



"There are some exciting opportunities in farming right now including organics, sustainable livestock and direct marketing to consumers," said Rep. Farr. "We need to invest in the next generation of farmers and ranchers to support rural communities, promote nutritious food and protect our agricultural lands."

Highlights of the gains for beginning farmers and ranchers are summarized below:

**First-Time Farm Purchase Loans:** The updated federal loan program for first-time land purchases offers lower interest rates, better lending terms, and a higher maximum purchase price. Previously, attractive federal loans have been limited to purchases of \$250,000 or less. "In California the loan limits had been unrealistic, impractical and rarely helpful for beginning farmers. The new limit of \$500,000 is a huge step in the right direction," said Schwartz. This is the first time since 1992 that federal regulations will reflect an increase in the cost of farm purchases. Loan limits per farm have been increased from \$200,000 to \$300,000. The authorization for appropriations for annual lending funds has increased to \$350 million in agricultural real estate loans and \$850 million in direct operating loans. The down payment loan program has also been expanded to more directly address the needs of minority farmers.

**Individual Development Accounts:** The new 15-state Beginning Farmer and Rancher Individual Development Account Pilot Program will assist limited-resource beginning farmers build assets through a matched-savings program and financial management skills training. The agricultural Individual Development Accounts, or IDA's, were pioneered by California FarmLink in several California counties including a partnership with ALBA in Monterey County. The new competitive grants program for IDA's was included in the final version of the bill, but will require future appropriations before it can be implemented. "We're encouraged that groups around the country looked at our organization's program, and successfully advocated to build it into a tool for farmers nationally," said Schwartz.

**Inter-generational Farm Transition Assistance:** The Beginning Farmer and Rancher Contract Land Sales Program provides new permanent authority for federal guarantees on private land contract sales to assist transfer of farms from retiring to beginning farmers and ranchers. The program is designed to allow beginning farmers to purchase properties financed by the seller. To minimize the seller's risk, up to 90% of the selling price will be guaranteed by the USDA. "In the complex economic landscape beginning farmers face today, the competition for land comes from developers, retirees seeking country retreats, and large, established agricultural businesses," said Schwartz. "This bill begins to level the playing field for the new generation of family farmers seeking land and other resources."

**Beginning Farmer Development Program and Incentives:** Another gain championed by California FarmLink and the Sustainable Agriculture Coalition is the Beginning Farmer and Rancher Development Program, which will be launched with \$75 million over the life of the Farm Bill. The competitive grants program will provide support to community-based organizations offering beginning farmers education, training and

mentoring. Other newly funded or improved programs for beginning farmers include: higher conservation payment rates for beginning and minority farmers, increased access to the Conservation Reserve Program; and facilitating access to USDA programs by minority farmers.

California FarmLink, a non-profit group working to facilitate transfers of farm businesses from one generation to the next, has offices in Sonoma, Yolo and Santa Cruz Counties. Founded in 1999 the unique organization offers financing, training, technical assistance and a database land linking service to help beginning farmers advance their goals.

The Agriculture and Land-Based Training Association (ALBA) is a farm business incubator program assisting beginning and limited-resource farmers in the Central Coast region of California. The groups led grassroots efforts in California over the last several years to influence beginning farmer provisions in the Farm Bill. More information is available at [www.californiafarmlink.org](http://www.californiafarmlink.org) and [www.albafarmers.org](http://www.albafarmers.org)

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Nancy Bustos Porto  
Development & Communications Associate  
Agriculture and Land-Based Training Association- ALBA  
Phone (831) 758 1469  
Fax (831) 758 3665  
<http://www.albafarmers.org/>