

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 MPCCI 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.