United States Department of Agriculture
Office of Advocacy and Outreach

ADVISORY COMMITTEE MEETING
ON
BEGINNING FARMER AND RANCHERS

December 15-16, 2010

OMNI SHOREHAM HOTEL
2500 Calvert Street NW
BLUE ROOM
Washington, DC
**Wednesday, December 15, 2010**

8:00AM to 9:00AM

**Registration**

9:00AM to 9:05AM

Welcome and Introduction of Moderator

9:05AM to 9:10AM

Moderator

9:10AM to 10:00AM

Purpose and Introduction of Advisory Committee Members

10:00AM to 10:30AM

USDA Mission Area Policy Perspectives

10:30AM to 10:45AM

10:45AM to 12:00PM  (Comments 5 minutes each)

12:00PM to 1:15PM

Advisory Committee Administrative Luncheon

1:15PM to 2:30PM

USDA Mission Area Policy Perspectives

2:30PM to 3:15PM

Beginning Farmer and Rancher Statistical Trends and Technical Guidance

3:15PM to 3:30PM

3:30PM to 3:45PM

Beginning Farmer Grant Funding Opportunities

3:45PM to 4:30PM

4:30 PM

**AGENDA**

Cathea Simelton, National Interim Lead
Beginning Farmer and Ranchers Program
Office of Advocacy and Outreach

Quinton N. Robinson
Designated Federal Official

Robert Jeanquart, Chief of Staff
USDA Departmental Management

Dallas Tonsager, Under Secretary
USDA Rural Development

AM Break

Recognition of Public Comment

Advisory Committee

Ann Bartuska, Deputy Under Secretary
USDA Research Education and Economics

William Murphy, Administrator
USDA Risk Management Agency

-Mary Ahern, Agricultural Economist
USDA Economic Research Service
-Hubert Hamer, Chair,
USDA NASS Agricultural Statistics Board
-William Boyer, USDA National Coordinator
Natural Resources Conservation Service, FOTG

PM Break

Sivapathasun Sureshwaran, Program Leader
National Library of Agriculture

Recognition of Public Comment Continued

Adjournment
**Thursday, December 16th, 2010**

9:00AM to 9:30AM  
Creating Beginning Farmers and Ranchers  

9:30AM to 10:15AM  
USDA Cultural Transformation  
Presentation of Certificates of Appointment  

**10:15AM to 10:30AM**  
AM Break  

**10:30AM to 11:00AM**  
Start to Farm  

**11:00AM to 11:20AM**  
Beginning Farmer and Rancher  
Marketing and Contracting Opportunities  

**11:20 AM to 12:00 PM**  
Resource Overview: Small Farms  
Beginning Farmers and Ranchers Coordinators  

**12:00PM to 1:00PM**  
Advisory Committee Administrative Luncheon  

**1:00PM to 2:30PM**  
Discussion of Policy and Public Comments  

(Mission Area Experts Present for Committee Inquiries)  

**2:30PM to 2:45PM**  
PM Break  

**2:45PM to 4:45PM**  
Draft Recommendations  

**4:45PM to 5:00PM**  
Closing Remarks and Adjournment  

The Honorable Tom Vilsack, Secretary  
United States Department of Agriculture  

Pearlie S. Reed, Assistant Secretary  
USDA Departmental Administration  

Jorie Porter  
National Agricultural Library  

Joe Ware, Deputy Director  
Office of Small Disadvantaged Business Utilization  

Denis Ebodaghe, National Program Leader  
National Institute of Food and Agriculture  

Advisory Committee  

Advisory Committee  

Anderson Neal, Jr., Acting Director  
Office of Advocacy and Outreach
USDA’s New Office of Advocacy and Outreach (OAO)

USDA’s New Office of Advocacy and Outreach was established by the 2008 Farm Bill to improve access to USDA programs and to improve the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers or ranchers.

5 Program Areas of the Office of Advocacy and Outreach

Small and Beginning Farmers and Ranchers

Farm Worker Coordination

Socially Disadvantaged Farmers

Higher Education Institutions Program

Community Engagement

For more information on OAO, please call 1-(800)880-4183 or (202)720-6350 or email us at SmallandBeginning@osec.usda.gov.

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (866) 866-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.
USDA Office of Advocacy and Outreach

Advisory Committee on Beginning Farmers and Ranchers

Washington, DC
Public Meeting
December 15-16, 2010

COMMITTEE MEMBERS PRESENT:
Traci Bruckner - Center for Rural Affairs, Lyons, NE – ACTING CHAIR
Maria Moreira – BFRDP Project Director, Ag Marketing Specialist, U Mass, Amherst, MA
Mykia Yang - Farmer/American Express Analyst, Carthage, NC
Peter Scheffert- Minnesota Dept of Agriculture, St. Paul, MN
Rebecca Padilla- Farmer/FSA Farm Loan Officer, USDA FSA, Clovis, NM
Barbara Norman – Project Assistant, Multi-Cultural Project, Michigan Food and Farming Systems, Lansing, MI
Ryan Lutter – Loan Officer/Assistant Vice President, Banc First Corporation, Stillwater, OK
Dalton Henry- Farmer and Governmental Affairs Specialist at the Kansas Association of Wheat Growers, Randolph, KS
Francis Benton-Gibson- Farm Administrator,CFO, United Farmers USA,Farmer(Gibson Farm)Manning, SC
Duncan Chembezi – Extension Economist Director/ Associate Professor, Alabama A&M, Normal, AL
Bryan Barret – Financial Officer, Farm Credit Services of America, Gering, NE
Karen Kritz – Agribusiness Development Representative, New Jersey Dept of Agriculture, Pemberton, NJ
Anusuya Rangarajan – Director, Cornell Small Farm Program, Cornell University, Freeville, NY

Quinton N. Robinson – Acting Lead for the Small Farms and Beginning Farmer and Rancher Program at the Office of Advocacy and Outreach and Designated Federal Officer for this meeting.

USDA Presentations interspersed with Public Comment Periods – See attached agenda for list of USDA presentations

Public Comments Given in Between USDA Presentations

Rudy Arredondo - President of the National Latino Farmers and Ranchers Traders Association:

Founded in 2004 as a result of the 1st US Dept of Agriculture and community based organization partnership meeting. Looking at NASA Census where Latino farmer were the fastest growing sector by 52%. In order to provide guidance to new and beginning farmers and ranchers to provide them with an opportunity to organize themselves, identify their location, provide them with some policy analysis, advocacy and capacity development in some of the organizations that we were aware of.

-Need for awareness that USDA is available as a resource to them.
-Access to land.
-There is a significant commute to access USDA resources due to office consolidation.
-Developing a mentoring program for people who are not familiar with programs.
-Development of a financial checklist for FSA Loans.

-Youth programs such as FAA/4-H.

-User friendly Staff. Proper representation from employees. I.e. positive attitudes.

-Providing management/training of what it means to develop a profitable farm/ranch.

QUESTIONS/COMMENTS:

**Barbara:** There is a barrier with FSA concerning beginning farmers being able to obtain a loan. It tightened up more with the last farm bill. Before, if you were a farm worker there was some leniency, now if you don’t have experience at the management level, such as a degree in Agriculture, there is a barrier preventing a small farmer from accessing funds.

**Karen:** Not sure how to reach out to socially disadvantaged groups.

**Rudy:** Need help with 2501 applications. Wants to make sure that farmers have access to resources because rural communities are in a crisis. The infrastructure needs retrofitting and the resources are not available.

**Public:** USDA needs to do a better job of making themselves known and accessible. In regards to access of land what’s your vision from working the lands to owning it?

**Rudy:** USDA has an inventory of foreclosed farms. Brown fields that EPA has are also being looked in to. Also resources w/in and outside the department are being looked in to. We need more interaction with some of the fellow agencies.

**Duncan:** Commented on a concern about making sure funded projects are doing what they said they will be doing. It has been a concern that projects have been funded and groups have not received benefits.

**Rudy:** wants to make sure that the money available is spent how they chose to spend it. Not partially but 100%.

**Maria:** Addressing the difficulty of giving loans to beginning farmers and farm workers when all they have is their salary, FSA also requires years of experience. If a beginning farmer has been farming and drawing a salary he can say he’s a beginning farmer w/10 yrs of experience. But if you’re a farm worker and still farming but you have been drawing a salary. It’s the wording in FSA that doesn’t allow you to do what you really want to do because of the rule that farming experience is needed.

PUBLIC COMMENTS:

**Commissioner Sherry Majors- office manager and CFO for the Accohannock Indian Tribe Inc.:** For the last 15 years worked on capacity building organizational development office infrastructure systems in order to move into areas where we provide financial security for our people on a sustainable, long term basis. The AIT is among the oldest Indian tribe on the East Coast.
**Larry Laverentz: Refugee Agricultural Partnership Program for DHHS:** Most of the emphasis is on community gardens of 1-5 acres. Many of the refugees have come here after being in refugee camps for over 10-15 yrs. Most of them lack skills in the English language and have a cultural challenge in terms of being able to relate to the American institutions. Training and instruction is a challenge but is part of the intention. One of the most important things is being able to relate production to marketing. Recognize the different needs of farmers. It’s not a one size fits all. There are unique needs among all socially disadvantaged groups.

**Gary Matteson- Farm Credit Counsel:** Farm Credit is a trade association. The Farm Credit System is a nationally chartered network of borrower owned institutions that’s been lending to agriculture and rural America since 1916. Every farm credit association has a young beginning small farmer program that is uniquely adapted to local conditions. The programs include training and business planning/loans. Small farms are those that generate $250,000 or less in gross annual farm income.

**Orlando Mcmeans:** 2501 program. Zero cost share. All 1890s are applying, he wants to see this changed. 17 HBCU’s have received funding.

**Megan Millsnovowa –National Family Farm Coalition:** Fears that there may be a funding gap in 2013 and urges USDA to find discretionary funding to cover 2013. Inconsistency and unavailability of funding sources; It’s important that FSA supports existing farmers as well as beginning farmers.

**Hanna Burnheart:** greenhorns/national young Farmers’ coalition: working to ensure the success of young and future young farmers. When recently surveyed the top two concerns of farmers in network were capitol and land access. Often, USDA funds protect land from development but they are still sold at unaffordable prices and to owners who are not working farmers. Many beginning farmers rent land. We also see many of them losing their access to their lands due to insecure leases and changes in land ownership. Young and beginning workers need affordable land in a close distance from urban areas. To do so public monies for the purchase of development rights must be contingent upon agreement to keep that land at the conservation value or the agricultural value.

**Advisory Committee Reports First Round of Ideas for Recommendations**

**BARBARA/TRACI:** Communications support system that allows information to flow directly from the national level to the field and back.

Social networking tools: Making info accessible to those who need it.

Communicate with people from all over to gain and share info. A central communication spot that everything can be translated to and it would be open to the community, open to the employees.

**BRIAN/ANU:** A state base designated beginning farmer specialist: One who set measureable goals in each state to increase the access to programs for start up and small farmers. Someone who works across the agencies in each state are the designated specialist to know what programs exist and how they work and ensuring outreach on those. Beginning farmers/ USDA programs are not necessarily unique. They’re the same programs that either group will be accessing. Priority should be give to organizations that have applied for a 2501 grant when they are located in the same geographic region as
their clients to be served. Onsite audits of grant recipients should be conducted to ensure 2501 funds are being utilized in line with the application approved and ensure that clients are receiving the training included in the grant application. This is a follow up from Duncan’s concern.

**MARIA:** Establishing a mentoring program slash training center for beginning farmers and ranchers. Ex. Something to utilize the technical schools. The idea is having some type of course work to complete and have beginning farmers and ranchers complete that coursework where you make them aware of some of the programs that are available to them; the importance of financial record keeping for lending purposes. This info can be distributed through technical schools, community based organizations that may be willing to support that program. The difference between this program and what the beginning farm and rangers program is doing right now is there is an education system in place where you can go to school and receive in 12 months what should take 12 years to learn. As a result they will be certified to work in specific areas. This program is set up as a Government institution. The government pays to train these individuals but the money goes back into the government. This program doesn’t rely on a community based organization to write and approve a grant.

Strike force type initiative focused in areas not just stricken by long term poverty but also by depopulation. Utilize existing outreach staff from all USDA agencies to visit sites to ensure grant accountability holding USDA agencies accountable to know the programs being implemented in their area. So what has USDA funded that benefits beginning farmers in that area.

**BARBARA/REBECCA:** Less reliance on credit history and more reliance on their business plan, managerial ability and technical operation for FSA Loans. Investigate a framework in which to provide loans to groups of beginning farmers rather than individuals for a micro credit source or for loan making in crop insurance.

**KAREN:** NRCS equipment program has to be more responsive to the beginning farmers and ranchers who are transitioning to certify organic.

**PETER/MARIA:** Recommend USDA use average size farm vs. medium size farm in determining eligibility for beginning farmer opportunities. I.e. if you’ve owned more than 30% of the medium size farm you’re not eligible because we’ve got more small size farms than medium size farms going down that have kicked people out. This would require a legislative change.

**BARBARA/REBECCA:** Beginning Farmers: Guaranteed lenders. Contract with USDA/FSA to have one of their farming officers get FSA an accurate account of cattle that is being used. Increase business and financial management requirements for loan applicants. Need a better handle on land ownership with beginning farmers.

**PETER:** Review the youth loan program for improvements in reaching its goals. Allow loans everywhere not just rural areas.

Look at what might be barriers for beginning farmers if they do not have a 3-5 yr history.

- Dust/contamination requirements.
- Establish experience.
- Future planning i.e. utilizing college students.
- Limiting the long term dependents on FSA Loan program.
- Tax incentive for transitioning.
- Permanently fund the FSA Loan Program to provide additional capital to lend.
- Making sure farmers have access to all the information that is available on the website; getting farmers computers to receive information that is helpful to beginning/small farmers.
- Improve internal communication within USDA.
- USDA should develop an action plan of how they are going to work with beginning farmers.
- Accountability in the OAO.
- Improve internal communication within USDA.
- Strike force type initiative within USDA.
- USDA should develop action plan on how they will work with beginning farmers.

Motion that we ask the secretary to support legislative change for youth loan programs to help them improve reaching their goals particularly that the loans be available to everywhere not just rural areas.

-Motion was seconded and passed.

Discussion:
- Eliminate the 50,000 and fewer population requirement.
- Make recommendation more specific.

-Motion to eliminate the term limit of 7 years and 15 regarding eligibility for FSA Loans.

Motion was seconded.

Discussion:
- 9 yrs total to take out 9 different loans.

-Motion for eliminating term limits on direct and guaranteed loans. Motion failed.

-Tax incentive for transitioning land: Move Sec. to support advance the fed tax incentive for transition home ownership to beginning for transitioning farm lands to beginning farmers and ranchers.
-Motion by Brian to amend by adding transitional ownership and/or leasing. Farm build proposal; develop an income tax incentive for transitioning ownership and/or leasing to beginning farmers and ranchers. Ryan seconded motion. Motion passes.

-Create a stable funding source.

-Stop the loan funds from flowing back to treasury. Keep funds in FSA program. Rather than being subject to annual appropriation your subject to win money flowing in from the loans that are currently out there.

-Motion passed to ask Secretary to eliminate the match requirement in farm bill proposal.

-Passed in 2008 Farm Bill given discretionary funding status so it has not been funded yet. It’s a matched savings program where a beginner goes through training in financial management, business management. A percent of their income is put in a savings account. This program would be granted to an organization that provides a match to the beginning farmer that has gone through the training. At the end of the training period there is a nest egg that can be used to get started farming by a farm asset. i.e. a down payment for land etc.

-Motion that a recommendation be provided to the Secretary that a state based designated beginning farmers specialist be created who sets measurable goals in each state to increase access to programs and conduct outreach to beginning farmers and ranchers. Motion passes.

Committee agreed to have a letter with final recommendations to the Secretary by end of Feb.