

A vertical strip on the left side of the slide shows a rural landscape. It includes a field of golden-brown grain in the foreground, a green field in the middle ground, and rolling hills under a blue sky in the background.

Program Opportunities Through the USDA for New and Beginning Farmers

Southern Peanut Growers Conference July 24, 2015

USDA Agencies

- Farm Service Agency (FSA)
- Natural Resource and Conservation Service (NRCS)
- Risk Management Agency (RMA)



Definitions

Beginning Farmer or Rancher

FSA Farm Programs:

Person or Legal Entity*

- Has not actively operated or managed a farm or ranch for more than 10 years consecutive
- Materially and substantially participates in the operation

* Legal Entities - all members must be related by blood or marriage and all must be beginning farmers.



Definitions

Beginning Farmer or Rancher

FSA Farm Loans:

- Same definition as Farm Programs
- However, for a **Farm Ownership loan**, applicant can not own a farm greater than 30% of the average size farm in the county



Definitions

Beginning Farmer or Rancher

NRCS:

- Has operated a farm or ranch for not more than 10 consecutive years;
Also applies to members of an entity
- Will materially and substantially participate in the farming operation



Definitions

Beginning Farmer or Rancher

RMA:

- Individual who has not actively operated or managed a farm or ranch as an owner-operator, landlord, tenant or sharecropper for more than **5** years excluding any crop year the BFR was under the age of 18, in post-secondary studies, or on active duty in the U.S. military
- Includes insurable interest as an individual or beneficial interest holder in another person's insured crop or livestock

FSA Farm Programs

Transition Incentives Program (TIP)

- Retiring/retired landowner sells or leases expiring Conservation Reserve Program (CRP) land to a beginning farmer to return land to crop production, grazing, CRP contract or NRCS CSP or EQIP programs
- Landowner receives 2 years additional annual rental payments

FSA Farm Programs

Non-Insured Crop Disaster Program (NAP)

- Provides loss coverage for crops that are non-insurable (not covered by Crop Insurance)
- Basic (CAT) Administrative Fee waived for beginning farmers
- 50% reduction of premium for buy-up

FSA Farm Programs

Emergency Assistance for Livestock, Honeybees and Farm-Raised Fish Program (ELAP)

- provides payments to eligible producers of livestock, honeybees, and farm-raised fish to help to compensate for losses due to disease, adverse weather, or other conditions
- Beginning farmers receive an enhanced payment rate of 90%

FSA Farm Loans

Loans:

- Direct Farm Ownership- \$300,000
- Direct Operating- \$300,000
- Microloan- \$50,000
- Guaranteed FO or OL- \$1,392,000

FSA Farm Loans

Down Payment Program

- Assist with purchasing a farm
- \$300,000 max
- 5% cash down
- If commercial lender used for balance-95% guarantee
- Length 20-30 years

FSA Farm Loans

Joint Financing Arrangement

- FSA lends 50% and another lender lends 50%
- Low interest rate
- Length - max 40 years

FSA Farm Loans

Land Contract Guarantees

- Provides certain guarantees to the seller through a contract sale
- 2 types of Guarantees:
 - Prompt Payment - 3 amortized annual installments plus cost of real estate taxes and insurance
 - Standard - 90% of outstanding balance
- 5% down payment

FSA Farm Loans

Sale of Inventory Farmland

- Beginning farmers are one of the groups who are given first priority to purchase properties at the appraised value.
- <http://www.resales.usda.gov>

NRCS

Environmental Quality Incentives Program (EQIP)

- provides financial and technical assistance to address natural resource concerns and deliver environmental benefits **such as** improved water and air quality, conserved ground and surface water, reduced soil erosion and sedimentation or improved or created wildlife habitat

- Contracts up to 10 years

NRCS

EQIP special provisions for Beginning Farmer:

- Up to 50% advanced payment to implement the practice
- Cost-share rate of 90% vs normal 75%

NRCS

Conservation Stewardship Program (CSP)

- helps producers maintain and improve their existing conservation systems and adopt additional conservation activities to address priority resources concerns
- two types of payments through five-year contracts: annual payments for installing new conservation activities and maintaining existing practices; and supplemental payments for adopting a resource-conserving crop rotation
- Special Allocation of funds for BF. Flat rate payment.

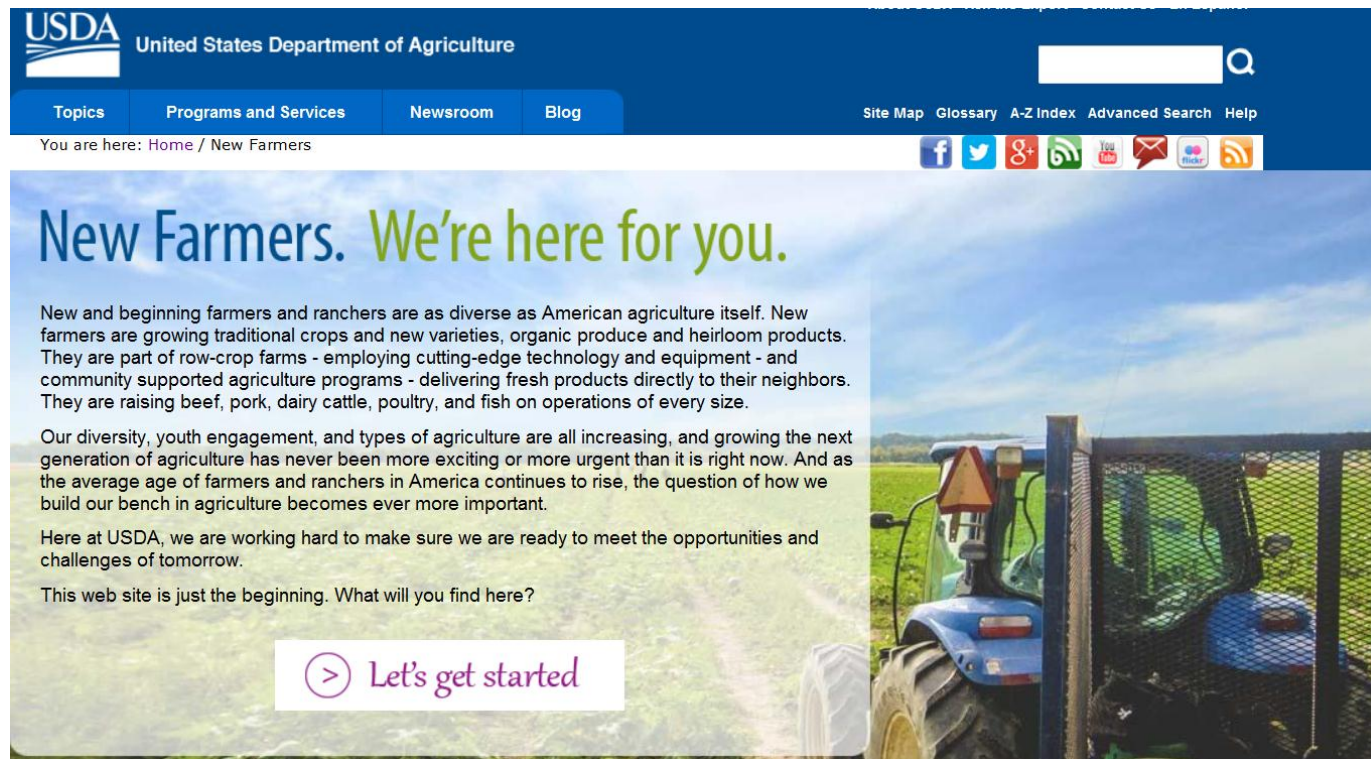
RMA

- Exemption from paying the administrative fee for catastrophic (CAT) and additional coverage (buy up) level policies;
- BF will receive an additional premium subsidy that is 10 percentage points greater than the premium subsidy identified in the actuarial documents. Any plan of insurance with premium subsidy qualifies for the additional BFR premium subsidy.
- Use of the production history of farming operations where beginning farmers and ranchers were previously involved in the decision making or physical activities; and
- An increase in the substituted yield for yield adjustment, which allows a replacement of a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield) for the crop in the county.

USDA New Farmers Web Site

USDA New Farmers Web Site

www.usda.gov



USDA United States Department of Agriculture

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New Farmers. We're here for you.

New and beginning farmers and ranchers are as diverse as American agriculture itself. New farmers are growing traditional crops and new varieties, organic produce and heirloom products. They are part of row-crop farms - employing cutting-edge technology and equipment - and community supported agriculture programs - delivering fresh products directly to their neighbors. They are raising beef, pork, dairy cattle, poultry, and fish on operations of every size.

Our diversity, youth engagement, and types of agriculture are all increasing, and growing the next generation of agriculture has never been more exciting or more urgent than it is right now. And as the average age of farmers and ranchers in America continues to rise, the question of how we build our bench in agriculture becomes ever more important.

Here at USDA, we are working hard to make sure we are ready to meet the opportunities and challenges of tomorrow.

This web site is just the beginning. What will you find here?

[> Let's get started](#)

July 24, 2015

USDA New Farmers Web Site



The image shows the header and navigation menu of the USDA New Farmers Web Site. The header is a dark blue bar with the USDA logo and the text "United States Department of Agriculture" on the left. On the right, there is a search box with a magnifying glass icon. Below the header is a navigation bar with four blue buttons: "Topics", "Programs and Services", "Newsroom", and "Blog". To the right of these buttons are links for "Site Map", "Glossary", "A-Z Index", "Advanced Search", and "Help". Below the navigation bar is a white bar with the text "You are here: Home / New Farmers / Getting Started" and a row of social media icons for Facebook, Twitter, Google+, RSS, YouTube, Email, Flickr, and another RSS icon. Below this is a horizontal menu with ten items: "Home", "Getting Started" (underlined), "Education", "Access", "Managing Risk", "Protecting the Environment", "Expanding Business", "Resources", and "Connect".

USDA United States Department of Agriculture

Topics Programs and Services Newsroom Blog

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USDA

Further Information:

Contact Your Local USDA Service Center
or Crop Insurance Agent