

The Beginning Farmer and Rancher Opportunity Act of 2017

H.R. 4316

Section-by-Section Outline

TITLE I – CONSERVATION

CRP Transition Incentive Program (Sec. 101, 102, 105) – Given the expected large number of expiring contracts under the Conservation Reserve Program (CRP) over the next five years, remove the current funding limitation for acres enrolled in the Transition Incentive Program (TIP) to ensure the program can more effectively meet the anticipated demand in the coming years. Increase program flexibility to allow any CRP landowner to enter into a TIP contract with a beginning, socially disadvantaged or veteran farmer within the last 3 years of their CRP contract. Provide \$5 million in dedicated outreach funding to allow FSA to more effectively connect retiring CRP landowners with beginning farmers.

Environmental Quality Incentives Program (Sec. 103, 104) – Simplify the Advance Payment Option to allow automatic enrollment for beginning and socially disadvantaged farmers in order to streamline and ensure that all eligible farmers are able to take advantage of this conservation incentive. Add a priority on beginning, socially disadvantaged, limited resource, and veteran farmer projects within Conservation Innovation Grants.

Conservation Set-Asides (Sec. 103) – Increase beginning and socially disadvantaged farmer participation in working lands conservation programs by increasing the existing set-asides from 5 to 15 percent within both the Environmental Quality Incentives Program and the Conservation Stewardship Program.

Agriculture Conservation Easement Program (Sec. 106) – Prioritize Agricultural Land Easement (ALE) projects that maintain agricultural farm viability and include affordability protections, such as an option to purchase at agricultural value (OPAV) in order to target funding to those easements that best foster opportunities for new farmers and increase new farmer access to affordable farmland.

TITLE II – CREDIT

Direct Farm Ownership Loans (Sec. 201) – Increase the maximum loan amount on FSA Direct Farm Ownership (DFO) loans to \$500,000 and allow the loan cap to be adjusted annually with the price of regional farmland inflation rates. Authorize Direct Farm Ownership Microloans to ensure a streamlined application process for FSA DFO loans under \$50,000.

Cooperative Agreements (Sec. 202) – Amend the microloan statute to specify how FSA can work with Community Development Financial Institutions and non-profits to provide business, financial, marketing, and credit management services and technical assistance to microloan borrowers through cooperative agreements with FSA.

Borrower Training (Sec. 203) — Coordinate the FSA borrower training program with the Beginning Farmer and Rancher Development Program (BFRDP) administered by NIFA to ensure

that financial management training programs funded by BFRDP are able to meet the borrower training requirements for obtaining an FSA loan.

Individual Development Accounts (Sec. 204) – Streamline FSA’s Beginning Farmer and Rancher IDA program with NIFA’s Beginning Farmer and Rancher Development Program (BFRDP). Allow BFRDP to serve as the umbrella USDA beginning farmer program that is able to fund both the development and implementation of beginning farmer individual development accounts. Direct up to \$10 million in BFRDP funding to support IDAS, in order to allow this asset building, financial literacy program to be implemented starting in 2018.

TITLE III – RURAL DEVELOPMENT

Rural Microentrepreneur Assistance Program (Sec. 301) – Increase mandatory program funding to \$5 million per year for both grants and loans to provide funding to Community Development Financial Institutions (CDFIs) and other Micro-Development Organizations (MDOs) to support 1:1 technical assistance and start-up capital to foster new farm businesses.

TITLE IV – RESEARCH, EDUCATION AND EXTENSION

Beginning Farmer and Rancher Development Program (Sec. 401) – Permanently reauthorize BFRDP and increase mandatory funding to \$50 million per year in order to ensure the continued investments and long-term support for new farmer training program in every state across the country. Authorize \$10 million per year to support individual development accounts (to be administered by FSA). Expand priorities to reflect current high priority topics on food safety training, land access, farm transition and succession planning. Eliminate matching funds requirement and increase the indirect cost rate to 15 percent. Increase efficiency and effectiveness of the beginning farmer clearinghouse to avoid recompeting every 5 years. Increase flexibility for Educational Team grants to support “train-the-trainer” projects beyond just curriculum development.

Agriculture and Food Research Initiative (Sec. 402) – Expand the focus within AFRI to fund research on the complex research areas regarding barriers and bridges to entry and farm viability for young, beginning, socially disadvantaged, veteran, and immigrant farmers and ranchers, including farm succession, transition, transfer, entry, and profitability issues.

Farmland Tenure, Transition, and Entry Data Initiatives (Sec. 403) – Direct NASS to collect and report data and analysis on farmland ownership, tenure, transition, barriers to entry, profitability and viability of beginning farmers. Data collection includes a regular follow-on survey to the Census of Agriculture and the Tenure, Ownership and Transition of Agricultural Lands (TOTAL) survey to investigate the extent to which non-farming landowners are purchasing and holding onto farmland for the sole purpose of real estate investment.

TITLE V – CROP INSURANCE

Beginning Farmer and Rancher Definition (Sec. 501) – Bring RMA’s definition of a beginning farmer into conformity with the definition used by all other USDA agencies, so that the 2014 Farm Bill provisions apply for a producer’s first 10 years in operation.

Risk Management Partnership Programs (Sec. 502, 503, 504) – Add a strong emphasis on projects serving beginning and socially disadvantaged farmers and ranchers (including whole farm revenue protection) to ensure these farmers better understand and access risk management tools available to them, especially in states in which crop insurance is underutilized.

Beginning Farmer Disaster Assistance (Sec. 505) – Expand the Non-insured Crop Assistance program to provide risk management coverage for beginning farmers who are unable to participate in Federal Crop Insurance Program’s Whole Farm Revenue Protection Policy due to lack of production or revenue history. Such changes would give beginning farmers time to build the four-year revenue history needed for participation in RMA’s Whole Farm Revenue Protection policy.

Beginning Farmer Crop Insurance Study (Sec. 506) – Assess what barriers exist for beginning farmers in accessing Whole Farm Revenue Insurance and other crop insurance products, and encourage RMA to make whatever regulatory or operational changes that are necessary to provide beginning farmers and ranchers with full, unhindered access to these programs and related revenue insurance products.

TITLE VI – MISCELLANEOUS

Small and Beginning Farmer and Rancher Coordinators (Sec. 601) – Add new authority within USDA for a small and beginning farmer-rancher coordinator at the state office for FSA, RMA, NRCS and RD to coordinate outreach and technical assistance to help BFRs gain access to USDA programs and to develop a State plan to ensure adequate services at all county and area offices.