

# 2014 Farm Bill Beginning Farmer Programs

Agriculture In Uncertain Times  
March 31, 2014

## Overall Funding and Focus

- **\$444 million over next ten years in Beginning and Social Disadvantaged**
  - **150%** increase from the 2008 Farm Bill
- **Military Veterans**

## Beginning and SDA Funding 5-year totals, \$ millions

Program	2008	2014
Beginning Farm and Rancher Development Program (BFRDP)	\$75	\$100
Outreach and Assistance for Social Disadvantaged and Veteran Producers	\$75	\$50
Conservation Reserve Program – Transition Incentive Program	\$25	\$33
Federal Crop Insurance Premium Reductions	n.a.	\$84

Source: [sustainableagriculture.net/blog/2014-drilldown-bfr-sda](http://sustainableagriculture.net/blog/2014-drilldown-bfr-sda)



Mountains & Minds

## Beginning Farmer/Rancher

- **To qualify . . .**
  - Does not own a farm greater than 30 percent of the **average size** farm in the county (*Farm Ownership Loan*)
  - Farm Ownership loans – participated in the business operations of farm/ranch for 3 years (**but, more flexible in counting experience**)



Mountains & Minds

## 30,000 Feet Level (BFRDP)

- **Beginning Farm and Rancher Development Program (BFRDP)**
  - \$100 million over 5 years
    - \$75 million over 4 years in previous Farm Bill
  - Recognition of **Military Veteran** farmers/ranchers
  - Set asides for groups assisting socially-disadvantaged and limited resource producers reduced from 25% to **not less than 5%**

## 30,000 Feet Level (Conservation)

- **Conservation set asides 5% - BFRP, SDA, Limited Resource, Indian tribes and Veterans**
  - Conservation Stewardship Program
  - Environmental Quality Incentive Program (90% guarantee)
    - **50%** advance (from 30%)
- **Conservation Loan Program**
  - **90%** guarantee (up from 80%)
- **Transition Incentives Program**
  - Provides retired/retiring land owners with **two additional annual rental payments** on land enrolled in expiring CRP contracts if they sell to BFRP or SDA producer (Veterans, too)

## 30,000 Feet (Credit)

### ▪ Microloan Program

- Funded through FSA Direct Operating Loan Program
- Permanent
- Maximum loan = \$50,000
  - Increase from \$35,000
- Limited resource rate or regular operating loan rate
- **Exempt from term limits**
- *Pilot program – intermediary lenders can partner with USDA to offer microloans*



Mountains & Minds

## 30,000 Feet (Credit)

### ▪ Down Payment Loan Program

- Total value of farm land purchased raised from \$500,000 to \$667,000
- FSA will lend up to \$300,000 (\$250,000 in previous Farm Bill)
- Interest rate = \_\_\_\_\_ for BFR



Mountains & Minds

## 30,000 Feet (Credit)

- **Direct and Guaranteed Farm Ownership and Operating**
  - Increased flexibility on “farm management experience”
  - Lower rates to encourage joint financing (farmers, USDA, & private lender)

## 30,000 Feet Level (SDA)

- **Outreach and Assistance for SDA (2501 program)**
  - Reduced funding from \$75 million to \$50 million

Source: [www.beginningfarmers.org](http://www.beginningfarmers.org)

## 30,000 Feet (Other)

- **Noninsured Crop Assistance (NAP)**
  - Premium is 50% of regular premium for BFR
- **Actual Production History (APH)**
  - Insert 80% of transitional yield for excluded yield for BFR

## 30,000 Feet Level (Other)

- **Federal Crop Insurance (subsidy)**
  - Beginning farmers . . .
    - 10 percentage point reduction in crop insurance premiums for **first five years of farming**
    - Forecast - \$261 million over 10 years
- **Value-Added Producer Grant**
  - Proposals will be judged on how well they serve small and medium-sized farms, beginning farmers and SDA farmers
- **Military Veteran Agricultural Liaison**

## 30,000 Feet (Other)

- **Beginning Farmer and Rancher Individual Development Accounts**
  - Essentially, a matched-savings program for those saving money to buy a farm or ranch
  - Authorized, but no mandatory funding

## Questions

