



BEGINNING FARMER & RANCHER INITIATIVE

Sustainable Agriculture Agenda for the 2007 Farm Bill

Background:

New farmers and ranchers are much more diverse than previous generations. In addition to next-generation farmers from multi-generation farm and ranch families, this new generation includes former farm workers, people from non-farming backgrounds such as mid-life career-changers, and college graduates who have chosen farming as their first career. They include more women than ever before as well as families with Hispanic, Somali, Hmong, and Eastern European backgrounds.

Whether or not they are from a farming background, this diverse new generation of farmers and ranchers has very different challenges and needs than previous generations. Adequate access to training, technical assistance, land, credit and markets are critical to their success, however current farm policy is clearly deficient in these areas. The future health and vitality of agriculture, the food system, and rural communities will depend on public policies that encourage this new generation to work in agriculture and manage land sustainably.

Specific Policy Recommendations:

Since 1990, Congress has begun to incorporate provisions into the farm bill that are specific to beginning farmers and ranchers, especially in the area of farm credit. These nascent efforts should be expanded, with improvements in the credit arena and new initiatives in other areas of farm policy. The new farm bill should include a beginning farmer initiative that provides significant and concrete help in creating new farming opportunities for small and mid-scale family farmers, including:

- The **Beginning Farmer and Rancher Development Program** should be reauthorized and granted at least \$25 million a year in farm bill funding. The BRRDP is a competitive grants program supporting education, extension, and technical assistance initiatives directed at new farming opportunities. The BFRDP supports collaborative local, state, and regionally-based networks and partnerships to supply financial and entrepreneurial training, mentoring and apprenticeship programs, “land link” programs, and education and outreach activities to assist beginning farmers and ranchers, including targeted funds for socially disadvantaged producers.
- A **Beginning Farmer and Rancher Individual Development Account (IDA)** pilot program should be made available in at least 15 states. An IDA program uses financial training and matched savings accounts to assist those of modest means to establish a pattern of savings. In the case of beginning farmers, the account proceeds may be used toward capital expenditures for a farm or ranch operation, including expenses associated with purchases of land, buildings, equipment, or livestock, or toward acquisition of training.
- The **Beginning Farmer and Rancher Down Payment Loan Program** combines the resources of the Farm Service Agency, the beginning farmer, and a commercial lender or private seller, allowing limited federal dollars to be spread to more beginning farmers. The 2007 Farm Bill should make improvements to the program, reducing loan rates and down payment requirements, deferring first year payments, and increasing the existing \$250,000 maximum allowable farm sales

price to \$500,000 on the maximum allowable portion of farm sales price eligible for the down payment loan to better reflect current market realities.

- The **Beginning Farmer Land Contract Pilot Program** adopted in 2002 promotes private land contract sales as a way for retiring farmers to transfer land to new farmers. The 2007 Farm Bill should make the pilot program a permanent nation-wide program option. The current 2-year limit on payment guarantee should be extended to 3 years, and a new option added for a standard 90% guarantee of the outstanding principle.
- Dedicated **New Farmer Research** funding should be included in the research title making farm transfer and farm entry and beginning, immigrant, and socially disadvantaged farmer and rancher issues priority research areas within the major competitive research and extension programs.
- **Conservation and Stewardship Incentives for New Farmers and Ranchers** can help new farmers get a good start in agriculture, while getting more ‘bang for the buck’ out of conservation programs by creating a whole generation of conservation excellence. The 2007 Farm Bill should:
 - Retain the existing cost share bonus for beginning farmers and ranchers and socially disadvantaged producers.
 - Provide strong conservation planning assistance and financial incentives for developing whole farm/ranch resource management system conservation plans.
 - Provide a substantial number of ranking points for beginning farmers and ranchers within each farm bill conservation program that uses ranking systems to determine enrollment.
 - Reserve a portion of total funding for each farm bill conservation program for beginning and socially disadvantaged farmers and ranchers for the first four months of the program year.
 - For CRP land returning to production, offer special incentives for existing owners to rent or sell to beginning or socially disadvantaged farmers and ranchers using sustainable grazing practices or fully compliant conservation cropping systems.

Talking Points:

- New farm entry rates have decreased dramatically and there are twice as many farmers over the age of 65 as under the age of 35. Although beginning farmer’s needs for credit are great, they have needs that go far beyond credit programs. The Beginning Farmer Initiative accommodates those needs as well as making important adjustments to existing credit programs.
- There are not adequate opportunities for people from non-farm backgrounds to learn how to farm. Land grant universities no longer fill this role, particularly in certain regions. The Beginning Farmer and Rancher Development Program authorized at \$20 million a year will help address this disparity by supporting the training, education, mentoring and land-link programs needed to ensure the next generation of family farmers and ranchers have the tools they need to succeed.
- With 70% of U.S. agricultural land set to change hands in the next 20 years, the 2007 farm bill can look to get ahead of the curve by including innovative land transfer provisions. For example, the Beginning Farmer Land Contract Pilot Program should be reauthorized and launched as a permanent, nationwide program to encourage retiring farmers and ranchers to transfer that land to a new generation. Likewise, a new Individual Development Account pilot program should be tested to try out a new innovative approach to farm entry in various locations around the country.

For more information about this and other 2007 Farm Bill policy priorities of the **Sustainable Agriculture Coalition**, please contact Aimee Witteman at (202) 547-5754 or visit the Farm Bill Action Center at: www.sustainableagriculturecoalition.org

