

**Fact Sheet:**  
**Conservation Opportunities for Limited  
Resource, Socially Disadvantaged &  
Beginning Farmers and Ranchers**

Nebraska, October 2009

**Overview**

There are many challenges to farmers and ranchers who are just beginning their agricultural operations and those with limited financial resources. The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) addresses the unique circumstances and concerns of socially disadvantaged, limited resource, and beginning farmers and ranchers.

The Natural Resources Conservation Service (NRCS) is committed to ensuring technical and financial assistance reaches limited resource, socially disadvantaged and beginning farmers or ranchers to enable an individual to maintain and develop economic viability of the farm or ranch.

**Legislative and Regulatory Changes**

The 2008 Farm Bill authorizes the Secretary of Agriculture to set aside:

- Five percent of available Environmental Quality Incentives Program (EQIP) funds to assist beginning farmers or ranchers and 5 percent to assist socially disadvantaged farmers or ranchers; and
- Five percent of available Conservation Stewardship Program (CSP) acres to assist beginning farmers or ranchers and 5 percent to assist socially disadvantaged farmers or ranchers.

The 2008 Farm Bill also authorizes the Secretary to provide up to 90 percent of the costs associated with planning and implementing conservation measures for socially disadvantaged and beginning farmers or ranchers. In addition, up to 30 percent of such payments

may be provided in advance for purchasing materials or contracting.

**What is a Limited Resource Farmer or Rancher?**

A limited resource farmer or rancher is a person with:

- Direct or indirect gross farm sales not more than \$142,000 per year in each of the previous 2 years, and;
- 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 2 years.

**What is a Beginning Farmer or Rancher?**

A beginning farmer or rancher is an individual or entity who:

- Has not operated a farm or ranch, or has operated a farm or ranch for less than ten consecutive years.
- Will *materially* and *substantially* participate in the operation of the farm or ranch, and;
- All members of the entity must also materially and substantially participate in the daily operations (labor and/or management) of the farm or ranch.

**Socially Disadvantaged**

A socially disadvantaged group is defined as 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. Gender designation alone does not define a covered group.

A socially disadvantaged farmer or rancher is defined as a farmer or rancher who is a member of a socially disadvantaged group. The groups include:

- American Indians or Alaska Natives
- Asians
- Blacks or African Americans
- Native Hawaiians or other Pacific Islanders
- Hispanics

Participants should self-certify as belonging to a socially disadvantaged group. For legal entity applicants, the majority of members and stockholders of the legal entity must be socially disadvantaged.

### ***How to Determine Eligibility?***

Determining eligibility as a limited resource or beginning farmer or rancher is a self-certification process. The applicant must indicate on the Conservation Program Application (CCC-1200) whether the appropriate criteria are met.

A web site is available to determine eligibility as a limited resource farmer or rancher: [www.lrfstool.sc.egov.usda.gov/tool.asp](http://www.lrfstool.sc.egov.usda.gov/tool.asp). Based on your response to two questions, the web site will identify “eligible” or “not eligible.” The web site provides clear instructions and is state and county specific. If an applicant does not have access to the internet, a hard copy can be provided for manual completion.

NOTE: All individuals within an entity (i.e. partnerships or corporation) must meet the criteria for limited resource or beginning farmer or rancher.

### ***Cost-Share Assistance***

Limited resource, socially disadvantaged and beginning farmers and ranchers are eligible to receive up to 20 percent cost-share above

the “standard rate” for conservation practices through the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP). Refer to the appropriate conservation program for specific rates by conservation practice.

### ***Spot Check Procedure***

Applicants that certify eligibility as a limited resource, socially disadvantaged or beginning farmer or rancher are required to provide, upon request, all records necessary to justify the claim. Failure to provide the requested records will result in ineligibility for participation.

The records that would document eligibility as a limited resource farmer or rancher, if requested, are a copy of IRS Form 1040 and IRS Form 1040, Schedule F for the past two years. To document beginning farmer or rancher certification at least one IRS Form 1040 from the past 10 years that shows no IRS Form 1040, Schedule F was filed.

### ***For More Information***

Contact your local NRCS office for more information specific to your county. The limited resource farmer or rancher web site - <http://www.lrfstool.sc.egov.usda.gov> - provides access to fact sheets, definitions, and other tools.

