

Brief: A Farm Bill for Beginning Farmers

This brief compares some provisions that the National Sustainable Agriculture Coalition (NSAC) finds relevant to beginning farmers and ranchers from the **Rural Prosperity and Food Security Act of 2024** proposed in the Senate by Chairwoman Debbie Stabenow (D-MI) and the **Farm, Food, and National Security Act of 2024** recently passed from committee in the House of Representatives.

Beginning Farmer and Rancher Development Program

The Beginning Farmer and Rancher Development Program (BFRDP) is the only federal program exclusively dedicated to the hands-on training of the next generation of farmers and ranchers with the technical production and business skills they need to start successful farm operations.

Rural Prosperity and Food Security Act

- Reauthorizes the Farming Opportunities Training and Outreach program and maintains \$50 million in mandatory funding. (Sec. 12201)
- Adds interpretation and translation services to the priority section of BFRDP. (Sec. 12201)
- Clarifies that the program may provide outreach on programs that resolve ownership and succession on farmland with multiple owners. (Sec. 12201)

Farm, Food, and National Security Act

- Reauthorizes the Farming Opportunities Training and Outreach program and maintains \$50 million in mandatory funding. (Sec. 7210)

While both the Senate and House proposals reauthorize BFRDP, the Senate bill goes further by extending support to non-English speaking beginning farmers and ranchers.

Access to Credit and Land

Young farmers face significant barriers to access land and capital to begin and grow their operations.

Rural Prosperity and Food Security Act

- Reduces experience requirement for farm ownership loans from 3 years to 1 year. (Sec. 5101)
- Authorizes USDA to refinance distressed guaranteed loans into direct loans. (Sec. 5104)
- Removes the requirement that USDA borrowers must “graduate” to borrow from commercial lenders after 7 years, regardless of a farmer’s ability to find a loan elsewhere. (Sec. 5202)
- Restores loan eligibility for farmers who benefitted from past debt forgiveness. (Sec. 5305)
- Increases loan limits: microloans to \$100,000; direct operating to \$750,000; direct farm ownership to \$850,000; and guaranteed farm ownership to \$3 million. (Sec. 5103, 5201, 5203)
- Expands total funding authorization for USDA to make and guarantee loans. (Sec. 5302)

- Reauthorizes the USDA Commission on Farm Transitions – Needs for 2050. (*Sec. 12521*)
- Authorizes USDA to make grants or enter into cooperative agreements to assist with heirs property issues, including the creation of Heirs Property and Fractionated Land Legal Clinics. (*Sec. 5106, 7502*)

Farm, Food, and National Security Act

- Reduces experience requirement for farm ownership loans from 3 years to 2 years, with conditions for the Secretary to issue loans with only 1 year of experience. (*Sec. 5101*)
- Authorizes USDA to refinance distressed guaranteed loans into direct loans, but only after the borrower is in default and the lender has initiated liquidation or foreclosure action. (*Sec. 5111*)
- Directs USDA to establish a pilot program for farmers to receive pre-approval for farm ownership loans. (*Sec. 5109*)
- Shifts the burden of proof from farmers onto USDA when a farmer instigates the National Appeals Division process after being denied a loan. (*Sec. 12205*)
- Raises loan limits in-line with the Senate proposal, but does not expand funding authorization. This could result in bigger loans to fewer farms. (*Sec. 5103, 5202, 5203, 5402*)
- Reauthorizes the Heir's Property Intermediary Relending Program and authorizes USDA to enter into cooperative agreements to provide legal services to underserved heirs. (*Sec. 5108*)

On the whole, the Senate and House proposals contain both overlapping and complementary proposals that might improve access to credit and land for beginning farmers. In a close match-up, the Senate bill does more with fewer conditions to support new farmers and distressed borrowers.

Access to the Federal Crop Insurance Program

Farmers are usually required to obtain crop insurance as a prerequisite to receive loans. However, just 3.5% of young farmers had crop insurance according to one national survey. USDA reports only 13% of farmers insured their crops and livestock in 2023, including just 9% of specialty crop farms.

Rural Prosperity and Food Security Act

- Increases RMA's definition of beginning farmer and rancher from 5 to 10 years, and expands the existing 10% discount to a maximum 15% discount on a regressive scale. (*Sec. 11101*)
- Makes significant, needed improvements to Whole-Farm Revenue Protection (WFRP), the only crop insurance product designed for diversified and direct-to-consumer farms. (*Sec. 11203*)
- Improves the Noninsured Crop Disaster Assistance Program (NAP), including establishment of an "on-ramp" to help producers graduate from NAP to coverage under WFRP. (*Sec. 1601*)
- Includes provisions to prompt crop insurance agents to sell coverage to small and uninsured farms, where current disincentives are a major barrier for access. (*Sec. 11202, 11203, 11301, 11302, 11303, 11405, 11505*)

Farm, Food, and National Security Act

- Increases RMA's definition of beginning farmer and rancher from 5 to 10 years, and expands the existing 10% discount to a maximum 15% discount on a regressive scale. (Sec. 11008)
- Requires an annual review of WFRP, an already standard practice at USDA. (Sec. 11015)

The Senate proposal goes significantly further with meaningful improvements to make crop insurance accessible to young and beginning farmers and ranchers.

Voluntary Access to Conservation Programs

Installing environmentally friendly and economically important conservation practices often requires significant up front investment. Providing enhanced cost share to help beginning farmers, who often have less access to capital, is essential to ensure our next generation of land owners build their enterprises with conservation systems as a foundation for how they do business.

Rural Prosperity and Food Security Act

- Creates a \$4,000 minimum annual payment in the Conservation Stewardship Program. (Sec. 2313)
- Reserves 10% of Environmental Quality Incentive Program funds for small farms. (Sec. 2303)
- Includes a priority for projects that will serve a significant number of underserved producers within the Regional Conservation Partnership Program. (Sec. 2703)

Farm, Food, and National Security Act

- Eliminates Buy-Protect-Sell transitions for Agricultural Land Easements (ALE), a useful tool for third parties assisting beginning farmers accessing and protecting land. (Sec. 2602)
- Increased federal cost share for Agricultural Land Easements on land that is majority owned by socially disadvantaged producers. (Sec. 2602)

The House bill ignores the needs of beginning farmers with respect to conservation programs. In limited cases, it even harms programs' existing ability to assist beginning farmers and ranchers.