

The Food, Conservation and Energy Act of 2008

Beginning Farmers and Ranchers

- **BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM**
 - Reauthorizes competitive grants to support new and established local and regional training, education outreach, and technical initiatives for beginning farmers or ranchers.
 - Incorporates energy conservation efficiency and transition to organic farming into the programs and services eligible to receive competitive grants under this program.
 - Limits grants under this program to \$250,000 and modifies the evaluation criteria for grants under this program.
 - Provides \$75 million in mandatory funding for the program through the term of the farm bill.

- **CONSERVATION PROVISIONS TARGETED AT BEGINNING FARMERS AND RANCHERS**
 - Increases amount of cost-share -- up to 90 percent or 25 percent about prevailing rates—for beginning farmers and ranchers.
 - Allows up to 30 percent of cost-share funds to be advanced in order to help beginning farmers and ranchers purchase materials.
 - Sets aside 5 percent of the funds in the Environmental Quality Incentives Program and 5 percent of the acres in the Conservation Stewardship Program for beginning farmers and ranchers.
 - Requires increased technical assistance through both Natural Resources Conservation Service offices and through cooperative agreements with other organizations and entities.
 - Provides assistance for retiring farmers or ranchers by making them eligible for two years of additional annual rental payments if they sell or enter into a long-term lease for the CRP land with a beginning farmer or rancher or socially disadvantaged farmer or rancher.

- **CREATES A BEGINNING FARMER AND RANCHER INDIVIDUAL DEVELOPMENT ACCOUNTS PILOT PROGRAM:** This pilot program is modeled after the Assets for Independence Program at the Department of Health and Human Services. It provides grants to enable community-based nonprofits and state, local, and tribal government agencies to assist beginning farmers or ranchers enter agriculture. A beginning farmer or rancher who agrees to complete financial training and establish a savings plan with the goal of purchasing a capital expenditure such as farmland and equipment. These savings are matched by the participating entity. An authorization of \$5,000,000 for each of fiscal year 2009 through 2012 is provided for the program.

- **IMPROVES THE BEGINNING FARMER AND RANCHER DOWN PAYMENT LOAN PROGRAM:** This program combines the resources of a beginning farmer, USDA, and commercial lender finance farm purchases with relatively low down payments. The program maximizes the effectiveness of federal funds since the government's portion of financing a farm purchase is only 45 percent as opposed 100 percent in the traditional direct farm ownership loan. Improvements include:
 - setting the interest rate at 4 percent below the traditional direct farm ownership loan interest rate or 1.5 percent, whichever is greater;
 - reducing the down payment requirement from 10 percent to 5 percent;
 - increasing the loan duration from 15 years to 20 years; and
 - setting the maximum purchase prices at \$500,000.

- **BIOMASS CROP ASSISTANCE PROGRAM (BCAP):** The legislation directs the Secretary of Agriculture to establish BCAP project areas in which potential biomass crop producers and a biomass user facility have agreed to produce and use of biomass crops for conversion to advanced biofuels or bioenergy. Agricultural producers in BCAP project areas may contract with the Department of Agriculture (USDA) to receive biomass crop establishment payments up to 75 percent of costs, plus annual payments in amounts determined by the Secretary in subsequent years to help to compensate for lost opportunity costs until crops are established. The program also provides for cost-share payments for the harvest, storage, and transport of biomass crops to user facilities at a rate to match the biomass sale price, up to \$45 per dry ton. The bill provides such mandatory funds as are necessary to carry out the program.