

Limited Resource or Beginning Farmer or Rancher

South Dakota Factsheet



Overview

Policy set by the 2018 Farm Bill provides support and resources for farms operated by new and beginning producers. The 2018 Farm Bill also provides targeted support for limited resource producers. The Natural Resources Conservation Service (NRCS) is committed to ensuring that technical and financial assistance reaches limited resource and beginning farmer or ranchers in order to help maintain and develop the economic viability of the farm or ranch operation.

What is a Limited Resource Farmer or Rancher?

A limited resource farmer, 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 two years and who has a total household income at or below the national poverty level for a family of four, or less than 50% of county median household income in each of the previous two years.

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

What is a Beginning Farmer or Rancher?

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

1. Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years.
2. Will materially and substantially participate in the operation of the farm or ranch

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.

In the case of a contract with an entity, all members must be materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members proved some amount of the management, or labor and management necessary for the 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.

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 (NRCS-CPA-1200) whether the appropriate criteria is met.

A website is available to determine eligibility as a Limited Resource Farmer or Rancher (<https://lrftool.sc.egov.usda.gov/DeterminationTool.aspx?fyYear=2022>). Based on your response to two questions, the website will identify “eligible” or “not eligible.” The website 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. Beginning Farmer or Rancher eligibility is ultimately a self-certification based on the definitions outlined in this fact sheet.

More Information

- [Contact SD NRCS](#)
- [NRCS Limited and Beginning Farmers Web Page](#)
- [Limited Resource Farmer/Rancher Self-Determination Tool](#)
- [Beginning Farmer and Rancher Web Tool](#)
- [National Institute of Food and Agriculture Beginning Farmer and Rancher Development Program](#)

Cost-Share Assistance

Limited resource and beginning Farmers or Ranchers are eligible to receive cost-share for conservation practices through the Environmental Quality Incentives Program (EQIP) and the Conservation Security 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 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. Upon request, to document Beginning Farmer or Rancher certification at least one IRS Form 1040 from the past 10 years that shows an IRS Form 1040, Schedule F was not filed would need to be provided.

For More Information

Find and contact your local USDA Service Center at bit.ly/contactnrcssd. Additional resources can be found on the Farmers.gov Beginning Farmers Web Page at <https://www.farmers.gov/your-business/beginning-farmers>.

