



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search
<http://ageconsearch.umn.edu>
aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*



2nd Quarter 2011 | 26(2)

U.S. FARM BILL RESOURCES AND PROGRAMS FOR BEGINNING FARMERS

Suresh Sureshwaran and Stephanie Ritchie

JEL Classifications: Q00, Q10

Keywords: Beginning Farmer and Rancher, Farm Bill, Conservation, USDA

Beginning farmer education for adult and young audiences in the United States is nothing new. These programs can be generally traced back to the advent of the 1862 and the 1890 Morrill Land Grant Acts. More comprehensive legislation to address the needs of beginning farmers and ranchers first began with special considerations made in the Agricultural Credit Improvement Act of 1992. However, for various reasons there has been renewed interest and rapid growth in these programs in recent years. These reasons include the rising average age of U.S. farmers (2007 Census of Agriculture); the 8% projected decrease in the number of farmers and ranchers between 2008 and 2018 (U.S. Bureau of Labor Statistics, 2009); and the growing recognition that the current social and education infrastructure does not sufficiently address the needs of beginning farmers and ranchers (Ruhf, 2001). Moreover, there is recognition of new populations considering enterprises in farming and ranching that require a repositioning of classroom and outreach education models. Also, several new state, federal and local partnerships with community-based organizations served as a catalyst to facilitate the development of new programs and services.

The most recent federal legislative activity related to beginning farmers and ranchers (BFRs) was inclusion of provisions in The Food, Conservation and Energy Act (FCEA) of 2008 dealing with credit, research, conservation and other titles of the Farm Bill. The Conservation Title of the 2008 FCEA offers two years of extra payments for CRP owners returning land to production if it is rented or sold to BFR or socially disadvantaged farmers or ranchers (SDFR); and reserves 10% of the total conservation funds to BFR and SDFR for the first four months of the program year. To strengthen services and enhance access to government programs for all farmers, several previous Farm Bill provisions were amended to include BFRs and SDFRs.

Some of the main BFR provisions under the Credit title are: lower interest rates on down payment loan programs; increased percentage of total loan funding reserved for BFRs; and authorization of a new BFR Individual Development Account pilot program in at least 15 states. A big change in the 2008 FCEA is that it provides for any farm experience, no matter when it occurred, to be considered in determining whether an applicant meets the three-year experience requirement for farm operating loans. Previous legislation only allowed beginning farmers with experience in operating a farm or ranch for at least three years to be eligible for a direct farm operating loan.

The Rural Development Title sets aside 10% of the Value-Added Agricultural Product Marketing Development grants for projects benefitting BFRs and SDFRs. The Business and Industry Programs also now gives priority to loans and loan guarantees for locally or regionally produced food projects with components benefiting underserved communities. These changes could benefit BFRs as many beginning farmers focus on marketing their products locally. However, many other provisions under the Rural Development Title, e.g., Communication and Information Programs, focus on improving the quality of life for rural communities and thus may have only indirect impacts on BFRs.

The Research Title included a new beginning farmer and rancher priority mission area within the Initiative for Future Agriculture and Food Systems competitive grants program. The Research Title strengthened and reauthorized the Beginning Farmer and Rancher Development Program (BFRDP) with mandatory funding of \$75 million for FY 2009 – 2012. BFRDP was first authorized in the Farm Security and Rural Investment Act of 2002 but remained inactive until mandatory funding was included in the 2008 FCEA. BFRDP is administered by the newly formed National Institute of Food and Agriculture, which was also established by the 2008 Farm Bill.

Finally, the Miscellaneous Title authorizes the Secretary to establish a new Office of Outreach and Advocacy to improve access to programs and the viability of small, beginning and socially disadvantaged farmers and ranchers. In addition, the 2008 FCEA established within this Office the Socially Disadvantaged Farmers Group; and the Small and Beginning Farmers and Ranchers Group. One of the responsibilities of the Socially Disadvantaged Farmers Group was to conduct the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers (OASDFR) program. This program provides grants to Land Grant Institutions (1862, 1890, or 1994), Native American Tribal Governments and organizations, Latino-Serving Institutions, State Controlled Institutions of Higher Education, and community-based organizations and nonprofits that work with minority farmers and assist them in owning and operating farms and participating in agricultural and USDA-specific programs. The OASDFR program is different from the Beginning Farmer and Rancher Development Program, as the latter has broader eligibility and purpose. The Small and Beginning Farmers and Ranchers Group of the Office of Advocacy and Outreach will oversee the operations of Office of Small Farms Coordination, consult with the National Institute for Food and Agriculture, and coordinate activities with the Advisory Committee for Beginning Farmers and Ranchers.

U.S. Department of Agriculture (USDA) Programs and Resources

As exemplified by the various titles of the Farm Bill that mandate BFR programs, these programs are spread across many different parts of the USDA. They provide for voluntary participation, offer incentives, and focus on equity in accessing USDA programs and services. An overview of each agency and its role or special program for BFRs has been compiled to create a full picture of the USDA's work.

Natural Resources Conservation Service

Several conservation programs address the unique circumstances and concerns of beginning farmers and ranchers. Benefits include set-asides for a portion of funds in the Environmental Quality Incentives Program (EQIP) and acres in the Conservation Stewardship Program (CSP) for beginning farmers or ranchers; special treatment for land in conservation programs transitioning from retiring farmer to a beginning farmer or rancher, as detailed below; and eligibility for higher cost-share rates.

Special treatment of Conservation Reserve Program (CRP) land transitioning from a retiring farmer or rancher to a beginning farmer or rancher includes a provision for the new farmer to make land improvements or begin the organic certification process starting one year prior to the contract termination date; and enroll in CSP or EQIP when they take possession of the land. The new farmer is also allowed to reenroll certain partial field conservation practices. The retiring farmer may receive up to two additional years of annual payments to facilitate the transfer of land to a beginning farmer or rancher, if the retired or retiring owner or operator is not a family member of the beginning farmer or rancher.

Reserves that equal five% of EQIP funds and five% of CSP available acres are targeted for beginning farmers or ranchers, with another five% of funds or acres reserved for socially disadvantaged farmers. Funds or acres allocated but not used by a certain date—generally the first four months of the program year—can be used for any producers in the programs.

Farm Service Agency

The Farm Service Agency (FSA) uses priority consideration and loan fund set-asides to target credit financing for beginning farmers. The FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. Each fiscal year, the Agency targets a portion of its direct and guaranteed farm ownership (FO) and operating loan (OL) funds to beginning farmers and ranchers. Other programs to support beginning farmers include guaranteed loans for private-contract land sales from retiring farmers to beginning farmers and ranchers, an Individual Development Accounts (IDA) pilot program which offers beginning farmers and ranchers an opportunity to participate in matching-fund savings accounts, and the designation of beginning farmers and ranchers as a priority group for buying USDA inventory property.

Rural Development

The USDA Rural Development Agency's Value-Added Producer Grants may be used for planning activities and working capital for marketing value-added agricultural products and for farm-based renewable energy. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures. Applications from beginning farmers or ranchers will be considered for

The Educational Enhancement Teams will not train beginning farmers and ranchers but may train the trainers and help enhance funded and non-funded beginning farmer and rancher education programs in the nation. The main thrust of these three projects is very different. The project at Cornell University is focusing on strengthening collaboration and information sharing among BFR training programs in the northeast. At University of Nebraska the

focus is on strengthening environmental management training. The Land Stewardship Project is strengthening the Farm Beginnings program, which is one of the oldest BFR training programs and is now offered in Illinois, Nebraska, North Dakota, South Dakota and in the Hudson Valley of New York, as well as in the Lake Superior region in northeast Minnesota and northwest Wisconsin.

The Clearinghouse grant is now establishing an electronic library of all beginning farmer and rancher education programs and opportunities in the nation. As required by the Farm Bill, BFRDP gives priority to partnerships and collaborations led by or including nongovernmental and community-based organizations with expertise in new agricultural producer training and outreach. Also, at least 25% of the funds will be used to support programs and services that address the needs of limited resource beginning farmers or ranchers; socially disadvantaged beginning farmers or ranchers; and farm workers desiring to become farmers or ranchers.

The 69 awards made since 2009 are located in 40 states, but several projects cover multiple states. Some of the trends in BFRDP awards are the growing number of projects focusing on training to support enterprises that integrate strategies related to local food systems, sustainable agriculture, urban agriculture, and training veterans and youth. BFRDP has the potential to change the demographics of U.S. agriculture and reduce the higher unemployment rates among veterans, minorities and youth if these programs meet the outcomes that were proposed in the competitive granting process.

Office of Advocacy and Outreach

The Office of Advocacy and Outreach, as mandated by the Department of Agriculture Reorganization Act of 1994 and the Food, Conservation, and Energy Act of 2008, was established by the Secretary of Agriculture in late 2009. This Office will gather public input through the Advisory Committee for Beginning Farmers and Ranchers on ways the Department can support beginning producers. The Committee will advise the Secretary on: (1) the development of a program of coordinated financial assistance to qualified beginning farmers and ranchers required by Section 309 (i) of the Consolidated Farm and Rural Development Act—this program consists of Federal and state beginning farmer programs that provide joint financing to beginning farmers and ranchers; (2) methods of maximizing the number of new farming and ranching opportunities created through the program; (3) methods of encouraging states to participate in the program; (4) the administration of the program; and (5) other methods of creating new farming or ranching opportunities. The Committee is comprised of 20 members representing the following groups: (1) USDA, Farm Service Agency (FSA); (2) State beginning farmer programs; (3) commercial lenders; (4) private nonprofit organizations with active beginning farmer programs; (5) USDA, National Institute of Food and Agriculture (NIFA); (6) community colleges or other educational institutions with demonstrated experience in training beginning farmers or ranchers; (7) other entities or persons providing lending or technical assistance for qualified beginning farmers or ranchers; and (8) farmers and ranchers.

Information Sources and Training Models

A wide variety of information and training is available to beginning farmers from non-profit, academic and other supportive institutions. Some of these institutions are supported through Federal funds, primarily through the BFRDP. In order to illustrate the scope of opportunities available to new farmers, select BFRDP-funded beginning farmer training initiatives are highlighted below. These programs were selected to show the varieties of audiences, activities, educational philosophies and other unique characteristics of programs serving BFRs.

Bringing New Farmers to the Table—North Carolina

The Bringing New Farmers to the Table project takes advantage of unique opportunities presented by North Carolina's new statewide 10% local food campaign. This campaign designs support for beginning farmers, and information about their needs, into every aspect of this movement for North Carolina to provide 10% of its own food.

The first step in accomplishing this goal is intensive training for a new network of County Extension, Local and Regional Food Coordinators about issues facing new farmers. These new service providers facilitate connections between farmers and local market outlets and are responsible for providing training and resources for new producers. A series of eight webinars, covering key topics for beginning farmers, supplement the training provided by these coordinators. These educational modules form the basis of a certificate program for new farmers. Additionally, a New Farmer Placement Program works with municipalities, county, and state governments on making idle land available for incubating farms and to facilitate placement of new farmer certificate holders from the webinar series. Educational

resources developed for new farmers are available on the 10% local food campaign and National Sustainable Agriculture Information Service – ATTRA's websites.

Comprehensive Regional Farmer-to-Farmer Training and Support Project—Illinois

Based on training evaluations and needs assessments from previous work with beginning farmers, collaborating partners from Angelic Organics Learning Center, Michael Fields Agricultural Institute, and Prairie Crossing Farm Business Development Center proposed a project targeted to remove four key barriers to the success of beginning farmers. These include a lack of access to: 1) training, education, and technical assistance; 2) land; 3) capital and credit; and 4) markets. The project addresses all four barriers during successive learning stages for beginning farmers on their path from entering farming to creating a viable farm enterprise. Participation in the network of Collaborative Regional Alliance for Farmer Training (CRAFT) farmer initiatives and the national Farm Beginnings Collaborative links project partners to national farmer training collaboratives/networks to share project outcomes and replicate best practices. By working together, the partners are able to provide a web of support and training—over multiple years and learning stages—that increases the success rates of beginning farmers.

To expand existing new farmer training and technical assistance programs and develop new ones, the collaborators are increasing farmer-to-farmer support services; delivering a year-long Farm Beginnings® program; offering training workshops; providing farmer-training stipends to attend advanced farmer training programs; and creating a farmer technical assistance pool among the CRAFT farmers.

To expand existing partnerships to protect farmland and access to land for beginning farmers and develop new ones, the collaborators are identifying innovative farmland tenure models and farmland for beginning farmers to use via long-term lease or purchase, providing access to land for beginning farmers via agreements with institutional landowners, developing an online bulletin board for beginning farmers with emphasis on land opportunities, and developing workshops and training on land tenure and access.

To provide beginning farmers with access to options for financing/credit for farm start-up, scale-up or transition, the collaborators are identifying existing financing sources for incorporation into curricula, conducting a feasibility study, planning a regional micro-loan program for beginning farmers, and developing a plan to launch an agricultural Individual Development Account (IDA) savings program. Finally, to assist beginning farmers with market development, the collaborators are creating and distributing a menu of group marketing models to 200 beginning farmers via CRAFT and collaborating organizations.

Integrated Poultry, Livestock and Agroforestry Production and Training for New and Beginning Farmers and Ranchers—Arkansas

A team of educational and research institutions, nongovernmental agencies and local farmers are developing training materials, including bilingual offerings (English and Spanish), experiential opportunities at workshops, demonstration farms and internship programs, and custom networking and mentoring systems to support the new generation of farmers and ranchers in the Southern region of the country—especially in Arkansas and Oklahoma. This project targets the minority farmers who are highly relevant to the structure of rural Arkansas: women, African American and Latino farmers, and military veterans. Specific objectives of this project are to: 1) develop a comprehensive modular outreach/training program that provides new and beginning farmers with knowledge and tools to operate efficient and sustainable farms and ranches—focused primarily on integrated poultry, livestock and agroforestry systems and including specialized materials for Spanish speakers and returning veterans; 2) deliver programming through strategies such as a permanently available asynchronous eLearning system, publications, factsheets and worksheets—including specific programs targeted at Spanish speakers and returning veterans; 3) offer unique experiential learning opportunities such as workshops, webinars, conferences and internships for new and beginning farmers on demonstration and production farms located throughout the state of Arkansas at the participating institutions; and 4) offer custom networking and mentoring that will create an effective support system for new and beginning farmers, particularly for the subpopulations targeted in this grant.

Project partners include such diverse groups as Arkansas Women in Agriculture, the Kerr Center for Sustainable Agriculture, the National Center for Appropriate Technology (NCAT), the Dale Bumpers Small Farms Research Center, the USDA-ARS Organic and Specialty or Pasture Poultry Research Unit, and the Farmer Veteran Coalition.

Beginning Entrepreneurs in Agricultural Networks (BEAN) Project—Ohio

The Ohio State University's BEAN Project plays a key role in building capacity to create and sustain economically viable small farm enterprises in the Greater Cleveland area through its unique outreach to socially disadvantaged residents—minorities, immigrants, refugees, and limited resource adults with developmental disabilities—and its ability to educate beginning farmers using methods sensitive to participants' culture, language and learning style. The project includes: 1) curriculum development in plain language and with cultural enhancements; 2) a training program incorporating new, applied models of teaching and learning; 3) an urban farming mentorship model; and 4) other tools such as land lease contracts, business plans, and best practices for growing cultural/specialty crops in an urban area. These materials are delivered through a learning continuum that includes hands-on learning modules, field trips, workshops, educational publications in plain language, mentorship activities, and model land lease agreements. This educational continuum aligns with the BEAN Project's overall goal of contributing to the local food economy and promoting social change by increasing the number of minority and underserved farmers who own and/or operate economically and environmentally sound small farm enterprises.

Curriculum and Training Clearinghouse: Start2Farm—National

The focus of Start2Farm is to develop a national “one-stop” source of online beginning farmer and rancher information. Education, training, mentoring and outreach materials housed in this online library comprises full-text handbooks, manuals, curricula, and other training materials produced from projects funded through the BFRDP. Information from other sources outside the BFRDP have also been identified, collected and housed within this collection to ensure a comprehensive source of information on beginning farmer support. In addition to training materials, information about financing, networking opportunities and sources of technical assistance targeted to beginning farmers are also included. Users may identify organizations offering training, financing, networking and other forms of assistance through geographical designators such as zip codes or other personal characteristics.

The Start2Farm website showcases BFRDP grant projects and provides, through a partnership with the American Farm Bureau Federation, an annual conference for Beginning Farmers and Ranchers. The website also includes stories and reports highlighting the accomplishments of the BFRDP participants, and each month its homepage highlights new projects and materials collected in the online library. Additionally, the latest news and events related to beginning farmers and ranchers is compiled from regional, state and locally created calendars and newsfeeds.

For More Information

Angelic Organics Learning Center. (2011). *Farmer Training*. Available online: <http://www.learngrowconnect.org/farmer>

National Sustainable Agriculture Information Service—ATTRA. (2011). *Beginning Farmer*. Available online: http://attra.ncat.org/attra-pub/local_food/startup.html

North Carolina State University, Center for Environmental Farm Systems. (2011). *10% Campaign*. Available online: <http://www.ncsu.edu/project/nc10percent/>

Ohio State University Extension. (2011). *Beginning Entrepreneurs in Agriculture Networks (BEAN) Project*. Available online: <http://cuyahoga.osu.edu/topics/agriculture-and-natural-resources/bean-project>

Ruhf, K. (2001). *Northeast New Farmers: Opportunities for Policy Development*. Available online: http://www.smallfarm.org/uploads/uploads/Files/Policy_Background_Paper.pdf

U.S. Bureau of Labor Statistics. (2009). *Occupational Outlook Handbook, 2010-11 Edition: Farmers, Ranchers, and Agricultural Managers*. Available online: <http://www.bls.gov/oco/ocos176.htm>

U.S. Department of Agriculture, Agricultural Research Service. (2011). *Integrated Natural Livestock and Agroforestry Production and Training for Beginning Farms and Ranchers*. Available online: http://www.ars.usda.gov/research/projects/projects.htm?ACCN_NO=421076

U.S. Department of Agriculture, Farm Services Agency. (2011). *Beginning Farmers and Ranchers Loans*. Available online: <http://www.fsa.usda.gov/FSA/webapp?area=home&subject=fmlp&topic=bfl>

U.S. Department of Agriculture, National Agricultural Library. (2011). *Start2Farm.gov*. Available online: <http://www.start2farm.gov/>

U.S.Department of Agriculture, National Agricultural Statistics Service. (2011). *2007 Census of Agriculture: Farmers by Age*. Available online: http://www.agcensus.usda.gov/Publications/2007/Online_Highlights/Fact_Sheets/farmer_age.pdf

U.S.Department of Agriculture, National Institute of Food and Agriculture. (2011). *Beginning Farmer and Rancher Development Program*. Available online: <http://www.nifa.usda.gov/fo/beginningfarmerandrancher.cfm>

U.S.Department of Agriculture, Natural Resources Conservation Service. (2011). *Conservation Stewardship Program*. Available online: http://www.nrcs.usda.gov/programs/new_csp/csp.html

U.S.Department of Agriculture, Natural Resources Conservation Service. (2011). *Environmental Quality Incentives Program*. Available online: <http://www.nrcs.usda.gov/programs/eqip/>

U.S.Department of Agriculture, Office of the Secretary. (2009). *Secretary's Memorandum 1064-001: Establishment of the Office of Advocacy and Outreach*. Available online: <http://www.ocio.usda.gov/directives/doc/SM1064-001.htm>

U.S.Department of Agriculture, Rural Development. (2011). *Value-Added Producer Grants*. Available online: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>

U.S.Government Printing Office. (2008). *Food, Conservation, and Energy Act of 2008. Public Law 110-246*. Available online: <http://www.gpo.gov/fdsys/pkg/PLAW-110publ246/html/PLAW-110publ246.htm>

Suresh Sureshwaran (ssureshwaran@nifa.usda.gov) is the National Program Leader, Beginning Farmer and Rancher Development Program, USDA-NIFA, 202-720-7536. Stephanie Ritchie (stephanie.ritchie@ars.usda.gov) is a librarian at the Alternative Farming Systems Information Center at the U.S. Department of Agriculture's National Agricultural Library, Beltsville, MD.

© 1999-2011 Choices. All rights reserved. Articles may be reproduced or electronically distributed as long as attribution to Choices and the Agricultural & Applied Economics Association is maintained.

The farmdoc project distributes Choices in partnership with the Agricultural and Applied Economics Association.

[click here to visit choicesmagazine.org >>](http://choicesmagazine.org)