

## BEGINNING FARMER AND RANCHER OPPORTUNITY ACT OF 2011

- **Directs Conservation Programs to Help Beginners Gain Access to Land and Get Started with Conservation-based Farming Systems.**
  1. Continues to **help beginners gain access to land coming out of the Conservation Reserve Program** by offering a cash incentive to the landowner to rent or sell that land to those who are willing to put the land into a conservation-based production system. For example, the beginner could put the land into a controlled, rotational grazing system for livestock.

This provision, called the **Conservation Reserve Program Transition Incentive**, will allow a transition between family members who meet the eligibility criteria but only in the case of land sales to the younger generation. It also will provide the beginner the opportunity to enroll the land in the Grassland Reserve Program or the Farm and Ranch Land Protection Program.
  2. Helps beginners, in areas where farmland is threatened by development, gain access to land through the **Farm and Ranchland Protection Program**. Under this provision, farmland can be put under an easement to keep it for agricultural use and **priority can be given to those deals that transfer land to a beginner at an affordable price.**
  3. Beginners looking to install conservation practices such as controlled rotational grazing, or cover crops, or organic transition, (or you name it) can enroll in the **Environmental Quality Incentives Program** and get up to **90% of those costs** covered, as well as receive **half of that money up front to help the beginner cash flow the installment** of said conservation practice. In addition, **ten percent of the total dollars are set-aside specifically for beginning farmers and ranchers.**
  4. Beginners who will (or already do) operate their farm or ranch in a manner that **protects and enhances the soil, water, and wildlife** will want to take advantage of the **Conservation Stewardship Program**. This program will **reward** you for those efforts and also help you go further with your conservation goals. Ten percent **of these dollars are set-aside specifically for beginning farmers and ranchers.**
- **Provides Access to Credit for Purchasing Land, for Operating Expenses and Conservation Practices.**
  1. Currently, beginning farmers have to show they have three years of experience in order to get a loan from the **Farm Service Agency to buy farmland**. This would be changed and dropped to **two years of experience in order to qualify for a farm ownership loan.**
  2. **Down Payment Loan Program** provides another **farmland purchase** option. Under this provision, the Farm Service Agency would provide 45% of the loan, up to \$300,000, a traditional lender would provide 50% and the beginner then just has to put down 5%. This loan provision will give beginners access to **enough capital to finance land valued up to \$667,000.**
  3. **Conservation Loan Program** provides loans for beginning farmers and ranchers **looking for capital to install conservation practices**. They are aiming to use 50% of the total dollars for beginners.
  4. Creates a new loan category called the **Young Beginning Farmer and Rancher Microlan Program** to provide **small loans up to \$35,000** with the ability to repay over a term of seven years. As currently written, to be eligible you must be a beginning farmer or rancher 19-35 years of age.
  5. The **Individual Development Accounts Pilot Program** (first created by the 2008 Farm Bill but never funded) would be included to provide participating beginning farmers and ranchers the opportunity to **save money and have it matched**, which can be used on approved farm or ranch expenses. For

example, a beginning farmer could **use their savings and the match to make a down payment on a farm or ranch, or to buy livestock or equipment** or other approved farm related expenses.

6. The bill also changes some technical definitions and terms to increase accessibility of credit programs. For example, it tweaks the term limits that are applied to loans through the Farm Service Agency by looking at consecutive years of use rather than cumulative. To serve the maximum number of farmers it will also place a priority on using the participation loans where the beginners combine the resources of the Farm Service Agency with that of a traditional lender. This helps leverage more dollars and gives USDA the ability to serve more people. For more information about these contact Traci Bruckner at the Center for Rural Affairs by emailing her at [tracib@cfra.org](mailto:tracib@cfra.org)
- **Helps Beginning Farmers and Ranchers Create or Strengthen Entrepreneurial Farming Ventures.**
    1. Many beginning farmers and ranchers want to get started by **developing direct markets and/or high-value, niche markets**. This bill will provide funding for and help beginners gain access to the **Value Added Producer Grant Program, a competitive grants program directly for farmers and ranchers seeking to create new market opportunities**. This program provides assistance for planning and feasibility studies to assess the market potential for a product, and once a farmer or rancher is beyond that stage, it can help provide working capital for the value added farm or ranch enterprise.
  - **Provide training, mentoring, land linking and other services to beginning farmers and ranchers, as well as make them a priority for USDA funded research projects.**
    1. This bill will renew the **Beginning Farmer and Rancher Development Program, a competitive grants program** (not for farmers directly but for organizations and agencies) that has supported a wide range of training and education programs across the country over the last few years. For example, it provided support to organizations to **provide in-depth farmer-driven training** such as the Farm Beginnings program created by the Land Stewardship Project. It also supported some farm incubator projects where beginning farmers gain access to training and land to rent to learn farming practices, business planning and marketing skills. This bill will provide \$125 million over five years to continue to support this program.
    2. The **Agriculture and Food Research Initiative** is the largest of USDA's competitive research and extension programs. This provision calls for USDA to **support** research, education, and extension, **projects related to beginning farmers and ranchers, socially disadvantaged and immigrant farmers, farm transition, farm transfer, farm entry, new marketing and farm viability alternatives**, and related issues.
  - **Help Beginners Gain Access to Crop Insurance**
    1. Many **beginning farmers and ranchers have trouble accessing crop insurance**, either because of a lack of revenue history or maybe they are growing crops that don't receive adequate or any coverage at all. This provision would direct RMA to make whatever regulatory or operational changes that are necessary to **provide beginning farmers and ranchers with full, unhindered access to crop insurance programs and related revenue insurance products**.
  - **Outreach and Coordination for Beginning Farmers and Ranchers**
    1. USDA would create a **Small and Beginning Farmer Coordinator** at the state office for Farm Service Agency, Risk Management Agency, Rural Development, and Natural Resources Conservation Service who would **coordinate technical assistance and develop statewide plans to help beginning farmers gain access to USDA programs**. The Coordinator will be knowledgeable across all USDA agencies and

would be informed about what was available to beginning farmers and ranchers from USDA as a whole.

2. This bill would also establish a position called the **Veterans Agricultural Liaison to help military veterans who are interested in getting started in farming or ranching**. This position would be responsible for the following:
  - facilitating the process of educating returning veterans about and connecting them with beginning farmer training and/or agricultural vocational and rehabilitation programs appropriate to their needs and interests, including assisting veterans in using veterans educational benefits for purposes related to beginning a career in farming;
  - serving as a resource, helping all veterans to understand availability and eligibility requirements for participation in farm bill programs with particular emphasis on beginning farmer and rancher programs; and
  - advocating on their behalf in interactions with agency staff.