



2014 Farm Bill and “Veteran Farmers”

Veteran Farmer Defined. The term “veteran farmer or rancher” means a farmer or rancher who has served in the Armed Forces and who:

1. has not operated a farm or ranch; or
2. has operated a farm or ranch for not more than 10 years.

Service in the armed forces includes the Army, Navy, Marine Corps, Air Force, Coast Guard, Reserves, Army National Guard, and Air National Guard.

Land Transition Incentives. The CRP Transition Incentive Program gives owners of land coming out of the Conservation Reserve Program additional CRP payments if they lease or sale the land to a Veteran Farmer.

Benefits:

- Two additional years of CRP payments to the landowner;
- Allows the veteran farmer leasing or purchasing the land to commence conservation and land improvements, including preparation for planting, a year prior to CRP contract expiration;
- Allows the veteran farmer to begin organic certification a year prior to the CRP expiration; and
- Provides the opportunity for the farmer veteran to enroll in the Conservation Stewardship Program (CSP) or the Environmental Quality Incentive Program (EQIP) and to reenroll parts of the property in the Continuous CRP signup.

Requirements:

- The owner of the CRP land must be retired or retiring,
- The owner must agree to sell or enter a long-term lease (5 years) or lease with an option to purchase with the veteran farmer, and
- The veteran farmer must develop and follow a conservation plan for sustainable grazing or crop production.

Veteran Preferences and Priorities.

Conservation Programs. The USDA is required to set aside a portion of funding for EQIP and a portion of the acres available for CSP for beginning and socially disadvantaged farmers and ranchers. The amount is 5% for beginning farmers and ranchers and 5% for socially disadvantaged farmers and ranchers. The new Farm Bill now requires that a preference be given to veteran farmers and ranchers that fall within at least one of the set-aside categories.

The USDA is also now authorized to provide additional incentives to veteran farmers for participation in conservation programs that provide new farming and ranching opportunities and enhance long-term environmental goals.

Value-Added Development Grants. This program is one of the few instances in which private farmers may directly receive grants for their business. The purpose is to assist farm businesses and producer groups in developing business plans and strategies to market value-added products.

In awarding grants to producers under this program, the USDA must now give a priority to veteran farmers and ranchers, along with small and medium-sized family farms, beginning farmers, and socially disadvantaged farmers and ranchers.

Microloan Assistance.

Microloans have a simpler application process and less stringent requirements regarding farm management experience.

The 2014 Farm Bill specifically excludes Micro-loans that are used by veterans from the term limits applied to other USDA Direct Operating Loans.

The legislation also modifies the USDA Operating Loan program to limit the interest rate that may be charged to farmer veterans using USDA Micro-Loans. The interest rate is set by the Department of Agriculture but is limited to approximately half the rate of comparable loans. The law does, however, also set a minimum of 5%, which is greater than current rates for the program.

Outreach and Advocacy.

Beginning Farmer and Rancher Development Grant. The BFRDP administers grants to organizations providing training, education, outreach, and technical assistance to beginning farmers and ranchers. Under the 2014 Farm Bill assistance for veteran farmers is made a priority under the BFRDP by specifically including “agricultural rehabilitation and vocational training” as an eligible service and providing a 5% set aside of BFRDP funding for programs serving veterans.

The Outreach and Assistance Program for Socially Disadvantaged Farmers and Ranchers has been expanded to include veterans. This allows the USDA to provide additional technical assistance to veterans focused on enabling farm ownership and operation as well as outreach to encourage participation in USDA programs.

Military Veterans Agricultural Liaison. The Farm Bill legislation also increases advocacy and coordination for veteran farmers and ranchers by creating the position of Military Veterans Agricultural Liaison. This position will help connect returning veterans with agricultural programs as well as assist in the use of veterans education benefits for a farm or ranching career. The Liaison will also advocate on behalf of veterans in interactions with USDA employees. This position appears to essentially facilitate critical two-way communication, providing information to veterans on fully utilizing government programs and ensuring USDA personnel understand unique veteran characteristics and implementation of new veteran farmer programs.

The Veterans Liaison will also be able to enter agreements with a variety of service providers to promote research, development of educational materials, workshops and vocational training, and mentorships and apprenticeships that serve veteran farmers.

This project is supported by the U.S. Department of Agriculture Risk Management Agency.

Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author and do not necessarily reflect the view of the U.S. Department of Agriculture.

This institution is an equal opportunity provider.