



Limited Resource, Socially Disadvantaged, and Beginning Farmer/Rancher Program

Ramsey County Fact Sheet

October 2011

What is a Limited Resource, Beginning, or Socially Disadvantaged Farmer/Rancher?

The intent of the Limited Resource Farmer/Rancher (LRFR), Beginning Farmer/Rancher (BFR), and Socially Disadvantaged Farmer/Rancher (SDFR) Program is to ensure that Natural Resources Conservation Service (NRCS) programs are administered in a way that enables these farmers and ranchers to maintain and develop economic viability in farm operations. To ensure NRCS technical and financial assistance programs reach all farmers and ranchers, certain predetermined conservation programs grant authority to the State Conservationist to establish additional financial assistance opportunities and/or a separate funding pool for these farmers or ranchers.

What does this mean to you?

To qualify for the additional payment rate and/or funding pool, an individual is required to certify on the NRCS-CPA-1200 CONSERVATION PROGRAM APPLICATION, that he/she meets at least one of the definitions shown below.

Beginning Farmer/Rancher:

1. Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years (2001-2010). This requirement applies to all members of an entity,
and
2. Will materially and substantially participate in the operation of the farm or ranch.
 - a) In the case of a contract with an individual, individually or with the immediate family member, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or the State where the farm is located.
 - b) In the case of a contract with an entity, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would seriously be impaired.

Limited Resource Farmer/Rancher:

1. A person with direct or indirect gross farm sales not more than \$163,200 in each of the previous two years (2009, 2010)
and
2. Has a total household income at or below the national poverty level for a family of four **or** less than 50 percent of the county median household income in each of the previous two years (2009, 2010).

Socially Disadvantaged Farmer/Rancher:

1. A socially disadvantaged group is a group whose members have been subject to racial or ethnic prejudice because of their identity as members of a group, without regard to their individual qualities.
and
2. A socially disadvantaged applicant is an individual or entity who is a member of a socially disadvantaged group. For an entity, at least 50 percent ownership in the farm business must be held by socially disadvantaged individuals.

Do I qualify?

To assist you in making an informed decision, the worksheets contained with this Fact Sheet can be used prior to completing an application for a conservation program contract. A determination of your qualifications either as a LRFR, SDFR, or BFR is necessary to determine the financial assistance and/or funding pool necessary for the conservation program you choose to apply for.

Limited Resource Determination Information

<p>Gross Farm Sales Determination: In each of the last two years (2009, 2010), was your direct or indirect Gross Farm Sales less than or equal to \$163,200 per year? Gross Farm Sales is defined as: Gross Income entered on IRS Form 1040, Schedule F, in the Farm Income Section.</p>	<input type="radio"/> Yes	<input type="radio"/> No
<p>Adjusted Gross Income Determination: In each of the last two years (2009, 2010), was your Total Household Income less than the Ramsey "County Value" of \$25,061? Total Household Income is defined as Adjusted Gross Income for all members in your household or the amount you entered on IRS Form 1040, Adjusted Gross Income Section. County Value is calculated as the higher of the National Poverty level or 50% of the County Median Household Income.</p>	<input type="radio"/> Yes	<input type="radio"/> No

Note: The "County Value" may be different for each county. A determination should be made based on county of residence.

If "yes" is the appropriate response to both criteria, the definition for limited resource farmer/rancher has been met. If "no" is the appropriate response to either criteria, the definition for limited resource farmer/rancher has not been met.

Socially Disadvantaged Determination Information

<p>Socially Disadvantaged Group Determination: The applicant is an individual or entity who is a member of a socially disadvantaged group? (American Indian or Alaskan Native, Asian, Black or African American, Native Hawaiian or other Pacific Islander, Hispanic.)</p>	<input type="radio"/> Yes	<input type="radio"/> No
<p>Entity Ownership Determination (if applicable): For an entity, at least 50 percent ownership in the farm business is held by socially disadvantaged individuals?</p>	<input type="radio"/> Yes	<input type="radio"/> No

Note: One member of an eligible entity may certify for all members rather than have each member self-certify.

To determine eligibility as a beginning farmer/rancher, applicants can complete the self evaluation below.

Self Evaluation - Beginning Farmer/Rancher Determination

Individual or Entity (list all members of the entity)	Operated a Farm or Ranch less than 10 consecutive years		Will materially and substantially participate in operation of Farm or Ranch	
	Yes	No	Yes	No

Checking "no" in any block for the individual or any members of an entity indicates that the definition for beginning farmer/rancher designation has not been met. A check of "yes" in all blocks for the individual or all members of an entity indicates that the definition for beginning farmer/rancher designation has been met.

Declaration of LRFR and/or BFR is based on self-certification in block 9, NRCS-CPA-1200 CONSERVATION PROGRAM APPLICATION. Annually, a percentage of all NRCS-CPA-1200 forms will be randomly selected for verification. Review item 8 of the Appendix to NRCS-CPA-1200 prior to making your declaration.