term "retired or retiring owner or operator," but does not define it. This rule defines a retired or retiring owner or operator as a CRP participant who has stopped farming or expects to stop farming within five years of contract modification.

Generally, the incentive will apply only to contracts expiring after the publication of this rule. There is an exception, however. The exception is for CRP contracts that expired after the effective date of the 2008 Farm Bill (June 18, 2008), but before the publication of this rule if transfer to the eligible new holder of the property will take place only after the approval of the modification, and if the contract modification becomes effective by September 30, 2010. The requirement that the transfer follow the modification reflects that this is an incentive program. The deadline is to reflect that the exception is intended to address only those situations where the finalization of a transfer may have been awaiting the publication of a rule.

The 2008 Farm Bill specifies that this program use the definition of "socially disadvantaged farmer and rancher" given under 7 U.S.C. 2279(e)(2), which is the definition used for other FSA and CCC farm programs. Accordingly and consistent with other FSA and CCC farm program regulations through which the 2008 Farm Bill has been implemented, socially-disadvantaged persons are defined in this rule to be any person of the following groups of persons: African Americans, American Indians, Alaskan Natives, Hispanics, Asian Americans and Pacific Islanders.

#### Contract Modifications

This rule amends the regulations in § 1410.33, "Contract Modifications," to provide that retired or retiring owners and operators can be permitted to modify their CRP contract if it is due to expire within one year to facilitate the transition of the land enrolled in that expiring CRP contract to a beginning or socially disadvantaged farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods. The limited exception for contracts that expired prior to this rule has been mentioned. This allows maximum benefit from the 2008 Farm Bill for CRP contracts that were in existence at the time the 2008 Farm Bill was enacted. Generally, the timing of the modification will mean that the CRP contract may be modified so that the transition activities may be initiated during the last year of the contract without violating the CRP contract. For example, activities to improve the land or to obtain organic certification beginning up to one year before the expiration date of the CRP contract will be allowed under such a modified contract.

### Eligibility Requirements

This rule adds a new section § 1410.64, "Transition Incentives Program," to specify eligibility provisions for the incentive. There are separate eligibility requirements for retired or retiring owners and operators with land enrolled in an expiring, or in limited cases, expired CRP contract and for beginning or socially disadvantaged farmers and ranchers.

In the case of unexpired contracts, the retired or retiring CRP owner or operator with land enrolled in an expiring CRP contract must allow the beginning or socially disadvantaged farmer or rancher to install conservation practices consistent with the conservation plan on the land during the last year of the contract, or begin the organic certification process under the Organic Foods Production Act of 1990 (7 U.S.C. 6501–6523). (The Agriculture Marketing Service (AMS) implements that certification.)

Both the retired or retiring owner or operator and the beginning or socially disadvantaged farmer or rancher must jointly apply for the Transition Incentives Program. To be eligible for the Transition Incentives Program, the beginning or socially disadvantaged farmer or rancher must obtain and implement a conservation plan and certify that they are buying or leasing (under a qualifying lease) the expiring CRP land to return some or all of it into production using sustainable grazing or crop production methods.

For the transfer, the retiring or retired owner or operator may either:

- (1) Sell,
- (2) Have a contract to sell, or
- (3) Lease under a nonrevocable long-term lease (at least 5 years), with or without an option to purchase the land.

### Benefits to Participants

Retired or retiring owners or operators are eligible to receive 2 years of additional CRP rental payments as an incentive to participate in the Transition Incentives Program if the land is not sold or leased to a family member.

The Transition Incentives Program does not provide payments to beginning or socially disadvantaged farmers or ranchers for participation in this program. It provides indirect benefit to those farmers by paying eligible retired or retiring owners or operators to sell or lease eligible land to the beginning or socially disadvantaged farmer or rancher.

The beginning or socially-disadvantaged farmer or rancher will be provided the opportunity to enroll otherwise eligible land obtained through

this program in various USDA conservation programs, including CRP, beginning the day after the CRP contract expires or after the transfer, whichever is later. This assumes that the land is still eligible and that the beginning or socially disadvantaged farmer has a sufficient long-term interest in the program to sustain a 10 year contract. This rule changes the CRP regulations to provide an exception to make the new or disadvantaged farmer otherwise eligible to reenroll the land in CRP as required by the 2008 Farm Bill. This is a direct benefit for the beginning or socially disadvantaged farmer or rancher, because as currently specified in § 1410.5, "Eligible Persons," an owner or operator must have owned or operated the land for at least 12 months before it can be enrolled in CRP. This rule adds a paragraph to § 1410.5 to specify that the 12 month ownership provisions do not apply to eligible Transition Incentives Program participants. In addition, the beginning or socially-disadvantaged farmer or rancher will be able to enroll all or part of the transitioned land in the Conservation Stewardship Program (CSP) or the Environmental Quality Incentives Program (EQIP) authorized under the regulations in 7 CFR parts 1470 and 1466, respectively. Again, this only applies if the conditions for those programs are otherwise met.

### Program Operation

CCC will implement this program through FSA county offices. CCC and FSA will not establish a formal program to match retired or retiring CRP landowners and operators with beginning or socially disadvantaged farmers or ranchers. However, FSA county offices will publicize the program to local FSA and CCC customers, and coordinate with Farm Loan Program personnel to provide program outreach to potentially eligible farmers and ranchers. Similarly, FSA will coordinate with the Natural Resources Conservation Service (NRCS) to help eligible beginning and socially disadvantaged farmers and ranchers obtain the required conservation plan and apply for enrollment in other conservation programs, and coordinate with AMS to provide outreach about the organic certification process.

One new form will be created for this program, which we anticipate will be a one-page agreement that both parties will sign and file with the FSA county office.

### Notice and Comment

CCC is not required by 5 U.S.C. 553 or any other provision of law to publish

a notice of proposed rulemaking with respect to the subject matter of this rule. CCC is authorized by section 2904 of the 2008 Farm Bill to issue an interim rule effective on publication with an opportunity for comment.

### Executive Order 12866

This rule has been determined to be significant and was reviewed by the Office of Management and Budget (OMB) under Executive Order 12866. The cost benefit analysis is summarized below and is available from the contact information listed above.

### Summary of Economic Impacts

The 2008 Farm Bill authorizes \$25 million for incentive payments to retired or retiring owners and operators with expiring CRP contracts, who sell or long-term lease their former CRP land to beginning or socially disadvantaged farmers or ranchers that are not family members. The retired or retiring owner or operator will receive CRP rental payments for 2 additional years beyond contract expiration to encourage participation. Targeted farmers or ranchers who purchase or lease the former CRP land are required to obtain a conservation plan and follow sustainable livestock and crop production practices.

CRP Transitions Incentives Program participants are allowed to begin to make conservation and land improvements in the final CRP contract year. They also will be eligible for enrollment in three USDA conservation programs and may begin the organic certification process during the CRP contract's final year. Members of the retired or retiring owner or operator's family may participate in the CRP Transitions Incentives Program in order to obtain eligibility for enrollment in certain conservation programs, but the 2 additional years of rental payments would not be paid.

If fully subscribed, an estimated 400 to 1,800 beginning or socially disadvantaged farmers or ranchers would benefit. With an average CRP rental payment of \$39 per acre to \$49 per acre for 2 years, obligations are estimated at between \$5.1 million and \$17.1 million. These cost estimates reflect the total obligation for fiscal years 2010–2012; payments would be made over a number of years, depending on when contracts expire. Due to the limited amount of eligible farmable quality CRP acreage likely to be offered for sale or lease, and the location of beginning and socially disadvantaged farmers relative to the location of eligible CRP lands, participation and costs are expected to be closer to the

lower end of this range than the high end.

### Regulatory Flexibility Act

This rule is not subject to the Regulatory Flexibility Act since CCC is not required to publish a notice of proposed rulemaking for this rule. CCC is authorized by section 2904 of the 2008 Farm Bill to issue an interim rule effective on publication with an opportunity for comment.

### Environmental Evaluation

The environmental impacts of this rule have been considered in a manner consistent with the provisions of the National Environmental Policy Act (NEPA, 42 U.S.C. 4321–4347), the regulations of the Council on Environmental Quality (40 CFR parts 1500–1508), and FSA regulations for compliance with NEPA (7 CFR part 799). The revisions to CRP regulations in 7 CFR part 1410 to implement certain changes related to the transition incentive for beginning and socially disadvantaged farmers and ranchers as provided by the 2008 Farm Bill that are identified in this interim rule are authorized to expend \$25 million for this incentives program to the extent practicable. Furthermore, this program only applies to land that will be committed to sustainable, conservation-friendly practices and applies to land transitions out of the CRP that otherwise would be uncontrolled. These incentives focus on changing ownership of eligible lands, but are not intended to require or facilitate current land practice or land management changes. In response to public comments received during the scoping period for the Supplemental Environmental Impact Statement on CRP (74 FR 45606–45607), and the limited potential for significant environmental or socioeconomic impacts identified in the Cost Benefit Analysis, FSA has determined that the implementation of these changes related to the transition incentives for beginning and socially disadvantaged farmers and ranchers would not have any significant individual or cumulative impacts on the quality of the human environment. Therefore, no environmental impact statement will be prepared on this regulatory action.

### Executive Order 12372

This program is not subject to Executive Order 12372, which requires consultation with State and local officials. See the notice related to 7 CFR part 3015, subpart V, published in the **Federal Register** on June 24, 1983 (48 FR 29115).

### Executive Order 12988

This interim rule has been reviewed under Executive Order 12988, Civil Justice Reform. This rule does not preempt State or local laws, regulations, or policies unless they present an irreconcilable conflict with this rule. Before any judicial action may be brought concerning the provisions of this rule the administrative appeal provisions of 7 CFR parts 11, 614, and 780 must be exhausted.

### Executive Order 13132

The policies contained in this rule do not have any substantial direct effect on States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government. Nor does this rule impose substantial direct compliance costs on State and local governments. Therefore, consultation with the States is not required.

### Executive Order 13175

The policies contained in this rule do not impose substantial unreimbursed direct compliance costs on Indian tribal governments or have tribal implications that preempt tribal law.

### Unfunded Mandates

This rule contains no Federal mandates under the regulatory provisions of Title II of the Unfunded Mandate Reform Act of 1995 (UMRA, Pub. L. 104–4) for State, local, or tribal governments, or the private sector. In addition, CCC is not required to publish a notice of proposed rulemaking for this rule. Therefore, this rule is not subject to the requirements of sections 202 and 205 of UMRA.

### Federal Assistance Programs

The title and number of the Federal assistance program in the Catalog of Federal Domestic Assistance to which this rule applies is the Conservation Reserve Program—10.069.

### Paperwork Reduction Act

The regulations in this rule are exempt from the requirements of the Paperwork Reduction Act (44 U.S.C. Chapter 35), as specified in section 2904 of the 2008 Farm Bill, which provides that these regulations be promulgated and the programs administered without regard to the Paperwork Reduction Act.

### E-Government Act Compliance

CCC is committed to complying with the E-Government Act, to promote the use of the Internet and other information technologies to provide increased opportunities for citizen

access to Government information and services, and for other purposes.

### List of Subjects in 7 CFR Part 1410

Administrative practice and procedure, Agriculture, Environmental protection, Grant programs—Agriculture, Natural resources, Reporting and recordkeeping requirements, Soil conservation, Technical assistance, Water resources, Wildlife.

■ For the reasons discussed above, this rule amends 7 CFR part 1410 as follows:

### PART 1410—CONSERVATION RESERVE PROGRAM

■ 1. The authority citation for 7 CFR part 1410 continues to read as follows:

**Authority:** 15 U.S.C. 714b and 714c; 16 U.S.C. 3801–3847.

■ 2. In § 1410.2 add definitions in paragraph (b), in alphabetical order, for the terms: “Beginning farmer or rancher,” “Retired or retiring owner or operator,” and “Socially disadvantaged farmer or rancher,” as set forth below.

#### § 1410.2 Definitions.

\* \* \* \* \*

(b) \* \* \*

*Beginning farmer or rancher* means, as determined by CCC, a person or entity who:

(1) Has not been a farm or ranch operator or owner for more than 10 years,

(2) Materially and substantially participates in the operation of the farm or ranch involved in the CRP contract modification, and

(3) If an entity, is an entity in which 50 percent of the members or stockholders of the entity meet the first two requirements of this definition.

\* \* \* \* \*

*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.

\* \* \* \* \*

*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 as a covered group. Socially disadvantaged groups include the following and no others unless approved in writing by the Deputy Administrator:

- (1) American Indians or Alaskan Natives,  
 (2) Asians or Asian-Americans,  
 (3) Blacks or African Americans,  
 (4) Hispanics, and  
 (5) Native Hawaiians or other Pacific Islanders.

\* \* \* \* \*

■ 3. In § 1410.5, add paragraph (c) to read as set forth below:

**§ 1410.5 Eligible persons.**

\* \* \* \* \*

(c) The provisions of this section do not apply to beginning or socially disadvantaged farmers or ranchers who are eligible participants in the Transition Incentives Program as specified in § 1410.64.

■ 4. Amend § 1410.33 as follows:

■ a. In paragraph (a)(3), remove the word “or”,

■ b. Redesignate current paragraph (a)(4) as (a)(5), and

■ c. Add a new paragraph (a)(4) to read as set forth below.

**§ 1410.33 Contract modifications.**

(a) \* \* \*

(4) During the final year of the CRP contract's term, facilitate a transition of land subject to the contract from a retired or retiring owner or operator to a beginning or socially-disadvantaged farmer or rancher for the purpose of returning some or all of the land into production using sustainable grazing or crop production methods; provided that for this purpose “sustainable grazing and crop production methods” will be considered, as determined by the Deputy Administrator, to be methods that would be designed as part of an overall plan defined on an ecosystem level to be useful in the creation of integrated systems of plant and animal production practices that have a site specific application that would:

- (i) Meet human needs for food and fiber;  
 (ii) Enhance the environment and the natural resource base;  
 (iii) Use nonrenewable resources efficiently; and  
 (iv) Sustain the economic viability of farming operation; or

\* \* \* \* \*

■ 5. In § 1410.62, add paragraph (g) as follows:

**§ 1410.62 Miscellaneous.**

\* \* \* \* \*

(g) As determined by CCC, incentives may be authorized to foster opportunities for beginning and socially disadvantaged farmers and ranchers and to enhance long-term environmental goals.

■ 6. Add § 1410.64 to read as set forth below:

**§ 1410.64 Transition Incentives Program.**

(a) To be eligible for the Transition Incentives Program, the retired or retiring owner or operator must, except as specified in paragraph (f) of this section:

(1) Have land that is expiring under an existing CRP contract with a 50 percent or greater interest as provided at § 1410.42 (c);

(2) Sell or lease (under a qualifying nonrevocable lease of at least 5 years in length) expiring CRP land to a beginning or socially disadvantaged farmer or rancher who will return some or all of the land to production using sustainable grazing or crop production methods;

(3) Modify the CRP contract in accordance with § 1410.33(a)(4);

(4) Allow the beginning or socially disadvantaged farmer or rancher to begin the organic certification process under the Organic Foods Production Act of 1990 during the last year of the contract, if requested by that farmer or rancher;

(5) Allow the beginning or socially disadvantaged farmer or rancher to develop a conservation plan for the land; and

(6) Allow the beginning or socially disadvantaged farmer or rancher to install conservation practices and initiate land improvements that are consistent with the conservation plan during the last year of the contract.

(b) To be eligible for participation in the Transition Incentives Program, the beginning or socially disadvantaged farmers or ranchers must:

(1) Certify that they meet the definition in § 1410.2 of either a beginning farmer or rancher or a socially disadvantaged farmer or rancher;

(2) Obtain and implement a conservation plan; and

(3) Implement sustainable grazing or crop production in compliance with the conservation plan by the time specified in the plan.

(c) Eligible beginning or socially disadvantaged farmers or ranchers will be eligible immediately to reenroll partial field conservation practices in CRP, in accordance with the conservation plan and the provisions of this part, following the expiration of the CRP contract of the qualified retired or retiring owner or operator, provided that the beginning or socially disadvantaged farmer or rancher has control of the property and meets all other qualifying conditions of CRP, as specified in this part.

(d) Eligible beginning or socially disadvantaged farmers or ranchers will

be eligible to enroll land in the Conservation Stewardship Program or the Environmental Quality Incentives Program, as specified in parts 1470 and 1466 of this chapter, provided that their offer to enroll otherwise meets all program conditions, and provided that the CRP contract of the retired or retiring owner or operator has expired and the beginning or socially disadvantaged farmer or rancher has sufficient control of the property.

(e) As an incentive for selling or leasing land to a beginning or socially disadvantaged farmer or rancher who is not a family member, CCC will pay 2 years of additional CRP annual rental payments at the same contract rate to a retired or retiring owner or operator. The retired or retiring owner or operator must certify that the beginning or socially disadvantaged farmer or rancher is not a family member.

(f) Subject to all other program conditions, incentive payments may be allowed for contracts that have already expired if:

(1) The contract expired on or after June 18, 2008, and contract modification began on or before September 30, 2010;

(2) The transfer to the beginning or socially disadvantaged farmer or rancher will occur after the contract modification; and

(3) All other program conditions are otherwise met.

(g) Eligible retired or retiring owner or operator and eligible beginning or socially disadvantaged farmer or rancher must agree to be jointly and severally responsible, if the participant has a share of the payment greater than zero, with the other Transition Incentive Program agreement participants in compliance with the provisions of such Transition Incentive Program agreement and the provisions of this part and for any payment adjustments that may be required for violations of any of the terms or conditions of the Transition Incentive Program agreement and this part.

Signed at Washington, DC, on April 27, 2010.

**Jonathan W. Coppess,**

*Executive Vice President, Commodity Credit Corporation.*

[FR Doc. 2010-11595 Filed 5-13-10; 8:45 am]

**BILLING CODE 3410-05-P**