



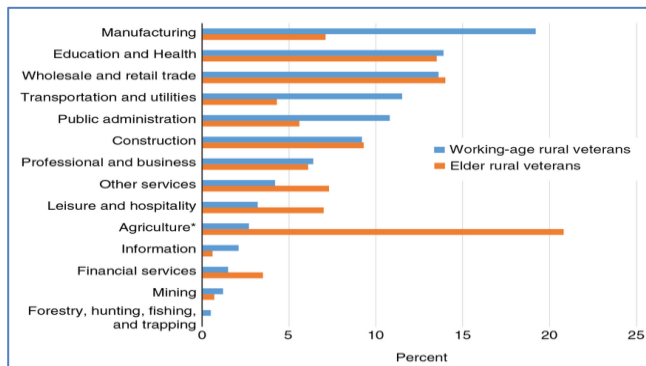
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2018 Farm Bill Primer: Veteran Farmers and Ranchers

The enacted 2018 farm bill (Agriculture Improvement Act of 2018, P.L. 115-334) provides additional support for U.S. military veterans transitioning into agriculture by expanding on programs authorized in the 2014 farm bill (Agricultural Act of 2014, P.L. 113-79). Programs administered by the U.S. Department of Agriculture (USDA) provide financial and resource management support to help U.S. veterans transition to farming or ranching and to assist them in maintaining successful businesses as part of a larger effort to support beginning farmers and ranchers (BFRs).

Data from USDA indicate that the rural post-9/11 veteran population increased from 200,000 in 2006 to more than 400,000 in 2016, raising the post-9/11 veteran population to about 13% of the total rural veteran population, up from about 4% in 2006. Nevertheless, overall, the rural veteran population has been decreasing. USDA data also indicate that working-age veterans tend to rely more on employment in manufacturing and far less on agriculture compared to elder veterans. Data are not available on the number of veterans who wish to enter farming or ranching (Figure 1).

Figure 1. Employment Among Veteran Groups, 2015



Source: USDA, *Amber Waves*, September 2015.

Farm Bill Support for Veterans

The term *veteran farmer or rancher* is defined in statute to mean a farmer or rancher who has served in the Armed Forces—covering the U.S. Army, Navy, Marine Corps, Air Force, Coast Guard, and the reserves (as defined elsewhere in the *U.S. Code*)—who “has not operated a farm or ranch; or ... has operated a farm or ranch for not more than 10 years” or who first obtained status as a veteran “during the most recent 10-year period” (7 U.S.C. §2279(e)(7), as amended). The 2018 farm bill further includes veteran farmers and ranchers as part of a new definition of an *underserved producer* (§11108), providing them with additional assistance in the federal crop insurance program.

The 2018 farm bill specifically clarifies the availability of USDA programs for veteran farmers and ranchers, including down payment loans, reduced interest rates on

guaranteed loans, disaster assistance coverage, and federal crop insurance (§12306). The 2018 farm bill also targets veteran farmers and ranchers for increased focus in USDA research and educational programs. Specifically, it expands existing support for veterans transitioning into agriculture by creating the Farming Opportunities Training and Outreach (FOTO) program, consolidating into a single new program two formerly separate programs: (1) the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers Program (also known as the Section 2501 program based on its location in the 1990 farm bill) and (2) the (now renamed) Beginning Farmer and Rancher Development Grant Program.

FOTO consolidates these two programs into a single program but maintains these two programs with certain modifications. These programs both provide resources, training, outreach, and technical assistance to veteran farmers or ranchers (among other eligible entities) through grants, contracts, and other agreements. Grants under these programs support a range of activities, including farm and financial management and marketing. Consolidation of these programs into FOTO along with other changes are supported by the National Sustainable Agriculture Coalition (an advocacy group) which asserts these changes will make the programs more effective. Changes in the 2018 farm bill aim to provide for increased transparency, accountability, and responsiveness to stakeholders by requiring external review and additional reporting. Other changes are to expand eligibility for projects serving retiring farmers and non-farming landlords, establish a waiver for the matching funds requirement, and establish priorities on food safety and succession planning, among other changes.

The 2018 farm bill provides mandatory funding for FOTO through the Commodity Credit Corporation, which is to be evenly split between the two programs. Mandatory funding is set at \$30 million for each of FY2019-FY2020, \$35 million for FY2021, \$40 million for FY2022, and \$50 million in FY2023 and each year thereafter. Thus, the farm bill gives FOTO permanent funding, providing it with baseline funding into the future. Additionally, it authorizes \$50 million in annual appropriations through FY2023.

The 2018 farm bill further expands the responsibilities of the Military Veterans Agricultural Liaison position at USDA, which was authorized in the 2014 farm bill. These changes are intended to improve coordination between USDA and other federal agencies through data collection and the creation of a dedicated website with information for veterans about agricultural programs so they can start a new farming career (§12402). The farm bill also expands on USDA advocacy and outreach to further extend services to veteran farmers and ranchers, among other underserved groups, while also expanding monitoring and reporting of

program outcomes (§12406). It also establishes a National Beginning Farmer and Rancher Coordinator to provide outreach and technical assistance to help BFRs participate in USDA farm programs (§12304).

2018 Farm Bill Provisions Addressing Veterans

- **Availability of USDA programs for veteran farmers and ranchers** (§12306)—Amends the definition of *veteran* and extends benefits to veterans for down payment loans, reduced interest rates on guaranteed loans, disaster assistance coverage, and increased educational focus from the Food Safety Outreach Program and the Federal Crop Insurance Education Program.
- **Farming Opportunities Training and Outreach (FOTO)** (§12301)—Consolidates two existing farm bill programs: the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers Program and the (renamed) Beginning Farmer and Rancher Development Grant Program.
- **Underserved producers** (§11108)—Includes veteran farmers and ranchers as part of a new definition of an *underserved producer*, providing veterans (and other underserved groups) with additional assistance in obtaining federal crop insurance.
- **Payment acres** (§1104)—Adds veterans to the current law exception from the minimum 10 base acre test under the Price Loss Coverage and the Agriculture Risk Coverage programs.
- **Supplemental agricultural disaster assistance** (§1501)—Increases cost sharing to 75% for veterans and other BFRs.
- **USDA conservation programs** (Title II)—Provides preferences under certain programs, including the Environmental Quality Incentives Program, the Conservation Reserve Program Transition Incentives Program, and the Regional Conservation Partnership Program, among others.
- **Pilot programs** (§2204)—Adds preference for veterans receiving financial and technical conservation assistance.
- **Employment and training for Supplemental Nutrition Assistance Program** (§4005)—Makes Department of Labor and Department of Veterans Affairs programs eligible to satisfy work requirements for veterans under the Supplemental Nutrition Assistance Program.
- **BFR individual development accounts pilot program** (§5301)—Provides business and financial education.
- **State agricultural mediation programs** (§5402)—Expands state agricultural grants to support mediation services related to credit counseling and other issues requiring mediation.
- **Assistive technology program for farmers with disabilities** (§7214)—Reauthorizes demonstration grants to individuals with disabilities engaged in farming or farm-related occupations, including veterans pursuing farming opportunities.
- **Competitive, Special, and Facilities Research Grant Act** (§7504)—Adds barriers to entry for veteran and underserved farmers and ranchers to USDA's priority research areas.
- **Reports on land access and farmland ownership data collection** (§12607)—Requires USDA to submit a public report (within a year of enactment) on barriers that prevent BFRs from acquiring or accessing farmland.
- **BFR coordinator** (§12304)—Establishes a National BFR Coordinator to provide outreach and technical assistance to help BFRs participate in USDA farm programs.
- **Military veterans agricultural liaison** (§12402)—Requires additional data collection and a dedicated USDA website with information for veterans about USDA programs and support.
- **Office of Partnerships and Public Engagement** (§12406)—Expands USDA advocacy and outreach to veteran farmers and ranchers, among other underserved groups, and requires additional monitoring and reporting.

Veteran farmers and ranchers also receive certain preferences under most USDA farm credit and farmland conservation programs. They are eligible for increased cost share assistance, additional financial incentives, and funding preferences for engaging in conservation efforts. Changes enacted in the 2018 farm bill are to allow new farmers and veterans enrolling in USDA conservation programs the option to receive 50% of their cost-share payment up front (§2204). It also requires USDA to collect data on land access and farmland ownership to identify barriers that prevent new farmers, including veterans, from acquiring or accessing farmland (§12607). Veterans and new farmers also benefit from preferential rules on USDA's farm credit and microloan program. The 2018 farm bill also expands state agricultural grants to support mediation services related to credit counseling and other issues requiring mediation. Other changes address USDA's crop insurance and disaster assistance. (See **text box**.)

In general, USDA programs support veteran farmers and ranchers as part of broader efforts that support BFRs. Policies supporting BFRs generally date back to the early 1990s and have continued to be part of subsequent farm bills. USDA programs that specifically support BFRs include crop insurance, disaster assistance, loans and grants, loan repayment assistance, tax benefits, conservation assistance, training and education, transition assistance to convert to certified organic agriculture, and programs to match retiree landowners with buyers. Veterans are also eligible for and served by other farm bill programs in other USDA mission areas, but these benefits and services are not specific to veteran farmers and ranchers. For instance, low-income veterans may be eligible for USDA food and nutrition assistance, and veterans living in rural areas may be eligible for housing, employment, and community services under USDA's rural development programs. Veterans who produce value-added products may also be eligible to receive priority consideration for available USDA value-added producer grants.

USDA also partners with other federal agencies to support veterans. For example, the Department of Defense–USDA Partnership for Military Families project supports a range of professional development and workforce development opportunities for veterans and their families. Services are delivered through land-grant universities and the state Cooperative Extension System, which provide a range of educational and technical assistance to new farmers and assistive technologies for farmers with disabilities.

Other Federal Agency Support

Other federal agencies also provide a range of services supporting veteran farmers and ranchers that generally fall outside the parameters of the farm bill. Examples include the Small Business Administration's Boots to Business program, which provides support to veterans through entrepreneurial education and training. The Department of Veterans Affairs provides entrepreneurial development, education and training, and business services through the Post-9/11 GI Bill. On-farm training is also available.

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