**Advisory Committee on Beginning Farmers and Ranchers**

**Summary of Meeting (Minutes)**

**October 31, 2019**

The Advisory Committee on Beginning Farmers and Ranchers (ACBFR) was convened for its first 2019 meeting at 9:00 A.M. on October 31, 2019, at the Omni Severin Hotel, Indianapolis, Indiana. The Designated Federal Officer (DFO) Ms. Maria Goldberg opened the meeting and introduced the Chair, Mr. Jason Brand and welcomed current and new members to the committee. In accordance with the provisions of the Federal Advisory Committee Act the meeting was open to the public from 2:00 P.M. to 3:00 P.M.

The ACBFR, led by the Chair, met to discuss challenges faced by beginning farmers and ranchers and resources available from the federal and state governments to assist them, in order to make recommendations to the USDA Secretary.

**Committee Members Present:**

John Bailey Paul Bickford
Jason Brand
Adam M. Brown
Amanda Jo Carey Goodfellow
Katie R. Carpenter
E’licia L. Chaverest
Denis Ebodaghe (via teleconference)
Jeffry R. Gittins
Davon L. Goodwin
Tony Gudajtes
James Carl Hafer
Jacob W. Handsaker
Latrice Hill
R. Alan Hoskins
Juli Obudzinski
Anusuya Rangarajan
Liya Schwartzman (via teleconference)
Casey Spradley
Shelby Swain Myers

**Staff of the USDA attending:**

Steven Brown, Indiana Executive Director, Farm Service Agency (FSA)

Mitchell Baker, Confidential Assistant, Office of Partnerships and Public Engagement (OPPE)

Maria Goldberg, Committee Designated Federal Official, OPPE

Nigel Key, Economic Research Service, (via teleconference)

Cara McNab, Acting BFR National Coordinator, FSA

Susan Meadows, CTA Program Specialist, Indiana, FSA

Michael Moore, Assistant to the Director, FSA

Riley Pagett, Chief of Staff, OPPE

Torey Powell, National Youth Coordinator, OPPE

Jerry Raynor, Indiana State Conservationist, Natural Resource Conservation Service (NRCS)

Others present for all or a portion of the meeting were:

Mrs. Gittins

Gary Madison

**Open Public Session 2:00 – 3:00 P.M.**

**USDA Agency Briefing and Discussion:**

**Presenter: Jerry Raynor, Indiana State Conservationist:**

NRCS efforts targeting beginning farmers and ranchers program including the Environment Equality Incentive Program, that allows the participant to receive an additional assistance and to request advance payments for implementation of conservation practices, that meet standards, within 30-60 days.

New positions of state liaisons are designed to provide further assistance.

Conservation Stewardship Program; Conservation Reserve Program; (joint program with Farm Service Agency); Conservation Easement Program; Resource Conservation Partnership Program.

Beginning farmer assistance is tracked by funding code as farmers self- certify who can sign up as the producer, lease holder, or an owner.

Ways in which NRCS works closely with farmers one on one and need to raise awareness of available programs.

Importance of established FSA records.

**Committee Initiated Discussion:**

How to support beginning farmers

Benchmark set for targeting funds toward beginning farmers

Resources for beginning farmers, in a lease agreement, and issues related to program participation

Financing conservation practices when funds are limited

Public/private partnerships and opportunities for beginning farmers

**Presenter: Steven Brown, Indiana Executive Director, Farm Service Agency (FSA)**

Discussed current challenges for Indiana farmers and payments and sign ups; Market Facilitation Program (MFP); Community Supported Agriculture (CSA); customer service; establishing farm record with FSA (needed to report crop losses); new hemp program; farmer stress and suicide; farm loans for beginning farmers; working with FSA service centers and extension agent;

**Committee Initiated Discussion:**

The specific programs available for beginning farmers and rate of participation.

Number of lenders working with FSA on the Beginning Farmer Program and trends.

Noninsured Crop Disaster Assistance Program fee waiver.

Funding of conservation practices Environmental Quality Incentives Program (EQIP) contract as security to make loan.

What does FSA do specifically for beginning farmers, ranchers as far as crop insurance.

Conservation Reserve Enhancement Program (CREP) and program impact on rental rates which may disadvantage beginning producers and potential program benefits for beginning farmers.

**Presenter: Nigel Key, Economist, Economic Research Service (ERS)**

Shared Report that provides the descriptive statistical overview of beginning farmers getting farm businesses and households.

Report shows the distinctive characteristic of beginning farms and farmers by comparing them to established farms and farmers.

A beginning farmer is defined as someone who has no more than 10 years of farming experience on any farm.

A farm can have multiple operators and focus is on the principal operator, that is the operators who are making most of the management decisions.

(report link: <https://www.ers.usda.gov/publications/pub-details/?pubid=95009>)

Currently, there is a research project using census data to track beginning farmers.

**Committee Initiated Discussion:**

Report based on arms data – exclusion of 67 percent of beginning farms; what is their financial situation.

Looking forward to flow of data and what factors determine success for beginning farmers.

**Presenter: Michael Moore, Assistant to the Director, Loan Making Division, FSA**

Discussed special focus for beginning farmers and loan programs in general. Farmers can go to FSA office and apply for direct loans and guaranteed loans. FSA is the one that makes a direct loan.

FSA also has the guarantee where they can guarantee up to as much as ninety five percent of a loss.

Best way to look at FSA is as an underwriter; to back lenders that lend to people. FSA looks at the fact that capital is the hardest thing for beginning farmers.

Last year, FSA obligations were the third highest in history in direct farm ownership loans, which those are to buy land directly.

Direct farm ownership loans, farm operating loans, emergency loans; guaranteed loans and a new program called the Microloan were discussed. FSA can do a microloan farm ownership loan for fifty thousand dollars. Those are to help people get started.

Beginning farmers, less than 10 years in operation, needs a farm plan that works; an operating budget, and borrower training.

Industrial hemp remains a highly regulated, highly controlled crop to produce. Farmers must apply for and get a license which requires a federal background check. Farmers are required to have G.P.S. coordinates on any place hemp is planted. An USDA license is required to move hemp. It is considered hemp if it is 0.03 percent THC 15 days prior to harvest. If it tests over that, it gets destroyed.

A veteran farmer is really a beginning farmer. If they have ten years or less experience or have become a veteran in the last ten years.

There is a website for new farmers and mentorship and farmers.gov

**Committee Initiated Discussion:**

Lenders use FSA programs all the time. They are a high user of the guarantee loan programs and use the direct loan programs - there are a lot of great programs and tools already available.

The problem from a commercial bank perspective is the execution of the programs. There seems to be a bottleneck and it may be a staffing issue at the local FSA offices - may need more people and the underwriting process needs to be reviewed.

How can lenders help FSA be more efficient in delivering A to Z?

The number one thing that causes problems as far as time are environmental requirements; and there is no way around those.

One of the challenges lenders found nationwide as it relates to the environmental is being required to have the environmental completed before sending the guaranteed loan application in, particularly in the case of the beginning farmer. The financial commitment required to have that environmental survey done before an application can even be submitted can be a little bit of a hindrance on the beginning farmer side.

Does FSA collect information on the reasons why people default on either operating loans or ownership loans, particularly for beginning farmers and ranchers? And if so, what does that say? What? What kind of information is coming out about why people are not able to make their loan payments?

**Presenter: Cara McNab, Acting National Beginning Farmer and Rancher Coordinator, FSA**

Briefly touched upon crop insurance. The Risk Management Agency (RMA) has a product called the whole farm revenue protection and that in normal products cover a single commodity. It can be a useful tool for highly diversified farms. With that product, there is a 10 percent discount on premium for beginning farmers and ranchers.

The 2018 farm bill has a provision to have a national beginning farmer and rancher coordinator in USDA, and that coordinator advises the secretary and beginning farmer and rancher programs, programs and issues that matter. It also requires that there is a state coordinator in each state, and they are to come from one of four USDA agencies. Those agencies are: Farm Service Agency, Natural Resource Conservation Service and Risk Management Agency. The Farm Bill also adds a fourth agency to the state beginning farmer and ranger coordinators- Rural Development.

There are going to be coordinators in each state, and they are going to provide beginning farmers and ranchers information on all four of these agency programs. One of their first duties is to create a state plan for outreach to beginning farmers and ranchers which will go to the national coordinator for approval and then it'll be implemented.

Each year, the national beginning farmer and rancher coordinator is required to provide a report to Congress on how USDA programs are serving beginning farmers and ranchers.

**Committee Initiated Discussion:**

Crop insurance coverage for beginning a new and beginning farmers.

**Presenter: Denis Ebodaghe, National Program Leader, Beginning Farmer and Rancher Development Program (BFRDP), National Institute of Food and Agriculture (NIFA)**

Discussed: BFRDP basics and program funding; changes to BFRDP and funding priority subsets; projects funded; and other funding opportunities in NIFA.

**Committee Initiated Discussion:**

Increase funding and distribution between Beginning Farmer and Rancher Program and the 2501 Program.

**Committee Initiated Informal Working Groups:**

The committee convened into informal working groups to focus on challenges specific to areas that the Committee deemed important to beginning farmers and ranchers. Each working group shared with the whole Committee identified issues, information needed for next steps and actionable items.

**Working Group for Land Access Report:**

Highlighted problems with the CERP program relating to access for farmers and ranchers.

Identified the need to seek and recreate more successful models that facilitate farm transition between farmers, both familial and outside of their families.

**Working Group for Farm Transition Report:**

Highlighted need for financial assistance be provided for successful farm transition.

Underscored the lack of education existing between the lender and borrowed community.

Discussed outreach and education issues.

Mentioned the need for USDA to establish and hire National BFR coordinators and staff are needed to keep information current and tracked.

Discussed the need to adopt a unified software program across USDA to capture and analyze beginning farmer and rancher information interests and to help catalog and organize new offerings and educational resources.

**Working Group for Risk Management and FSA Operations Report:**

Underscored the new beginning farmers and ranchers’ difficulties in affording or applying for risk management tools that are currently available including lack of farming knowledge as part of risk management.

Discussed a hypothetical USDA program assisting senior members and junior members for both training and farmland transition.

Noted that the 10-year limit of new and beginning farmer and rancher parameter is not enough time to gain experience.

Described thoroughly the complexities of senior to junior farmer challenges when it comes to farmland transitions, and highlighted manners in which USDA could assist in facilitating the transition.

Noted the challenges related to market access.

Pondered the opportunity for USDA to assist in opening access to markets, such as assisting the cost of establishing a farmer’s market to local operations.

Highlighted need for USDA to develop and improve infrastructure to transport the operation’s product to the market.

Underscored need to seek out successful case studies and find examples that can be replicated on a large scale.

Discussed the need to bridge smaller and midsize operations into saleable, larger, more successful operations.

Pitched the possibility of recreating a Peace Corps program that places aspiring farmers with smaller operations to gain experience and knowledge.

Mentioned need to involve land grant universities to help answer many of the problems highlighted prior, and the need to invest in their ability to provide valuable services.

Farm transition working group reported they want FSA to further develop and invest in an existing senior-junior, as well as USDA develop a new program focused on apprenticeships for new and beginning farmers and ranchers.

Risk management reported the need to create educational programs focused on training and informing new farmers of risks of common, yet costly problems for them to avoid.

**Working Group for Education and Outreach Report:**

Education and outreach reported out needing to address beginning questions of how to start farming through accessing a central hub to be developed by USDA - it needs to be the central hub.

Discussed the need for a starting out checklist for farmers and ranchers. Discussed the need to coordinate a farmer-to-farmer interview system to pass along lessons learned.

**Working Subgroup for Capital Access:**

Identified the need to create regional positions charged with providing non biased, non-incentivized education to beginning farmers and ranchers about public and private financing options and how to access them.

Discussed further the creation of a national farming program.

Discussed the need to develop tax credits for operations that assist new and beginning farmers and ranchers.

Discussed the need to develop a procurement program that allows for institutional purchasing out of potentially nontraditional areas, like military bases.

Underscored the need to aid farmers and ranchers who are encouraged by the market to produce and raise specialty crops and livestock but can’t find the industry infrastructure to support their sale and storage.

Discussed the need for a mentorship program that can help guide new and beginning farmers and ranchers through the financial complexities of beginning, maintaining, and hopefully expanding operations.

Gary Madison, of Farm Credit Services, provided public comment setting context for the work of the committee and offered encouragement for the role the committee members play in supporting new and beginning farmers and ranchers.

**Committee:**

Reviewed the main workgroup topics capital access, transition, risk management, education and outreach, land access, and market access.

Reviewed findings for the day, discussed timeline moving forward.

**Meeting adjourned for the day at 5:00 P.M.**

**November 1, 2019**

The Advisory Committee on Beginning Farmers and Ranchers was reconvened for the second day of its first meeting at 9:00 A.M. on November 1, 2019, at the Omni Severin Hotel, Indianapolis, Indiana. Meeting was reopened by the Ms. Maria Goldberg and led by Chair, Mr. Jason Brand.

**Committee Initiated Discussion:**

Reconvened, reviewed progress of the committee thus far, and opened up the committee to continue beginning discussions for proposals on how best to advise Secretary Purdue.

Discussed the national and state coordinator roles that will be posted, in the near future and its impact it will have on new and beginning farmers and ranchers.

**Proposal:** Jeff Gittins presented a proposal in which he premises three necessities for beginning farmers and ranchers: natural resources, capital, and youth.

Facets to this approach:

Transition – find information and experts to inform the committee of existing programs that facilitate transition between farmers and ranchers.

A partnership program in which partnering between operations and farmers could raise capital.

Discover existing programs that are already undertaking and addressing the challenges and stakeholders thought up by the committee so to not reinvent the wheel.

Expand access and promote conservation of land

**Committee Initiated Discussion:**

Underscored the need to request data and make inquiries relevant to the purview and fact-finding charge of the committee.

Discussed the need to be succinct, efficient and actionable in the letter writing to the Secretary.

Deliberated on how best to formulate ideas that will eventually be put into writing for the Secretary.

Discussed the need to maintain existing search tools for farmers to access for information, as well as to programs and services.

Noted the lack of funding for veterans to enter into farming operations and the need to financially support them.

Read the position description of the State Beginning Farmer and Rancher Coordinator.

Fielded questions about the position descriptions, as well as commented about concerns regarding funding, requirements of the job, and underscoring the importance of the position overall.

Specific concerns about a provision that details a 20%-time commitment to educating new and beginning farmers and ranchers were made clear, namely that there should be more percentage of a coordinators time devoted to the educating and informing of existing programs and services.

Questions about which agencies pay the coordinator were brought up, and whether the combination of who pays the position salary is right and fair.

Questions asked concerning the requirements of the coordinator position, whether they are too stringent, and whether they should be made more fluid so to bring in a broader field of candidates to serve as the coordinators.

Concerns about the fluid definition of new and beginning farmer and rancher were raised.

Discussed potential questions to be raised as a committee.

What is a beginning farmer?

What programs are available?

Which ones are being underutilized?

Why are they being underutilized?

Do they serve a purpose?

Do we still need them?

Can we spend that money in a better location?

Discussed need for cultural competency training within the state plans.

Discussed the prevalence of existing resources, sometimes non-government, that already are being utilized by farmers and ranchers.

Suggestions were made that the committee shouldn’t be writing requesting information, but rather should be writing clear directives for the Secretary to consider and implement said policy.

A lack of USDA advocacy and outreach was noted as a problem, due to multiple reasons pertaining to lack of interest in filling the position, at times funding, and other factors involved.

Another problem underscored was the lack of current outreach employees not getting out of the office enough to build relationships with relevant stakeholders.

An additional problem for programs is the ending of their timeframe and not being renewed or reinvested in.

The need for education underlined further as a main solution for addressing the problems prior listed.

The need for a 21st century, revitalized push for advocating the existing resources within the USDA was highlighted as a manner to address existing challenges.

The need to fund USDA led efforts to educate new and beginning farmers and ranchers was noted.

Addressing the private-public bias people have against to turning to USDA first for information and solutions was brought forward as an additional reason there appears to be a lack of utilization of services and programming.

**Committee Initiated Informal Working Groups:**

Committee discussed and agreed on four working groups to gather information and report to the full Committee:

Information group – seeks information regarding education, outreach, etc.

Transition group – navigating and addressing challenges related to transitioning the family farm over generations.

Capital group – all matters related to new and beginning farmers and rancher’s capital issues.

Discussed the possibility for more working subgroups to emerge, but for now will be focused through those three paradigms.

**Committee Initiated Discussion:**

Expressed interest in obtaining data on the direct and guaranteed loan programs from Farm Service Agency for the past 10 years.

Requests include, but are not limited to:

Information be categorized by state and county year.

To know what applications were funded, rejected, withdrawn as it relates to beginning farmers and ranchers.

Data concerning NRCS's environmental quality incentives program to beginning farmers and ranchers.

A list of the guaranteed FSA lenders and their different distinctions.

Information about first-year delinquent loans.

Review beginning farmers experiences that are a part of first-year delinquency.

Review how long the majority of beginning farmers been farming.

Review how many beginning farmers are socially disadvantaged.

Review information concerning an economic research study or something that shows the average credit worthiness of beginning farmers that is on record.

Requested the measurable data that's available.

Utilization rates.

The measures of success and whether those been successful and what those rates are.

What programs that exist in general.

A review of relevant marketing tools, if any are available.

Review what general requirements are to be a part of the program.

Web site analytics.

USDA being the top of relevant internet search results.

Review existing programs to land transition, review the qualifications to participate in the program, as well as assessing barriers to access.

Review programs that incentivize lease agreements between farmers going out of business and new beginning farmers and ranchers.

Review percentage of farms transitioning ownership, as well as relevant data concerning them.

Distinguish difference between farm transition and farm land transition.

**Goals**

One-month goal: have the data requested

Two-month goal: have the first letter about information drafted.

Mentioned the second letter may be about administrative transition.

**Adjournment**

The meeting adjourned at 12:00 P.M.

**I hereby certify that in the matter of the Advisory Committee on Beginning Farmers and Ranchers, to the best of my knowledge, the foregoing summary of meeting (minutes) are accurate and complete.**

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Mr. Jason Brand
Chairman
Advisory Committee on Beginning Farmers and Ranchers.**

These minutes will be formally considered by the Committee at its next meeting, and any corrections or notations will be incorporated in the minutes of that meeting.