



United States Department of Agriculture  
Natural Resources Conservation Service

# Socially Disadvantaged, Beginning, and Limited Resource Farmers and Ranchers

## Montana Fact Sheet

March 2009

The Food, Conservation, and Energy Act of 2008 (2008 Farm Bill) continues to address the unique circumstances and concerns of socially disadvantaged farmers and ranchers, as well as beginning and limited resource farmers and ranchers. It provides for voluntary participation, offers incentives, and focuses on equity in accessing U.S. Department of Agriculture (USDA) programs and services. Enhancements include streamlined delivery of technical and financial assistance; improved programs and services; and flexibility in decision making (with most decisions made at the Tribal, State, or local level).

### What is a Beginning Farmer or Rancher?

A Beginning Farmer or Rancher means an individual or entity who:

- a. Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity,
- b. Will materially and substantially participate in the operation of the farm or ranch.
  1. In the case of a contract with an individual, individually or with the immediate family, 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 State where the farm is located.
  2. 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 be seriously impaired.

### What is a Socially Disadvantaged Farmer or Rancher?

According to Section 2501(e)(2) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 USC 2279(e)(2)), a *socially disadvantaged farmer or rancher* is defined as a farmer or rancher who is a member of a "Socially Disadvantaged Group". Therefore a "*Socially Disadvantaged Farmer or Rancher*" is defined as:

1. Socially disadvantaged group - a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. The definition that applies to Titles I, V, and VI includes members of a group subject to gender prejudice, while the definition that applies to Titles II, IX, XII, and XV does not. Title XIV and the Education and Risk Management Assistance provision in Title XII do not make specific reference to the statutory definition of socially disadvantaged farmer or rancher.
2. Socially disadvantaged Farmer or Rancher - a farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities. This term means a farmer or rancher who is a member of a socially disadvantaged group. Specifically, a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard

to their individual qualities. Those groups include African Americans, American Indians or Alaskan natives, Hispanics, and Asians or Pacific Islanders.

Note: Gender alone is not a covered group.

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

A Limited Resource Farmer or Rancher or Forest Owner is an applicant::

- With direct or indirect gross farm sales not more than the current indexed value in each of the previous 2 years, AND
- Who has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous 2 years.

An entity or joint operation can be a Limited Resource Farmer or Rancher if all individual members independently qualify.

### Limited Resource Farmer Self-Determination Tool

The purpose of this self determination tool is to enable potential limited resource farmers and ranchers to ascertain eligibility for various USDA programs and benefits.

- On-Line Limited Resource Self-Determination Tool <http://www.lrfstool.sc.egov.usda.gov/>

### Indian Tribes

Indian Tribe means any Indian Tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (43 U.S.C. 1601 et seq.) that is Federally recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians.

NOTE: "Indian Entities Recognized and Eligible To Receive Services From the United States Bureau of Indian Affairs" available at

<http://edocket.access.gpo.gov/2008/pdf/E8-6968.pdf>.

### Additional Information

To learn more, visit your local USDA Service Center. You can also find more detailed information on the Web at

- 2008 Farm Bill At a Glance: Conservation Opportunities for Socially Disadvantaged Farmers and Ranchers, Beginning Farmers and Ranchers, and Limited Resource Farmers and Ranchers. [http://www.nrcs.usda.gov/programs/farmbill/2008/pdfs/SDRBF\\_At\\_A\\_Glance\\_062608final.pdf](http://www.nrcs.usda.gov/programs/farmbill/2008/pdfs/SDRBF_At_A_Glance_062608final.pdf)
- USDA Small Farmers Website. This web site is intended to be a one-stop gateway to resources, benefits and services offered by USDA for small farmers. <http://www.csrees.usda.gov/smallfarms.cfm>