

The Honorable Ann M. Veneman, Secretary  
U.S. Department of Agriculture  
Washington, DC 20250

June 21, 2002

Dear Secretary Veneman,

On behalf of the USDA Advisory Committee on Beginning Farmers and Ranchers, I am pleased to submit to you a set of recommendations from the Committee's most recent meeting, May 6-7, 2002, in St. Louis, Missouri.

This meeting followed closely on the heels of the passage of the 2002 Farm Bill, and we spent substantial time on provisions in the new law that relate to beginning farmers and ranchers. The Committee was pleased to note the authorization of the new Beginning Farmer and Rancher Development Program, an important first in the history of the Department.

Our recommendations first refer to relevant provisions in the 2002 Farm Bill, and then turn to other issues for your consideration. They are presented in the order in which they were discussed at the meeting, and are not prioritized.

- 1. *USDA should include funding for the Beginning Farmer and Rancher Development Program.*** The Committee recommends that the USDA budget for FY 2004 include \$20 million for the Beginning Farmer and Rancher Development Program. The 2002 Farm Bill authorizes appropriations for this program.
- 2. *The RME Program should target beginning farmers and ranchers.*** The Committee recommends that "Requests for Proposals" for the Risk Management Education Program, authorized under the Federal Crop Insurance Act, specifically state that proposals be targeted to beginning farmers and ranchers are encouraged.
- 3. *The IFAFS competitive grants program should encourage awards to projects that directly benefit new farmers and ranchers.*** The Committee recommends that USDA embrace the Congressional intent in the 2002 Farm Bill to give priority to beginning farmers and ranchers in the next "Request for Proposals" under the Initiative for Future Agriculture and Food Systems research program. Congressional intent is expressed in the Conference report as follows: "Also, as part of this priority mission area, the

Managers encourage the agency to solicit and fund research and development of farm tenure, transfer, succession, finance, management, production, and marketing models and strategies that foster new farming and ranching opportunities for beginning farmers and ranchers.” Furthermore, we recommend that USDA keep eligibility for the grant program open to all mentioned in the original law.

**4. *USDA should promote partnerships with organizations that purchase easements on farmland.*** The Committee recommends that the Secretary promote partnerships between FSA (concerning the Down Payment Loan Program) and agencies and organizations that purchase easements to enhance affordability of land purchases for beginning farmers and ranchers.

**5. *The Committee strongly supports FSA’s authority to refinance bridge loans and encourages public input into implementation.***

**6. *The Committee supports the 2002 Farm Bill requirement for FSA to target not less than 15 percent of guaranteed operating loan interest assistance funds to beginning farmers and ranchers.***

**7. *USDA should champion changes in the law concerning "Aggie Bonds".*** The Committee recommends that USDA provide leadership within the administration to support a change by the Department of Treasury to allow FSA guarantees on tax-exempt Agricultural Bonds.

**8. *USDA should review the FSA borrower training program.*** Specifically, as part of consideration for developing FSA borrower training waiver criteria, the Committee encourages the Secretary to: (1) Review the consistency, adequacy, and uniformity of training nationwide; (2) Notify the Committee if there is not going to be an opportunity for public comment; and (3) Coordinate with the Risk Management Agency to provide training.

**9. *The Committee concurs with the intent described in the Conference report language (2002 Farm Bill) concerning FSA farm ownership loans to farmers and ranchers who have participated in the business operations of a farm or ranch for not less than three years.***

**10. *Regarding the land contract sale pilot program,*** the Committee recommends that more than 5 states, representing a balance of all geographical regions of the U.S., be used to develop the FSA land contract sale pilot project authorized in the 2002 Farm Bill, and that the Department seek public input on implementation of this program from the Advisory Committee.

**11. *NRCS should implement beginning farmer and rancher incentives in conservation programs.*** The Committee recommends that the Secretary encourage NRCS to: (1) implement special incentives, such as allowing lump sum payments and target

participation rates to beginning farmers and ranchers; (2) monitor and evaluate these activities; and (3) report the progress of such actions to this Committee.

12. ***NRCS should consider beginning farmers and ranchers in the Farmland Protection Program.*** The Committee recommends that the Secretary encourage NRCS to give: (1) special ranking bonuses for Farmland Protection Program applications that have farm/ranch transfer and succession plans; and (2) additional bonus points when the succession plan benefits beginning farmers or ranchers as transferees or when the applicant is a beginning farmer or rancher.

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In addition, the Committee offers several recommendations not addressed in the 2002 Farm Bill.

13. ***USDA should include \$205 million for FSA direct Farm Ownership loans in its FY 2004 budget proposal.*** The Committee recommends that USDA include this amount which is the authorization level allowed for in the 2002 Farm Bill.

14. ***USDA should take a strong role in promoting Federal-State Beginning Farmer Program partnerships.*** The Committee recommends that the Secretary contact State Departments of Agriculture and FSA offices to encourage development of such partnerships.

15. ***The Committee recommends that USDA assure that adequate, trained staff is available in FSA offices at all levels.***

16. ***USDA should support full funding of the Section 2501 Program.*** The Committee recommends that USDA continue to support full funding of the Small Farmer Outreach, Training and Technical Assistance (Section 2501) Program. The 2002 Farm Bill authorizes funding totaling \$25 million.

17. ***FSA should examine and report on delete “the” the borrower training program.*** In association with recommendation #8 above, the Committee recommends that FSA should undertake a comprehensive review of the borrower training program and waiver mandate, including data collection on the success of the borrower training program. The Department and Advisory Committee should be informed on the use and success of borrower training.

18. ***Recommend that USDA encourage model programs to train high school and community college students in farm operation and management*** in cooperation with Future Farmers of America, 4-H, Risk Management Agency, other agencies, and non-profit organizations. The Secretary should take immediate action to ensure education of beginning farmers and ranchers, by encouraging outreach for agencies that provide education, especially to youth. We also urge the Secretary to recommend to the appropriate Congressional Committee that action be taken to *not remove* Agricultural

Education from the Department of Education Perkins Act reauthorization whose language excludes Ag Education from Block Grant funding.

**19. *The Committee recommends that the Secretary encourage cooperation between the Farm Credit System and FSA to improve delivery of programs to beginning farmers and ranchers.***

**20. *USDA should address certain FSA provisions.*** Specifically, the Committee recommends that the Secretary give full consideration to clarifying and educating producers on understanding the requirements of maintaining “beneficial interest”, and its relationship to FSA farm program payments. Further, we request that county FSA offices make Form CCC-701 a standard signature form for all producers in their annual sign-up.

The Committee is pleased with the recent attention being paid to our next generation of farmers and ranchers, and with USDA's efforts to address their needs. We welcome the continuing opportunity to participate in the formulation of new and improved policy and programming for our future farmers and ranchers.

Thank you for your consideration of these recommendations. We look forward to hearing from you.

Cordially,

Kathryn Z. Ruhf  
Chair

Attachment:  
Committee members

cc:  
Under Secretary J.B. Penn  
Deputy Secretary James R. Moseley  
Committee members

