



USDA
State
Outreach
Council

2008 Farm Bill

Opportunities for Beginning and/or Socially Disadvantaged Farmers



The Food, Conservation, and Energy Act of 2008

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The Food, Conservation, and Energy Act of 2008

The Food, Conservation, and Energy Act of 2008 (the 2008 Farm Bill) makes a major investment in programs to assist Beginning Farmers and Socially Disadvantaged Farmers to meet the challenges they face due to the cost of land and equipment, obtaining credit, turning a profit and building equity in a highly uncertain business.

The following information is provided to raise the awareness of Beginning Farmers and Socially Disadvantaged Farmers of some of the opportunities that will be available through the USDA agencies, as a result of the Farm Bill. This is not a list of ALL the opportunities, just SOME of the programs specifically designed for Beginning and Socially Disadvantaged Farmers. Some programs discussed in this brochure may be implemented immediately, while others will be implemented over the next year, as funds are allocated.



To get yourself positioned to benefit from the Farm Bill opportunities you may want to:

1. Get on the USDA agency mailing list of agencies offering programs that interest you.
2. Learn who administers each program, where their office is located, and what the basic qualifications are for the program.
3. Know where to look for program announcements so that you don't miss any signup deadlines.

Providing Input into the Development of the Program Rules

How can I provide suggestions on implementation of these USDA programs?

During the period when Congress is debating the farm bill, the public can provide input into their needs to their Senators and Representatives in Congress. After the farm bill was passed by Congress, and signed by the President, the public can still have input into the development of the rules that are used to implement the farm bill programs through the Federal Register System.

What is the Federal Register?

The Federal Register publication system is a method of informing the public of the regulations affecting them. The Federal Register Act, which became law on July 26, 1935, established this uniform system for handling regulations for all agencies of the Federal Government. The Administrative Procedure Act (June 11, 1946) added the procedures for giving the public the right to participate in the rulemaking process by commenting on the rules that government employees propose to implement.

How can I make suggestions?

As the detailed rules are developed for the programs described in this brochure, each rule will be published in the Federal Register providing the public a specific timeframe in which they can submit comments. You can see what regulations have recently been published in the Federal Register at http://www.usda.gov/wps/portal/lt/p/_s.7_0_A/7_0_2KD?navid=FARMBILL2008. You can also find links to proposed regulations on the web pages of Natural Resources Conservation Service, Farm Service Agency, and Rural Development.

What kind of suggestions can I make?

Comments generally help provide the writer of the regulation with suggested changes to the rules that would make the program work better for all customers. Agriculture is different in all parts of the country. Comments help the writer of the regulation understand the needs of farmers and ranchers throughout the country and helps to ensure that barriers to participation are eliminated.

Is it worth my effort to try to provide suggestions?

When comments/suggestions are received, the writer of the regulation must address each comment/suggestion and explain why it was accepted or why it was not accepted into the final rules that are used to run the program. Therefore, this system allows the public the opportunity to provide suggestions on the rules that will be used for the next few years to run the programs. Once the rules are finalized, they are not easily changed. Often the same rules will apply until the next time that a farm bill is passed by Congress. Therefore, now is a timely opportunity for providing your suggestions on the best rules to run the USDA programs.

When will proposed rules be available for comment?

Most of the proposed regulations for programs from the 2008 Farm Bill will be published in the Federal Register during the fall of 2008 and early in 2009.

Farm Loan Program Opportunities

Agency to Contact

Down Payment Loan Program—Adds Socially Disadvantaged Farmers (SDF) as eligible applicants, along with Beginning Farmers. Also, adjusts the interest rate to 4% below the standard direct farm ownership interest rate or 1.5%, whichever is greater. It updates the maximum allowable sales price, decreases the borrower's minimum down payment requirement from 10 to 5 percent and increases the allowable term from 15 to 20 years.

Increased Loan Limits—1) Increases direct farm ownership and operating loan limitation to \$300,000. 2) Increases the amount of loan funds set aside for use by Beginning Farmers and Socially Disadvantaged Farmers in all program areas.

Priority in Purchase of FSA Inventory Property—Adds Socially Disadvantaged Farmers, along with previously eligible Beginning Farmers, initial preference in the purchase of FSA inventory property.

Other Opportunities—1) Temporarily eliminated term limits on guaranteed loans, 2) allows all farming experience to be considered when applying for a loan (regardless of when this experience occurred), and 3) extends right of first refusal to reacquire homestead property to immediate family members of socially disadvantaged farmer borrowers.

Farm Service Agency



New Opportunities

Agency to Contact

The following programs will be available to the public after funding is provided and regulations are developed.

Beginning Farmer & Rancher Individual Development Accounts Pilot Program—Establishes a new pilot program that provides grants to enable community-based nonprofits and state, local, and tribal government agencies to promote matched savings accounts for qualified beginning farmers and ranchers and allows the proceeds to be used on capital expenditures for the farm.

Farm Service Agency

Beginning Farmer Land Contract Program—Makes the land contract guaranteed loan pilot program permanent and nationwide.

Soil and Water Conservation Protection Loans- 1) Adds priority for beginning farmers and socially disadvantaged farmers, as well as for those converting to organic and sustainable farming practices, and 2) Adds conversion to organic production and/or sustainable farming practices as eligible loan purposes.

Borrower Protection Provisions - 1) Eliminates term limits on guaranteed loans and allows all farming experience to be considered when applying for a loan, and 2) Allows guaranteed farm ownership debt to be an eligible loan purpose for the direct farm ownership loan.



Every farming operation is different and impacted differently by many factors. The information contained in this material is general in nature and intended to be used as a starting point in your process to understand potential opportunities available through USDA programs. Regulations will be developed which can impact the implementation of these programs. This information should not be used as the sole basis of any decision. A thorough evaluation of your specific circumstances and current USDA requirements is necessary in every instance. Please contact your USDA staff to discuss how these provision may impact