

What Beginning Farmers Need Most in the Next Farm Bill: Land

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The 2018 Farm Bill should prioritize measures that support land access and tenure for beginning family farmers—the highest barriers to new farmer entry and retention. We recommend three evidence-based strategies, along with specific policy measures, to improve beginning farmer and rancher success: Beginning farmers need financial resources, retiring farmers need incentives to transition land to beginning farmers, and state and federal policymakers need to protect farmland as a public good.



A farmer at an incubator in the Central Coast of California prepares organic berries for sale. Photo: Adam Calo. Berkeley Food Institute.

Scope of Problem

Land access for new farmers and ranchers is an urgent policy issue. The average age of US farmers continues to rise, and 10 percent of US agricultural land, about 100 million acres, is expected to change hands in the five-year lifetime of the Farm Bill currently under consideration.¹ Research consistently identifies secure long-term access to quality and affordable farmland as the greatest barrier to the success of beginning farmers. Policy interventions in the 2018 Farm Bill are necessary to ensure the transfer of farmland to beginning family farmers.

Rural agricultural communities, once the foundation of American democracy, are facing an existential threat. Loss of land to development and investors,² the favoring of large-scale industrial agriculture, and a lack of cohesive rural policies combine to force farmers into bankruptcy, migration, and, in some cases, impossible debt burdens.³ A new generation of American family farmers could revitalize the rural US, yet nearly one in five new farmers report land access as the most significant challenge to farming or ranching.⁴ The failure to support new stewards of American farmland is both a threat to our regional food security and a driver of rural and urban poverty. The 2018 Farm Bill could help transition our valuable US agricultural land to the next generation of family farmers and ranchers, something federal food and agriculture policy has so far failed to do.

The US cost of living has risen while net farm income has remained flat. Today 82 percent of farm household income is derived from off-farm sources.⁵ New farmers, facing rising costs for agricultural land, find purchasing farmland untenable. Thus, farming as a tenant is prevalent—over 40 percent of US farmland is now rented.⁶ For tenant farmers, precarious landlord relationships and insecure land tenure discourages long-term investments in infrastructure and ecosystems—like soil health—when the tenants may not reap the future rewards of capital or environmental improvements.⁷ Land-access policy interventions must consider pathways to both new ownership and secure farmland tenure.

The 2008 Farm Bill began to fund training initiatives for new farmers through the Beginning Farmer and Rancher Development Program (BFRDP). BFRDP—originally funded at \$18 million per year, and growing to \$20 million per year—remains precariously subject to the Farm Bill reauthorization process. The BFRDP is an important first step towards supporting new farmers. While an essential piece of the beginning farmer puzzle, the program’s singular focus on skills-based training programs does not address the entrenched structural barriers that characterize the land access dilemma, nor does it meet the needs of a broadening coalition of beginning farmers. Gaining access to farmland requires social mobility, financial capital, and status in society that technical capacity alone does not provide.⁸ Increasingly, beginning farmers are members of underrepresented groups (e.g., women, immigrants, veterans, racial/ethnic minorities, LGBTQ, and young farmers) who face greater barriers to securing quality and affordable farmland.⁹ Although existing training programs do benefit some farmers, the BFRDP does not yet go far enough to ensure effective farmland transfer and secure long-term land tenure for beginning farmers.

Major Needs

The current Farm Bill reauthorization process provides an opportunity to focus federal resources on the key challenges of farmland succession and beginning farmer success. We hope that policymakers will critically



Farmer Nahum Avalos with his two-year-old blueberries in Covert, Michigan. Avalos is part of a BFRDP-funded program to increase the sustainability of first and next generation Latino farmers, led by Professor David Mota-Sanchez (Award #2017-70017-26860). Photo: David Mota-Sanchez. Michigan State University.

evaluate potential beginning farmer policy interventions by asking whether those policies only support a narrow set of individual farmers, or if they help maintain existing farmland and transition it to beginning farmers for the greater public good. In particular, historically disadvantaged farmers have long been excluded from the benefits of secure land access. But with policies that support their efforts, socially disadvantaged farmers¹⁰ and ranchers can forge new rural livelihoods. We present three major needs to consider in order to increase land access and tenure for a broad range of beginning farmers.

Beginning farmers need financial resources to farm.

Problem: Farming, like any new business, requires significant start-up capital.¹¹ Agriculture is an especially capital-intensive industry, with low initial returns. Farm-related funding in the Farm Bill is largely captured by the largest farms and agribusiness interests, leaving little to trickle down to newer or smaller family operations.¹² The funds promised to beginning farmers, through BFRDP, are mediated through grant-making programs who set their priorities and incur transaction costs.

Strategy: Direct financial support to farmers is urgently needed. Existing financial support for farmers through the Farm Bill could be redirected to efficiently benefit beginning farm businesses. Direct grant and loan

programs and participatory research initiatives would enable beginning farmers to target their financial barriers to success, such as long-term land security.

Retiring farmers need incentives to transfer land to beginning farmers.

Problem: Land is a farmer's greatest asset,¹³ and farmland values continue to rise, nearly tripling between 2003 and 2017.¹⁴ Retiring farmers often sell their land at market value in order to retire, or are motivated to sell it by their heirs.¹⁵ Increasingly, new farmers cannot afford to purchase land and enter formal or informal rental agreements instead.¹⁶

Strategy: Farmland transfer policies must consider both new pathways to ownership and promote non-exploitative and more secure farmland rental arrangements.

The US needs to protect farmland as a public good.

Problem: US agriculture has played a central role in shaping global economic and political structures, as well as feeding, fueling, and clothing the American public.¹⁷ At the root of our agricultural economy are communities of rural, family farmers. Yet today, competing development priorities, rural flight, and desertification are hastening farmland loss. In California alone, a top agricultural producing state, arable lands decreased by over 1.4 million acres between 1984 and 2010.¹⁸

Strategy: To promote family farming and rural livelihoods, we need to protect the public good generated by our remaining domestic farmland. We can begin by increasing involvement of municipalities in the public acquisition and management of preserved farmlands. In promoting land for the public good, it is also crucial to consider who has been historically excluded from the ability to access and own land and prioritize land transfer to socially disadvantaged farmers and ranchers.



Beginning farmer with seedlings ready for transfer. Photo: USDA Photo Library.

Policy Recommendations

Beginning farmers need financial resources to farm.

- Prioritize land access for beginning farmers and ranchers in existing Farm Bill programs:
 - Permanently reauthorize BFRDP, increase mandatory funding to \$50 million, and prioritize grants to projects that address challenges related to land access, transition, and succession planning (in HR 4316, HR 4201, and S 2762).
 - Prioritize beginning farmers in cost-share grant programs, like the Environmental Quality Incentives Program (EQIP), by increasing beginning farmer set-asides to 15 percent (in S 2762), and improve accessibility by automatically qualifying all new farmers for up-front financing (in HR 4316).
 - Fund the Tenure, Ownership, and Transition of Agricultural Land (TOTAL) survey with each USDA Agricultural Census (in HR 4316).
- Provide direct funding for beginning farmers and ranchers to either purchase land or lease it for the long term:
 - Raise the cap on Farm Service Agency (FSA) Direct Farm Ownership loans to \$500,000 and allow annual and regional cap adjustments to reflect variations in land prices (in HR 4316 and HR 4201).

- Expand eligibility for the Community Facilities Direct Loan and Grant program to include funds for direct farmland purchase and on-farm housing infrastructure.
- Provide grants for communal land purchase for groups of beginning family farmers (like the current allowance for multiple individual investors to receive funds from EQIP and Value Added Producer Grant funds).
- State initiatives like California’s Sustainable Agricultural Lands Conservation (SALC) program and the Healthy Soils Initiative could provide mechanisms for local municipalities to preserve working lands in perpetuity.

Retiring farmers need incentives to transfer land to beginning farmers.

- Expand the Conservation Reserve Program (CRP) and Transition Incentive Program (TIP) (in HR 4316, HR 4201, and S 2762). TIP provides landowners enrolled in the CRP two additional years of CRP payments if they sell or rent that land to beginning farmers. With additional funding and outreach capacity, TIP can benefit more retiring and beginning farmers.
- Expand the Agriculture Conservation Easement Program (in HR 4316) and include affordability and farm viability provisions (HR 4201) to protect working farmland in perpetuity.
- Provide tax incentives for farmland owners to transition their land to beginning family farmers and ranchers.
- Provide legal counsel and protections for tenant farmers, including those in informal lease arrangements, to pursue the broad spectrum of tenant rights that may facilitate their land tenure, their right to farm, and their ability to transition to land ownership.

US policy should protect farmland as a public good.

- Provide funding for states to purchase agricultural land at the full appraised value and then resell it to

Exploring Creative Solutions

Though not yet in the Farm Bill, the following longer-term goals can help us transition toward a more just and sustainable food and farm system, providing greater food security and safety, as well as ecological and social benefits to society:

- Implement [demographic representation](#) at sites of beginning farmer decisionmaking, such as on Farm Service Agency (FSA) boards, nonprofits that receive federal grants, and state and federal advisory boards.
- Re-zone land with potential agricultural value to incentivize agricultural production, either by limiting development, providing restrictions on some types of development, or by providing incentives towards agricultural production.
- Apply a collective policy framework to current beginning-farmer support strategies, such as financial assistance, land access and tenure, and training. Support alternatives to single-owner operators by, for example, prioritizing grants for collectively-owned agricultural operations and registered cooperatives and providing tax incentives for collective, representative, and participatory ownership structures.
- Implement community asset transfer programs to direct public or private land towards more productive and democratic uses. Asset transfer provides a policy mechanism for community-based land-use commissions to bid on alternative redistributive uses for farmland at risk of development or impending sale. An example is the ongoing work of the Scottish Land Commission, after the passage of the Land Reform (Scotland) Act 2016.¹⁹



As part of the USDA Beginning Farmers and Ranchers Development Program, veteran farmers learn to build a hoop house. Photo: USDA/ARS.

beginning farmers, with an agricultural easement, at the agricultural appraised value, modeled on [Rhode Island's Farm Access Program](#).

- Provide funding for states to monitor, purchase, and hold agricultural land as a public resource, and offer long-term leases to beginning farmers, especially socially disadvantaged farmers. The disaster provisions of the Farm Bill may provide public land acquisition opportunities.
- Introduce an equity framework for land transfer and protection programs. California's Farmer Equity Act of 2017 provides a model for insitutionalizing equity checks for agricultural policy. The USDA has been embroiled with lawsuits because of decades of discriminatory lending practices. By installing an equity framework into land-access policymaking processes, governments can avoid discrimination and support a broad, representative coalition of new farmers.
- Fund existing programs that support agricultural cooperatives, like the Rural Cooperative Development Grant.
- Put protections in place to ensure that land-based policy interventions benefit vulnerable farmer constituencies, such as family farmers and ranchers and socially disadvantaged farmers, especially small and mid-sized enterprises.

- Require agricultural easements on all land purchased with funds.
- Prohibit certain corporate ownership types ([nine states](#) currently have laws in place that limit or prohibit corporate farm ownership, including the purchase of land by foreign entities: South Dakota, North Dakota, Oklahoma, Iowa, Minnesota, Wisconsin, Nebraska, Missouri, and Kansas).

Conclusion

During this Farm Bill cycle, three beginning-farmer marker bills gained bipartisan support. All three of these bills—the *Beginning Farmer and Rancher Opportunity Act of 2017* (HR 4316), the *Young and Beginning Farmers Act* (HR 4201), and the *Next Generation in Agriculture Act* (S 2762)—begin to address land issues. Research clearly indicates that provisions like those outlined in this policy brief and included in these marker bills, would benefit many new family farmers and make it easier for them to find and keep quality affordable farmland. Without coordinated public policies and programs that address the structural barriers to new farmer entry and retention, we can expect to see further depreciation of rural livelihoods, unmet regional food demand, loss of US farmland, and greater corporate consolidation in our food system. The 2018 Farm Bill has a unique opportunity to help beginning farmers overcome the greatest challenge to their success: land.

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 - (2) Native Indians
 - (3) Alaskan Natives
 - (4) Hispanics
 - (5) Asian Americans
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