

Environmental Quality Incentives Program (EQIP) Advance Payment Option

Natural Resources Conservation Service



USDA's Natural Resources Conservation Service offers voluntary Farm Bill programs that benefit both agricultural producers and the environment.

Overview

The Environmental Quality Incentives Program (EQIP) advance payment option limits out-of-pocket conservation costs for historically underserved producers. EQIP provides at least 50 percent of the contracted payment for each conservation practice up front, before the practice is implemented, to purchase materials or contract services.

Advance payments are only available under EQIP. EQIP provides financial and technical assistance to address natural resource concerns resulting in environmental benefits such as improved water and air quality, conserved ground and surface water, reduced soil erosion and sedimentation, and improved or created wildlife habitat.

Under the general EQIP payment process, a producer is reimbursed after a conservation practice is implemented. This process often means that producers must pay up front costs, which can be cost prohibitive for many historically underserved producers. The advance payment must be expended within 90 days of receipt, and the practice completed as agreed to on the EQIP plan of operations.

Who is Eligible?

Historically Underserved Producers:

- **Beginning Farmer or Rancher** – is someone who has never operated a farm or ranch, previously, or has operated a farm or ranch for less than 10-consecutive years.
- **Socially Disadvantaged Farmer or Rancher** – is a member of a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of that group without regard to their individual qualities.
- **Veteran Farmer or Rancher** –has served in the armed forces and has not operated a farm or ranch, has operated a farm or ranch for less than 10-consecutive years, or first obtained veteran status during the last 10 years.
- **Limited Resource Farmer or Rancher** – has a household income at or below the national poverty level. Eligibility can be determined by using the Limited Resources Farmer or Rancher Tool online at <https://lrftool.sc.egov.usda.gov/>.

How It Works

All EQIP practices are eligible for advance payments, including vegetative, structural, and management practices, and conservation activity plans. Producers can use the option for as many or as few practices as they choose and can change their decision before they receive payment.

Historically underserved farmers producers are also eligible for a higher payment rates.

How was the advance payment changed under the 2018 Farm Bill?

The 2018 Farm Bill requires NRCS to offer proactively the advance payment option to all historically underserved EQIP participants.

NRCS field staff are required to document the producer's decision to select (or not select) the advance payment on a contract item basis.

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Important Note: Any funds not expended within 90 days of receipt must be returned to NRCS. Therefore, participants should make sure that the advance payment is for an immediate need, and that the design or job sheet, as well as any additional funding needed to purchase materials, is ready and available before requesting the funds.

Example: A beginning farmer applies for and is approved for an EQIP contract to plant cover crops on 40 acres of land. If the payment rate for implementation of a cover crop practice is \$56.81 per acre. Multiplying that rate by 40 acres, the total payment that beginning farmer would receive for planting cover crops through EQIP would be \$2,272.40. Under the advance payment rate of 50%, that beginning farmer would be eligible to receive \$1,136.20 in advance of implementing the practice, thus making it possible to offset some of the up-front costs such as purchasing the seed. The beginning farmer would then receive the remaining payment upon completing the cover crop practice.

How to Apply

EQIP applications are accepted on a continuous basis and contracts awarded through a competitive process. Historically underserved producers who are approved for an EQIP contract may elect to receive advance payments on form NRCS-CPA-1155 "Conservation Plan of Operation." Producers with EQIP contracts who are ready to purchase materials or to contract services may request the advance payment by contacting their NRCS office.

More Information

For more information, visit nrcs.usda.gov/farmland or farmers.gov.

Find your local USDA Service Center at farmers.gov/service-locator.

