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February 6, 2011

The Honorable Tom Vilsack
Secretary of Agriculture
U.S. Department of Agriculture
Washington, D.C. 20250

RE: Recommendations from the USDA Advisory Committee on Beginning Farmers and Ranchers

Dear Secretary Vilsack,

On behalf of the USDA Advisory Committee on Beginning Farmers and Ranchers, I am honored to send you this letter summarizing the Committee's recommendations from our December 15, 2010 meeting in Washington, D.C. We would also like to express our thanks for your addressing the Committee and taking questions during that time.

The Agriculture Credit Improvement Act of 1992 required the Secretary of Agriculture to establish the Committee. The Committee was established in November 1998 and this past meeting represents the tenth one convened. The purpose of the Committee is to advise the Secretary on: (1) the development and administration of coordinated assistance to beginning farmers and ranchers between Federal and State beginning farmer programs (Federal/State Beginning Farmer Partnership); (2) methods to maximize the number of farming and ranching opportunities created through the partnership and ways to encourage States to participate, and (3) other methods of creating new farming and ranching opportunities. Previous Committee recommendations have successfully guided the Federal/State Partnership portion of this charge. Previous Committees have also provided sound recommendations to foster new farming and ranching opportunities, some of which have been adopted and successfully implemented.

The Committee members are an extremely talented and diverse group dedicated to serving the needs of beginning farmers and ranchers in the U.S. Their varied experiences and backgrounds informed our recommendations. We are enthusiastic and supportive of the goal you have set to add 100,000 new farmers/ranchers annually. We believe this is a critical time to create opportunities that foster the development of beginning farmers and ranchers and we believe the Office of Advocacy and Outreach (OAO) is critical in this endeavor. We outline some specific recommendations focused on OAO below.

To best assist you in our role as an Advisory Committee, we request a meeting with you and your staff to discuss the recommendations you will find below. A small delegation of the

Committee is prepared to come to Washington, D.C. to review these recommendations, to refine our role as an Advisory group and to identify best strategies to support the U.S. Department of Agriculture's effort to build the cadre of beginning farmers and ranchers.

The Committee's recommendations are as follows:

The Office of Advocacy and Outreach

1. The Office of Advocacy and Outreach is critical to providing the overall structure in which to achieve the Department's goals of creating a 100,000 new farmers and ranchers each year. Therefore, we recommend the Secretary support continued funding for the Office of Advocacy and Outreach and empower the office to work across all USDA agencies, requesting that each develop an action plan addressing how they will work – individually and collectively – with beginning farmers and ranchers.
2. We strongly urge the Secretary to work with the Office of Advocacy and Outreach to designate a beginning farmer and rancher specialist in each state to work across all USDA agencies to improve outreach and technical assistance to beginning farmers and ranchers. These beginning farmer and rancher specialists would be charged with (a) setting measurable goals and outcomes for their state to increase outreach and access to USDA programs by beginning farmers and ranchers, and (b) helping to ensure that beginning farmers and ranchers are able to continue 'discrimination-free' in their farm and ranch enterprise.

Farm Service Agency Loan Programs

3. As USDA begins to compile their budget requests for Fiscal Year 2013, we urge the Secretary to include full funding for the Beginning Farmer and Rancher Individual Development Account program.
4. We urge the Secretary to use average size farm in lieu of median size farm in determining eligibility for beginning farmer loans and opportunities. Further, we request that these calculations should be standardized between the FSA loan program and the NASS Ag Census.
5. We strongly urge the Secretary to support and promote legislative changes in the 2012 Farm Bill that would permanently fund the FSA loan programs by treating them as a revolving loan fund. This would help meet the growing demand for beginning farmer and rancher loans. The appropriations process has become slow and stymied, which has resulted in lost opportunities for beginning farmers and ranchers when state loan funds are exhausted. This strategy would allow these funds to be re-banked into the loan programs rather than being returned to the treasury, and as a result would foster many more timely opportunities for beginning farmers and ranchers.
6. We strongly urge the Secretary to count the time beginning farmers and ranchers have invested in mentorship programs, internships, apprenticeships, and as a farm

worker toward the three year experience requirement for obtaining beginning farmer and rancher loans through FSA.

7. We urge the Secretary to support, continually evaluate and enhance the business and financial management training requirements for beginning farmers and ranchers obtaining FSA loans.
8. Access to capital and participation in FSA loan programs by socially disadvantaged, limited resource, new and beginning farmers and ranchers remains low in some states because of FSA's stringent loan eligibility standards and requirements for credit worthiness. USDA standards for all loans should necessarily be less stringent in relation to those of commercial lenders. We strongly urge the Secretary to commission a review of the eligibility standards for the FSA loan program in relation to those of commercial lenders to ensure and promote increased program participation by the aforementioned target groups. In addition, we strongly urge the Secretary to consider less reliance on credit history, and more reliance on business planning and managerial ability to qualify for FSA Loans.
9. We encourage the secretary to support legislative changes in to the Youth Loan Program in the 2012 Farm Bill that would make the loans available in every locale, not just in rural areas.

Research, Extension, Education and Outreach Programs

10. The Beginning Farmer and Rancher Development Program (BFRDP) is having tremendous impact on the training and support of new farmers and ranchers nationwide by supporting community-based organizations and agencies that work directly with beginning farmers and ranchers. To sustain and expand this progress towards 100,000 new farmers/ranchers each year, we strongly urge the Secretary to:
 - a. Continue to support full funding for the BFRDP. We also encourage the Secretary to support the reauthorization, growth and expansion of this program in the 2012 Farm Bill.
 - b. We also encourage an appropriate evaluation of the program's impact or effectiveness be conducted, including on-site audits of grant recipients to ensure that BFRDP funds are being utilized in line with the application approved and ensure that clients are receiving the training as proposed in the grant application.
 - c. Give strong consideration to grant proposals under BFRDP for establishing a mentoring program/training center/workforce development center that utilize technical schools and community organizations to provide beginning farmers and ranchers a course curriculum to assist with development of financial and other skills needed to successfully get started in agriculture, as well as help

established and retiring farmers learn skills necessary to assist beginning farmers and ranchers.

- d. Support legislation in the 2012 Farm Bill that would eliminate the match requirement for the Beginning Farmer and Rancher Development Program. This match imposes undue hardship on potential applicants.
- ii. There are many socially disadvantaged beginning farmers and ranchers whose needs also can be served through the Outreach and Technical Assistance for Socially Disadvantaged Farmers and Ranchers Program (Section 2501). Therefore, we urge the Secretary to:
 - a. Support the full \$25 million funding for the Section 2501 Program.
 - b. Conduct appropriate evaluation of the program's impact or effectiveness, including on-site audits of grant recipients to ensure that 2501 funds are being utilized in accord with the approved proposal and ensure that clients are receiving the training and benefits as proposed in the grant application.
 - c. Authorize the Office of Advocacy and Outreach (OAO) to (a) discourage multiple requests for funding from a single organization for the Section 2501 Program; and (b) verify the applicant's capacity and demonstrated experience in providing outreach and technical assistance to socially disadvantaged farmers and ranchers has been determined for both the applicant organization and project personnel prior to reviewing any request for funding.

General Recommendations

12. We strongly encourage the Secretary to deploy a new Strikeforce-type initiative, applying it to beginning farmer and rancher issues in areas that are affected by both depopulation and poverty.
13. We urge the Secretary to investigate strategies and devise a plan to deliver services to groups of beginning and socially disadvantaged farmers and ranchers to increase their participation and qualification for all USDA programs, including loans and crop insurance.
14. We urge the Secretary to conduct an all agency review for possible barriers for beginning farmers and ranchers seeking to participate in programs that currently require a 3-5 year production history and find policy option solutions to address any such barriers. Beginners seeking to get started in agriculture need many different resources to support those efforts. While there are federal programs to assist them in that endeavor, there are barriers to those who do not have 3-5 years production history and therefore, limits their opportunities to access the support they need to get started in agriculture.

15. We urge the Secretary conduct a full evaluation and status update of the beginning farmer and rancher provisions from the 2008 Farm Bill. This evaluation should be conducted prior to the fall of 2011 to inform program implementation and beginning farmer policy development for the 2012 Farm Bill.
 - a. There are concerns relating to the effective and uniform implementation of provisions and programs designed to serve beginning farmers and ranchers. For example, there is a 30% advance payment for beginning farmers and ranchers under the Environmental Quality Incentives Program (EQIP) that has seen sporadic implementation, where some states are not informing beginners this is available. We request the national Natural Resources Conservation Service office ensure that all states implement this provision evenly, and provide the Committee a report regarding the use of this advanced payment provision for beginners. Another example can be found in the EQIP Organic Initiative, with some states doing limited if any outreach to assist beginning farmers interested in transitioning to or starting in organic production.

Tax Policy

16. We urge the Secretary to support initiatives to amend the Internal Revenue Code to create federal income tax incentives for those transitioning ownership and or leasing farmland to beginning farmers and ranchers.

Sincerely,



Traci Bruckner, Chair
Advisory Committee on Beginning Farmers and Ranchers
Enclosure: List of Committee Members and Affiliations

USDA Beginning Farmer and Rancher Advisory Committee Members – 2010 - 2011

Luciano Alvarado, Supervisor, Polomo Farms, Fayetteville, NC

Bryan Barret, Financial Officer, Farm Credit Services of America, Gering, NE

Traci Bruckner, Assistant Director, Rural Policy Program, Center for Rural Affairs, Lyons, NE

Francis Benton-Gibson, Farm Administrator, CFO, United Farmers USA, Manning, SC

Deborah Cavenaugh-Grant, Extension Specialist, Small Farm and Sustainable Agriculture, University of Illinois Extension,

Duncan Chembezi, Extension Economist Director/Associate Professor, Alabama A&M University

Ray Ellenberger, USDA Farm Service Agency Farm Loan Program, Madison, WI

Dalton Henry, Farmer and Kansas Association of Wheat Growers, Randolph, Kansas

Lisa Koester, Farmer and Project Manager/Moderator, Beck Ag Company, Wadesville, IN

Karen Kritz, Agribusiness Development Representative, New Jersey Department of Agriculture, Pemberton, NJ

Ryan Luter, Loan Officer/Assistant Vice President, Banc First Corporation, Stillwater, OK

Maria Moreira, Beginning Farmer Project Director-Agriculture Marketing Specialist, University of Massachusetts, Amherst

Barbara Norman, Project Assistant, Multi-Cultural Project, Michigan Food and Farming Systems, Lansing, MI

Rebecca Padilla, Farm Loan Officer, USDA Farm Service Agency, Clovis, NM

Mary Peabody, Extension Associate Professor and Extension Specialist, University of Vermont Extension, Colchester, VT

Anusuya Rangarajan, Director, Cornell Small Farm Program and Sr. Extension Associate Fresh Market Vegetable Production, Cornell University, Freeville, NY

Peter Scheffert, Division Director, Minnesota Department of Agriculture, St. Paul, MN

Amarjit Sohal, Bank Vice President, Farm Credit West, Yuba City, CA

Maykia Yang, Farmer and Lead Programmer Analyst, American Express, Carthage, NC

Jeffery Ward, Executive Director, Iowa Agricultural Development Authority, Des Moines, IA