

ONE COUNTRY

SECURING THE FARMING FOUNDATION

The Farm Bill isn't just a collection of programs — it's America's rural agenda. This year, Congress can write a Farm Bill that goes beyond farm and food policy by addressing the totality of what it means to live, work, and succeed in rural communities.

The stability of our agricultural system and food supply chain is essential for economic prosperity, public health, and national security. Since the last Farm Bill was written, our country has experienced extraordinary shocks to its system. The COVID-19 pandemic disrupted crucial supply chains, leaving critical inputs like fertilizer scarce and resulting in skyrocketing costs — without a corresponding gain in farmers' revenue. Pressures to “get big or get out” are forcing many small and family farmers to do the latter. Many Americans do not see farming as a profitable venture.

To secure America's farming foundation and its future, the Farm Bill should make farming financially rewarding and economically sustainable with consistent and constructive federal support.



THE PROBLEM AT HAND

At an average age of 57, our current generation of American farmers is rapidly aging out of the business. Young people are interested in getting into farming, but they face numerous barriers to entry. The most significant impediments are a lack of access to land and the capital to purchase it. In one recent survey, 59 percent of young farmers said finding affordable land to buy was very or extremely challenging. An even greater proportion of farmers of color, 68 percent, indicated these factors presented a barrier to entry.

Without a new generation of producers to take

current farmers' place, the sustainability and security of our country's food system is at risk.

Grocery prices have been rising across the country and food insecurity is a worsening problem. Increasingly extreme weather is likely to disrupt agricultural practices, further increasing food costs and exacerbating food insecurity. Young farmers, who are better-equipped with ecological training, will be key in transitioning to a climate-resilient and sustainably productive agricultural system — and ensure we have a food supply chain strong enough to weather future shocks.

A POLICY SOLUTION

NEW & BEGINNING FARMER TAX CREDIT

A major obstacle to the transfer of farmland and farming operations is the tax liabilities of the sellers, and the financial restrictions of the purchasers.

The potential impact of taxable income from renting property and equipment to beginning farmers can dissuade retiring operators from seeking a rental farming option.

New and beginning farmers often carry student debt, have off-farm jobs to provide additional income and health benefits, and operate their farm business on very thin margins.

To address these issues, we propose multiple programs:

- **For landowners selling their operation to a new or beginning farmer**, a refundable tax credit of up to 10 percent of the total sale value, with a maximum value of \$45,000, adjusted for inflation annually.
- **For owners selling farm implements, livestock, machinery, and supporting equipment to new and beginning farmers**, a refundable tax credit of up to 5 percent of the fair market value of the equipment, with a maximum value of \$10,000, adjusted for inflation annually.
- **For new and beginning farmers acquiring land**, a fully refundable deduction of all interest, closing fees, and property taxes for the first 5 years following the purchase, as well as a refundable tax credit for the completion of Farm Business Management Courses completed by a new or beginning farmer within a period of 3 years prior to acquiring an operation or any time during the first 5 years running an operation.

Additionally, we propose including farming in the definition of public service for student loans, allowing for the full loan forgiveness of a borrower who meets the criteria of the program.

The completion of Farm Business Management Courses is mandatory for new and beginning farmers to complete in order for the new or beginning farmer, or the land holder they acquired the operation from, to be eligible for any of these proposed programs.



ADDITIONAL POLICY SUGGESTIONS

□ STREAMLINED LOAN PROGRAM

Previous Farm Bills have led to significant progress in creating and expanding loan programs for new and beginning farmers. However, these programs are not easily accessible and rely on difficult-to-use online forms for applicants.

Surveys have shown that these programs are best administered through service centers in the countryside staffed by knowledgeable USDA staff. Consolidation and closures of service centers has reduced field staff and limited the efficacy of loan programs.

Farmers look to USDA field staff as both loan officers and counselors to guide them through the process of selecting loans, completing applications, determining what additional programs they qualify for, and tracking the progress of their application.

Outdated technology, an overreliance on paper documentation, and hard-to-use self-service systems further hamper the use of these loans.

To address the difficulties in accessing existing USDA programs, we propose **restoring USDA to full staffing levels before the 2011 sequestration cuts and reopening any closed USDA field offices.** Ensuring a trained and welcoming workforce at USDA is the key step to expanding access to capital and support programs that will help a new generation of American farmers take to the field.

Additionally, we propose a significant investment in the IT infrastructure of USDA divisions to ensure that all divisions can access materials and eliminate the need for paper records. Reinvestment in staffing and infrastructure will enable USDA to reach every new and beginning farmer and help socially disadvantaged farmers have a fair seat at the table.

□ TRANSITION CLEARINGHOUSE

The concept of a clearinghouse to connect retiring farmers and agricultural landholders with beginning farmers and facilitate the transfer of land through ownership or rental farming is not new.

Many private entities administer versions of clearinghouses: American Farmland Trust and the Land Stewardship Project both have limited versions serving regional parts of the U.S. Some smaller states' departments of agriculture – Rhode Island, New Jersey, and Connecticut, for example – have versions of state-level programs.

However, these disparate clearinghouses are inefficient in their coverage and scale. Additionally, many of these clearinghouses are managed by policy focused groups that may present a barrier to farmers who are not supportive of the groups' mission.

To resolve these issues, and expand the program to a truly national scope, we propose creating a **National Farmland Exchange that would be housed within USDA's NIFA Cooperative Extension System.** This program aligns with NIFA's mission to provide informal education and resources to farmers and rural communities. Housing this exchange within an agency that farmers already use and trust would increase participation. Additionally, using the extension system would increase engagement with students at agricultural colleges who are poised to become the future of American farming.

THE BENEFITS

Taken together, our policy proposals would **encourage a new generation of American family farms to continue providing the food, fiber, and fuel that drive our national economy.**

Generational change in farming would provide the opportunity for newer cash crops and commodities to become part of a regular crop rotation, due in large part to the higher levels of education and innovation new and beginning farmers bring to the farm.

This diversification in agricultural production would create more markets for American farmers and buoy flagging farm incomes.

Additionally, a new generation of farmers deploying precision agricultural techniques can increase agriculture's role in mitigating climate change, an especially vital goal at a time of increasing climate disruption.

In total, our proposals would help to **reverse years of consolidation in farming operations, advance our national response to the climate crisis, reduce the burdensome debt obligations that have hampered the transition of operations between generations,** and help to **build a new generation of wealth through greater income opportunities for younger producers.**

ENDORSEMENTS

Young Farmer Success Act

Introduced by Reps. Joe Courtney (CT-2), Glen "GT" Thompson (PA-15), Monica De La Cruz (TX-15), and Nikki Budzinski (IL-3).

The number of small farms is on the decline and the average age of American farmers is rising.

The Young Farmer Success Act would make young people in agricultural professions eligible for the Public Service Loan Forgiveness (PSLF) program to better enable them to manage the financial burdens of entering agriculture.



Justice for Black Farmers Act

Introduced by Sen. Cory Booker (D-NJ).

Black farmers have historically faced discrimination and disparities in the agricultural sector.

The Justice for Black Farmers Act would establish an equity commission within the U.S. Department of Agriculture to examine discrimination against Black farmers and ranchers and recommend actions to end systematic disparities; establish a Farm Conservation Corps to provide young adults from socially disadvantaged groups with the skills necessary to pursue careers in farming and ranching; provide funding for historically Black colleges and universities to expand agricultural courses of study; and prioritize socially disadvantaged farmers and ranchers for conservation programs and credit assistance.

Increasing Land Access, Success and Opportunities

Introduced by Reps. Nikki Budzinski (IL-3), Zach Nunn (IA-3), Joe Courtney (CT-2), and Abigail Spanberger (VA-7).

As the average American farmer ages, it is essential to support the next generation entering agriculture who are struggling to acquire affordable land.

The Increasing Land Access, Success and Opportunities Act would expand the Increasing Land, Capital and Market Access Program, authorizing funding at \$100 million per year for the next five years and improving pathways for funding to reach young and beginning farmers.

