Farm Bill Improvements for Beginning, Limited Resource and Socially Disadvantaged Crop Farmers

Crop Insurance - from crop insurance agents through RMA

1. More protection choices

2. Improved Organic Protection
   a. Organic elections availability for more crops
   b. Extended organic price coverage for 2014; to eight additional crops (oats, peppermint, apricots, apples, blueberries, almonds, pears, and grapes for juice) to a total of sixteen (producer has the option of using organic or conventional prices)
   c. RMA has removed the 5 percent premium surcharge for organic price options

3. New benefits for beginning farmers
   a. Additional 10 percentage points of premium subsidy for additional coverage policies (buy-up) that have premium subsidy;
   b. Exemption from paying the administrative fee for catastrophic (CAT) and additional coverage (buy up) level policies;
   c. Use of the production history of farming operations, if BFs were previously involved in the decision making or physical activities; and
   d. An increase in the substituted yield for yield adjustment, which allows a replacement of a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield) for the crop in the county.

4. Benefit for farmers with limited resources
   The administrative fee will be waived if you request it and if you qualify as a limited resource farmer (as defined by USDA at http://www.lrftool.sc.egov.usda.gov/LRP-D.htm)

5. Improved whole farm revenue protection - Features include:
   a. Covers all farm commodities including animal and animal products revenue including commodities purchased for resale (limit up to 50% of total expected revenue) (no protection for timber forest, forest products and animals for sport, show or pets))
   b. Coverage levels from 50 to 85% of expected revenue (covers min. market readiness costs)
   c. Covers natural causes of loss and declining market prices within the insurance year
   d. Premium subsidies vary from 55% to 80%.
   e. Opportunity to also purchase MPCI Buy-Up policies for selected individual crops
NAP (Non-insurable crop disaster Assistance Program) – from FSA

1. Improved NAP – Up to 65% coverage level and 100 percent of the established price for most non-insurable crops

2. New benefits for beginning farmers
   a. A farmer or rancher entity or joint operation, who has not actively operated and managed a farm or ranch for more than 10 years, and materially and substantially participates in the operation; For legal entities to be considered a beginning farmer or rancher, all members must be related by blood or marriage; and all the members must be beginning farmers or ranchers
   b. The NAP administrative fees do not apply if you meet the definition of a beginning farmer, limited resource farmer, or *socially disadvantaged farmer
   c. The premium for limited resource, beginning, and “socially disadvantaged” farmers is 50 percent of the premium

*Socially disadvantaged farmer definition – A farmer or rancher who is a member of a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. Socially disadvantaged groups include the following, and no others unless approved in writing by the Deputy Administrator:
   (a) American Indians or Alaskan Natives,
   (b) Asians or Asian-Americans,
   (c) Blacks or African-Americans,
   (d) Hispanics or Hispanic-Americans,
   (e) Native Hawaiians or other Pacific Islanders, and
   (f) Women.

* For legal entities requesting to be considered Socially Disadvantaged, the majority interest must be held by socially disadvantaged individuals

Micro-Loans from FSA

Micro-Loans
Expanding eligibility and increasing lending limits to help more beginning and family farmers.
   a. The borrowing limit is increased from $35,000 to $50,000
   b. Loan types include: production operations, machinery and breeding stock, farm real estate (purchase and make improvements, and land development to promote soil and water conservation)
   c. The lending process is simplified;
   d. Updating required "farming experience" to include other valuable experiences
   e. Expanding eligible business entities to reflect changes in the way family farms are owned and operated
   f. Help more people who are considering farming and ranching, or who want to strengthen their existing family operation.

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