

For: State and County Offices

**Definitions of Beginning Farmer or Rancher, Socially Disadvantaged
Farmer or Rancher, and Limited Resource Farmer or Rancher for Farm Programs**

Approved by: Deputy Administrator, Farm Programs



1 Overview

A Background

The Food, Conservation, and Energy Act of 2008 (2008 Act) (Pub. L. 110-246) was enacted into law on June 18, 2008. The 2008 Act:

- provides benefits for beginning farmers or ranchers, socially disadvantaged farmers or ranchers, and limited resource farmers or ranchers
- defines these terms using previous regulations or statutes
- does not change the definition of “Beginning Farmer”, “Socially Disadvantaged Applicant”, “Socially Disadvantaged Group”, and “ Limited Resource Interest Rate” for FLP’s according to 7 CFR 761.2(b), 3-FLP, and 5-FLP.

B Purpose

This notice:

- informs State and County Offices of the **Farm Program** definitions of “Beginning Farmer or Rancher”, “Socially Disadvantaged Farmer or Rancher”, and “Limited Resource Farmer or Rancher”
- provides State and County Offices with the guidelines on when the definitions are applicable
- provides a summary table (Exhibit 1) with applicable programs by groups.

Disposal Date	Distribution
January 1, 2009 8-25-08	State Offices; State Offices relay to County Offices

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2 Definitions To Be Used for Farm Programs

A Definition of Beginning Farmer or Rancher

Individual programs may refer to the following definitions. Applicable authority will be included under individual programs.

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

- has **not** operated a farm for more than 10 years

Note: This requirement applies to all members of an entity.

- will materially and substantially participate in the operation of the farm
- in the case of an entity, all of the members or stockholders in a corporation are qualified beginning farmers or ranchers.

Beginning Farmer or Rancher	Applicability
	NAP, Waiver of Risk Management Purchase Requirement for Supplemental Agricultural Disaster Assistance Program, Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish, TAP, Biomass Crop Assistance Program (BCAP), and CRP

B Definition of Socially Disadvantaged (as Defined in the 1990 Farm Bill)

A socially disadvantaged group is a group whose members have been subject to **racial** or **ethnic** prejudice because of their identity as members of a group without regard to their individual qualities.

A socially disadvantaged farmer or rancher is a farmer or rancher who is a member of a socially disadvantaged group. **For entity applicants, all members/stockholders of the entity must be socially disadvantaged.**

These groups consist of the following:

- American Indians or Alaskan Natives
- Asians
- Blacks or African Americans
- Native Hawaiians or other Pacific Islanders
- Hispanics.

Note: Gender is not a covered group under the 1990 Farm Bill definition.

1990 Farm Bill Definition of Socially Disadvantaged Farmer or Rancher	Applicability
	NAP, Waiver of Risk Management Purchase Requirement for Supplemental Agricultural Disaster Assistance Program, Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish, TAP, BCAP, and CRP

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2 Definitions To Be Used for Farm Programs (Continued)

C Definition of Socially Disadvantaged (as Defined in CONACT)

A socially disadvantaged group is a group whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.

A socially disadvantaged farmer or rancher is a farmer or rancher who is a member of a socially disadvantaged group. For entity applicants, all members/stockholders of the entity must be socially disadvantaged.

These groups consist of the following:

- American Indians or Alaskan Natives
- Asians
- Blacks or African Americans
- Native Hawaiians or other Pacific Islanders
- Hispanics
- women.

CONACT Definition of Socially Disadvantaged Group	Applicability
	DCP 10-acre exception and Average Crop Revenue Election (ACRE) 10-acre exception

D Definition of Limited Resource Farmer or Rancher

A limited resource farmer or rancher is a producer with both of the following:

- direct or indirect gross farm sales of not more than \$100,000 in both of the previous 2 years, to be increased beginning FY 2004 to adjust for inflation using Prices Paid by Farmer Index as compiled by NASS
- total household income at or below the national poverty level for a family of 4, or less than 50 percent of county median household income in both of the previous 2 years, to be determined annually using Commerce Department data.

Note: For up-to-date data for this definition, a limited resource farmer or rancher status can be determined in an automated system using the web site for the NRCS Limited Resource Farmer and Rancher Online Self Determination Tool at <http://www.lrftool.sc.egov.usda.gov/tool.asp>. This tool will determine a producer’s status using their personal data at their State and county location.

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2 Definitions To Be Used for Farm Programs (Continued)

D Definition of Limited Resource Farmer or Rancher (Continued)

Limited Resource Farmer or Rancher	Applicability
	DCP 10-acre exception, ACRE 10-acre exception, CRP, ECP, NAP, Waiver of Risk Management Purchase Requirement for Supplemental Agricultural Disaster Assistance Program, Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish, and TAP

3 Action

A State Office Action

State Offices shall ensure that:

- the correct definition of each program is adequately publicized by all available means
- the correct definition of each program is used properly when authorized by a program
- County Offices are immediately informed of the contents of this notice.

B County Office Action

County Offices shall ensure that the correct definition for each program:

- area is adequately publicized by all available means
- is used properly when authorized by a program.

Programs Summary Table

Program	Beginning Farmer or Rancher	Limited Resource Farmer or Rancher	Socially Disadvantaged (Excluding Gender)	Socially Disadvantaged (Including Gender)
DCP 10-acre exception		X		X
ACRE 10-acre exception		X		X
CRP	X	X	X	
5% Assistance to Certain Farmers and Ranchers to Improve Their Access to Conservation Programs	X		X	
ECP		X		
BCAP	X		X	
NAP	X	X	X	
Waiver of Risk Management Purchase Requirement for Supplemental Agricultural Disaster Assistance Program, Emergency Assistance for Livestock, Honey Bees and Farm-Raised Fish, and TAP	X	X	X	