

112TH CONGRESS
1ST SESSION

S. 1850

To expand and improve opportunities for beginning farmers and ranchers,
and for other purposes.

IN THE SENATE OF THE UNITED STATES

NOVEMBER 10, 2011

Mr. HARKIN (for himself, Mr. CASEY, Mr. TESTER, Mr. BROWN of Ohio, Mr. LEAHY, Mr. FRANKEN, Mr. BINGAMAN, Ms. KLOBUCHAR, Mr. JOHNSON of South Dakota, and Mrs. BOXER) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To expand and improve opportunities for beginning farmers
and ranchers, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Beginning Farmer and Rancher Opportunity Act of
6 2011”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—CONSERVATION

Subtitle A—Conservation Reserve Program

- Sec. 101. Extension of conservation reserve program.
- Sec. 102. Contracts.

Subtitle B—Farmland Protection Program

- Sec. 111. Farmland protection program.

Subtitle C—Environmental Quality Incentives Program

- Sec. 121. Establishment and administration of environmental quality incentives program.
- Sec. 122. Conservation innovation grants and payments.

Subtitle D—Funding and Administration

- Sec. 131. Funding of conservation programs under Food Security Act of 1985.
- Sec. 132. Assistance to certain farmers or ranchers for conservation access.
- Sec. 133. Comprehensive conservation planning.

TITLE II—CREDIT

Subtitle A—Farm Ownership Loans

- Sec. 201. Direct farm ownership experience requirement.
- Sec. 202. Conservation loan and loan guarantee program.
- Sec. 203. Loan terms for down payment loan program.
- Sec. 204. Definition of qualified beginning farmer or rancher.

Subtitle B—Operating Loans

- Sec. 211. Young beginning farmer or rancher microloans.

Subtitle C—Administrative Provisions

- Sec. 221. Beginning farmer and rancher individual development accounts pilot program.
- Sec. 222. Transition to private commercial or other sources of credit.
- Sec. 223. Loan authorization levels.
- Sec. 224. Direct loans for beginning farmers and ranchers.
- Sec. 225. Borrower training.

TITLE III—RURAL DEVELOPMENT

- Sec. 301. Value-added producer grants.
- Sec. 302. Use of loans and grants for entrepreneurial farm enterprises.

TITLE IV—RESEARCH, EDUCATION, AND EXTENSION

- Sec. 401. Beginning farmer and rancher development program.
- Sec. 402. Agriculture and Food Research Initiative.

TITLE V—CROP INSURANCE

- Sec. 501. Sense of Congress on beginning farmer and rancher access to crop and revenue insurance.
- Sec. 502. Risk management partnership programs.

TITLE VI—MISCELLANEOUS

Sec. 601. Small and beginning farmer and rancher coordinators.

Sec. 602. Military Veterans Agricultural Liaison.

Sec. 603. Budgetary effects.

Sec. 604. Effective date.

1 **TITLE I—CONSERVATION**
 2 **Subtitle A—Conservation Reserve**
 3 **Program**

4 **SEC. 101. EXTENSION OF CONSERVATION RESERVE PRO-**
 5 **GRAM.**

6 (a) IN GENERAL.—Section 1231(a) of the Food Se-
 7 curity Act of 1985 (16 U.S.C. 3831(a)) is amended by
 8 striking “2012” and inserting “2017”.

9 (b) LAND ELIGIBLE FOR ENROLLMENT IN CON-
 10 SERVATION RESERVE.—Section 1231(b)(1)(B) of the
 11 Food Security Act of 1985 (16 U.S.C. 3831(b)(1)(B)) is
 12 amended by striking “Food, Conservation, and Energy
 13 Act of 2008” and inserting “Beginning Farmer and
 14 Rancher Opportunity Act of 2011”.

15 (c) MAXIMUM ENROLLMENT OF ACREAGE IN CON-
 16 SERVATION RESERVE.—Section 1231(d) of the Food Se-
 17 curity Act of 1985 (16 U.S.C. 3831(d)) is amended—

18 (1) by striking the first sentence; and

19 (2) in the second sentence, by striking “2010,
 20 2011, and 2012” and inserting “2010 through
 21 2017”.

1 (d) PILOT PROGRAM FOR ENROLLMENT OF WET-
 2 LAND AND BUFFER ACREAGE IN CONSERVATION RE-
 3 SERVE.—Section 1231B of the Food Security Act of 1985
 4 (16 U.S.C. 3831b) is amended—

5 (1) in subsection (a)(1), by striking “2012” and
 6 inserting “2017”; and

7 (2) in subsection (b)(1)(C), by striking “2002
 8 through 2007” and inserting “2008 through 2012”.

9 **SEC. 102. CONTRACTS.**

10 Section 1235 of the Food Security Act of 1985 (16
 11 U.S.C. 3835) is amended—

12 (1) in subsection (c)(1)(B), by striking clause
 13 (iii) and inserting the following:

14 “(iii) to facilitate a transition of land
 15 subject to the contract from a retired or
 16 retiring owner or operator to a beginning
 17 farmer or rancher, socially disadvantaged
 18 farmer or rancher, or limited resource
 19 farmer or rancher who is or will be actively
 20 engaged in farming or ranching with re-
 21 spect to the land transferred under this
 22 subsection for the purpose of returning
 23 some or all of the land into production
 24 using sustainable grazing or crop produc-
 25 tion methods that meet or exceed the re-

1 source management system quality criteria
2 for erosion, soil quality, water quality, and
3 fish and wildlife; or”; and

4 (2) in subsection (f)(1)—

5 (A) in the matter preceding subparagraph
6 (A), by striking “or socially disadvantaged
7 farmer or rancher” and inserting “socially dis-
8 advantaged farmer or rancher, or limited re-
9 source farmer or rancher who is or will be ac-
10 tively engaged in farming or ranching with re-
11 spect to the land transferred under this sub-
12 section”; and

13 (B) by striking subparagraphs (C), (D),
14 and (E) and inserting the following:

15 “(C) require the covered farmer or rancher
16 to develop and implement a comprehensive con-
17 servation plan that addresses all resource con-
18 cerns and meets such sustainability criteria as
19 the Secretary may establish;

20 “(D) provide to the covered farmer or
21 rancher an opportunity to enroll in the con-
22 servation stewardship program or the environ-
23 mental quality incentives program at any time
24 beginning on the date that is 1 year before the
25 date of termination of the contract, including

1 technical and financial assistance in the devel-
2 opment of a comprehensive conservation plan;

3 “(E) if the land transferred under this
4 subsection remains in grass cover, provide to
5 the covered farmer or rancher an opportunity to
6 enroll in a long-term or permanent easement
7 under the grassland reserve program or farm-
8 land protection program at any time beginning
9 on the date that is 1 year before the date of
10 termination of the contact; and

11 “(F) continue to make annual payments to
12 the retired or retiring owner or operator for not
13 more than an additional 2 years after the date
14 of termination of the contract, except that, in
15 the case of a retired or retiring owner or oper-
16 ator who is a family member (as defined in sec-
17 tion 1001) of the covered farmer or rancher,
18 the additional payments shall be made only if
19 title to the land is sold or transferred to the
20 covered farmer or rancher on termination of the
21 contract.”.

1 **Subtitle B—Farmland Protection**
2 **Program**

3 **SEC. 111. FARMLAND PROTECTION PROGRAM.**

4 Section 1238I of the Food Security Act of 1985 (16
5 U.S.C. 3838i) is amended—

6 (1) in subsection (b), by inserting “to promote
7 farm viability for future generations” before the pe-
8 riod at the end; and

9 (2) in subsection (g)(4)—

10 (A) in subparagraph (B), by striking
11 “and” at the end;

12 (B) by redesignating subparagraph (C) as
13 subparagraph (D); and

14 (C) by inserting after subparagraph (B)
15 the following:

16 “(C) provide a funding priority, to the
17 maximum extent practicable, for—

18 “(i) eligible land for which there exists
19 a farm or ranch succession plan or similar
20 plan established to create opportunities for
21 beginning farmers and ranchers and en-
22 courage farm viability for future genera-
23 tions;

1 “(ii) easements that exercise an op-
 2 tion to purchase at a price that is equal to
 3 the agricultural use value;

4 “(iii) qualified beginning farmers or
 5 ranchers with contracts to purchase the
 6 land to be protected;

7 “(iv) land owned by a nongovern-
 8 mental organization that will be sold to a
 9 qualified beginning farmer or rancher;

10 “(v) contemporaneous farm transfers
 11 of eligible land to qualified beginning farm-
 12 ers and ranchers that may not occur with-
 13 out the financial assistance of the pro-
 14 gram; and

15 “(vi) other similar mechanisms to
 16 maintain the affordability of farm and
 17 ranch land for successive generations of
 18 farmers and ranchers; and”.

19 **Subtitle C—Environmental Quality** 20 **Incentives Program**

21 **SEC. 121. ESTABLISHMENT AND ADMINISTRATION OF ENVI-** 22 **RONMENTAL QUALITY INCENTIVES PRO-** 23 **GRAM.**

24 Section 1240B of the Food Security Act of 1985 (16
 25 U.S.C. 3839aa–2) is amended—

1 (1) in subsection (a), by striking “2012” and
 2 inserting “2017”;

3 (2) in subsection (d)(4)(B), by striking “30
 4 percent” and inserting “50 percent”; and

5 (3) in subsection (f), by striking “2012” and
 6 inserting “2017”.

7 **SEC. 122. CONSERVATION INNOVATION GRANTS AND PAY-**
 8 **MENTS.**

9 Section 1240H of the Food Security Act of 1985 (16
 10 U.S.C. 3839aa–8) is amended—

11 (1) in subsection (a)(2)—

12 (A) in subparagraph (C), by striking “;
 13 and” and inserting a semicolon;

14 (B) in subparagraph (D), by striking the
 15 period at the end and inserting “; and”; and

16 (C) by adding at the end the following:

17 “(E) provide environmental and resource
 18 conservation benefits through increased partici-
 19 pation by beginning farmers and ranchers and
 20 socially disadvantaged farmers and ranchers.”;
 21 and

22 (2) in subsection (b)(2), by striking “2012”
 23 and inserting “2017”.

Subtitle D—Funding and Administration

SEC. 131. FUNDING OF CONSERVATION PROGRAMS UNDER FOOD SECURITY ACT OF 1985.

(a) IN GENERAL.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended in the matter preceding paragraph (1) by striking “2012” and inserting “2017”.

(b) CONSERVATION RESERVE PROGRAM.—Section 1241(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(1)) is amended by striking “2012” each place it appears and inserting “2017”.

(c) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Section 1241(a)(6)(E) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(6)(E)) is amended by striking “fiscal year 2012” and inserting “each of fiscal years 2012 through 2017”.

SEC. 132. ASSISTANCE TO CERTAIN FARMERS OR RANCHERS FOR CONSERVATION ACCESS.

Section 1241(g) of the Food Security Act of 1985 (16 U.S.C. 3841(g)) is amended—

(1) in paragraph (1)—

(A) by striking “2012” and inserting “2017”; and

1 (B) by striking “5 percent” each place it
 2 appears and inserting “10 percent”;

3 (2) in paragraph (2), by inserting “(but not
 4 earlier than 120 days after the date that funding for
 5 the fiscal year is allocated to the States)” after
 6 “Secretary”;

7 (3) in paragraph (3), by inserting “(but not
 8 earlier than 120 days after the date that acres for
 9 the fiscal year are allocated to the States)” after
 10 “Secretary”; and

11 (4) by adding at the end the following:

12 “(4) PARTICIPATION BY BEGINNING AND SO-
 13 CIALY DISADVANTAGED FARMERS AND RANCH-
 14 ERS.—Nothing in this subsection prohibits beginning
 15 or socially disadvantaged farmers or ranchers from
 16 participating in programs and receiving funding
 17 available under this title that is not reserved under
 18 paragraph (1).

19 “(5) TECHNICAL ASSISTANCE.—Within the
 20 funds reserved under paragraph (1), the Secretary
 21 shall allocate to the Natural Resources Conservation
 22 Service funding for technical assistance at a rate
 23 that is not more than 10 percent higher than the
 24 rate that would otherwise apply to allow the Service
 25 to provide additional technical assistance to begin-

1 ning farmers or ranchers and socially disadvantaged
 2 farmers or ranchers to establish conservation
 3 plans.”.

4 **SEC. 133. COMPREHENSIVE CONSERVATION PLANNING.**

5 Section 1244(a) of the Food Security Act of 1985
 6 (16 U.S.C. 3844(a)) is amended by adding at the end the
 7 following:

8 “(3) COMPREHENSIVE CONSERVATION PLAN-
 9 NING.—In carrying out this subsection, the Sec-
 10 retary shall provide technical and financial assist-
 11 ance using resources available under the environ-
 12 mental quality incentives program, conservation
 13 stewardship program, or such other programs as the
 14 Secretary may determine to covered persons who re-
 15 quest the assistance to develop a comprehensive con-
 16 servation plan for the farming or ranching operation
 17 of the covered person.”.

18 **TITLE II—CREDIT**

19 **Subtitle A—Farm Ownership Loans**

20 **SEC. 201. DIRECT FARM OWNERSHIP EXPERIENCE RE-**
 21 **QUIREMENT.**

22 Section 302(b)(1) of the Consolidated Farm and
 23 Rural Development Act (7 U.S.C. 1922(b)) is amended
 24 by striking “3 years” and inserting “2 years”.

1 **SEC. 202. CONSERVATION LOAN AND LOAN GUARANTEE**
 2 **PROGRAM.**

3 Section 304 of the Consolidated Farm and Rural De-
 4 velopment Act (7 U.S.C. 1924) is amended—

5 (1) in subsection (c)(2)—

6 (A) by striking “shall meet” and inserting
 7 “shall—

8 “(A) meet”;

9 (B) in subparagraph (A) (as so des-
 10 ignated), by striking the period at the end and
 11 inserting “; and”; and

12 (C) by adding at the end the following:

13 “(B) be the owner or operator of not larg-
 14 er than a family farm.”;

15 (2) in subsection (e)—

16 (A) by striking “The portion” and insert-
 17 ing the following:

18 “(1) IN GENERAL.—Except as provided in para-
 19 graph (2), the portion”; and

20 (B) by adding at the end the following:

21 “(2) BEGINNING AND SOCIALLY DISADVAN-
 22 TAGED FARMERS AND RANCHERS.—In the case of
 23 beginning farmers or ranchers and socially disadvan-
 24 taged farmers or ranchers, the portion of the loan
 25 the Secretary may guarantee under this section shall

1 be 95 percent of the principal amount of the loan.”;
 2 and

3 (3) by striking subsection (h) and inserting the
 4 following:

5 “(h) FUNDING.—

6 “(1) IN GENERAL.—The Secretary may make
 7 or guarantee loans under this section for not more
 8 than \$250,000,000 for each of fiscal years 2013
 9 through 2017, of which, for each fiscal year, not
 10 more than $\frac{1}{2}$ shall be used for direct loans and not
 11 more than $\frac{1}{2}$ shall be used for guaranteed loans.

12 “(2) QUALIFIED BEGINNING FARMERS AND
 13 RANCHERS.—

14 “(A) DIRECT LOANS.—Of the amount
 15 made available for direct loans for a fiscal year
 16 under paragraph (1), the Secretary shall re-
 17 serve for qualified beginning farmers and
 18 ranchers until April 1 of the fiscal year not less
 19 than 50 percent of the amount.

20 “(B) GUARANTEED LOANS.—Of the
 21 amount made available for guaranteed loans for
 22 a fiscal year under paragraph (1), the Secretary
 23 shall reserve for qualified beginning farmers
 24 and ranchers until April 1 of the fiscal year not
 25 less than 50 percent of the amount.”.

1 **SEC. 203. LOAN TERMS FOR DOWN PAYMENT LOAN PRO-**
 2 **GRAM.**

3 Section 310E(b)(1)(C) of the Consolidated Farm and
 4 Rural Development Act (7 U.S.C. 1935(b)(1)(C)) is
 5 amended by striking “\$500,000” and inserting
 6 “\$667,000”.

7 **SEC. 204. DEFINITION OF QUALIFIED BEGINNING FARMER**
 8 **OR RANCHER.**

9 Section 343(a)(11)(F) of the Consolidated Farm and
 10 Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is
 11 amended by striking “median” and inserting “average”.

12 **Subtitle B—Operating Loans**

13 **SEC. 211. YOUNG BEGINNING FARMER OR RANCHER**
 14 **MICROLOANS.**

15 Section 311 of the Consolidated Farm and Rural De-
 16 velopment Act (7 U.S.C. 1941) is amended by adding at
 17 the end the following:

18 “(d) YOUNG BEGINNING FARMER OR RANCHER
 19 MICROLOANS.—

20 “(1) IN GENERAL.—The Secretary may make
 21 microloans under this subtitle to beginning farmers
 22 or ranchers who are not less than 19 and not more
 23 than 35 years of age to enable the beginning farm-
 24 ers or ranchers to obtain flexible capital to finance
 25 operations.

1 “(2) LIABILITY.—In the case of a microloan
 2 under this subsection, the Secretary may accept the
 3 personal liability of a cosigner of the promissory
 4 note in addition to the personal liability of the bor-
 5 rower.

6 “(3) PRINCIPAL BALANCE.—The principal bal-
 7 ance for a microloan made under this subsection
 8 shall not exceed \$35,000.

9 “(4) TERM.—Loan repayment under this sub-
 10 section shall be required in not less than 1 and not
 11 more than 7 years.

12 “(5) INTEREST RATE.—The interest rate on a
 13 loan made under this subsection shall not exceed the
 14 maximum interest rate that may be charged low in-
 15 come, limited resource borrowers under section
 16 316(a)(2).

17 “(6) BORROWER TRAINING.—

18 “(A) IN GENERAL.—Subject to subpara-
 19 graph (B), to be eligible for a microloan under
 20 this subsection, the borrower shall have success-
 21 fully completed, or will complete within 1 year,
 22 borrower training described in section 359.

23 “(B) WAIVERS.—In carrying out subpara-
 24 graph (A), the Secretary shall not grant a waiv-
 25 er described in section 359(f) except in the case

1 of a borrower who successfully completed, or
 2 will complete within 1 year, an equivalent train-
 3 ing program, including programs established
 4 under section 7405 of the Farm Security and
 5 Rural Investment Act of 2002 (7 U.S.C.
 6 3319f), as determined by the Secretary.”.

7 **Subtitle C—Administrative** 8 **Provisions**

9 **SEC. 221. BEGINNING FARMER AND RANCHER INDIVIDUAL** 10 **DEVELOPMENT ACCOUNTS PILOT PROGRAM.**

11 Section 333B of the Consolidated Farm and Rural
 12 Development Act (7 U.S.C. 1983b) is amended by striking
 13 subsection (h) and inserting the following:

14 “(h) FUNDING.—On October 1, 2012, and on each
 15 October 1 thereafter through October 1, 2016, of the
 16 funds of the Commodity Credit Corporation, the Secretary
 17 shall use to carry out this section \$5,000,000, to remain
 18 available until expended.”.

19 **SEC. 222. TRANSITION TO PRIVATE COMMERCIAL OR** 20 **OTHER SOURCES OF CREDIT.**

21 (a) CONDITIONS FOR DIRECT LOANS.—Section
 22 311(c) of the Consolidated Farm and Rural Development
 23 Act (7 U.S.C. 1941(c)) is amended—

24 (1) in paragraph (1)—

1 (A) in subparagraph (A), by striking the
2 semicolon at the end and inserting “; and”;

3 (B) in subparagraph (B), by striking “;
4 or” at the end and inserting a period; and

5 (C) by striking subparagraph (C); and

6 (2) by striking paragraphs (3) and (4) and in-
7 serting the following:

8 “(3) TERM LIMITS.—Subject to paragraph (4),
9 if a farmer or rancher has received a direct oper-
10 ating loan pursuant to this section in each of 9 con-
11 secutive years, the farmer or rancher may not re-
12 ceive a direct operating loan from the Secretary
13 under this section for the next year.

14 “(4) WAIVERS FOR FARM AND RANCH OPER-
15 ATIONS ON TRIBAL LAND.—The Secretary shall
16 waive the limitation under paragraph (3) for a direct
17 loan made under this subtitle to a farmer or rancher
18 whose farm or ranch land is subject to the jurisdic-
19 tion of an Indian tribe and whose loan is secured by
20 1 or more security instruments that are subject to
21 the jurisdiction of an Indian tribe if the Secretary
22 determines that commercial credit is not generally
23 available for the farm or ranch operations.”.

24 (b) LIMITATION ON PERIOD BORROWERS ARE ELIGI-
25 BLE FOR GUARANTEED ASSISTANCE.—Section 319 of the

1 Consolidated Farm and Rural Development Act (7 U.S.C.
 2 1949) is amended by striking subsection (b) and inserting
 3 the following:

4 “(b) LIMITATION ON PERIOD BORROWERS ARE ELI-
 5 GIBLE FOR GUARANTEED ASSISTANCE.—If a borrower
 6 has received a guaranteed loan under this subtitle in each
 7 of 15 consecutive years, the borrower may not receive a
 8 loan guaranteed by the Secretary for the next year.”.

9 **SEC. 223. LOAN AUTHORIZATION LEVELS.**

10 Section 346(b)(1) of the Consolidated Farm and
 11 Rural Development Act (7 U.S.C. 1994(b)(1)) is amend-
 12 ed—

13 (1) in the matter preceding subparagraph (A),
 14 by striking “\$4,226,000,000 for each of fiscal years
 15 2008 through 2012” and inserting “\$5,000,000,000
 16 for each of fiscal years 2013 through 2017”;

17 (2) in subparagraph (A)—

18 (A) in the matter preceding clause (i), by
 19 striking “\$1,200,000,000” and inserting
 20 “\$2,000,000,000”;

21 (B) in clause (i), by striking
 22 “\$350,000,000” and inserting “\$750,000,000”;
 23 and

1 (C) in clause (ii), by striking
 2 “\$850,000,000” and inserting
 3 “\$1,250,000,000”; and
 4 (3) in subparagraph (B)—
 5 (A) in the matter preceding clause (i), by
 6 striking “\$3,026,000,000” and inserting
 7 “\$3,000,000,000”;
 8 (B) in clause (i), by striking
 9 “\$1,000,000,000” and inserting
 10 “\$1,500,000,000”; and
 11 (C) in clause (ii), by striking
 12 “\$2,026,000,000” and inserting
 13 “\$1,500,000,000”.

14 **SEC. 224. DIRECT LOANS FOR BEGINNING FARMERS AND**
 15 **RANCHERS.**

16 Section 346(b)(2)(A) of the Consolidated Farm and
 17 Rural Development Act (7 U.S.C. 1994(b)(2)(A)) is
 18 amended—

19 (1) in clause (i), by adding at the end the fol-
 20 lowing:

21 “(III) PRIORITY.—In order to
 22 maximize the number of borrowers
 23 served under this clause, the Sec-
 24 retary—

1 “(aa) shall give priority to
 2 borrowers who apply under the
 3 down payment loan program
 4 under section 310E or joint fi-
 5 nancing arrangements under sec-
 6 tion 307(a)(3)(D); and

7 “(bb) may offer other fi-
 8 nancing options only if the Sec-
 9 retary determines that down pay-
 10 ment or other participation loan
 11 options are not a viable approach
 12 for a particular borrower.”; and

13 (2) in clause (ii)(III), by striking “each of fiscal
 14 years 2008 through 2012” and inserting “fiscal year
 15 2008 and each fiscal year thereafter”.

16 **SEC. 225. BORROWER TRAINING.**

17 Section 359 of the Consolidated Farm and Rural De-
 18 velopment Act (7 U.S.C. 2006a) is amended by adding
 19 at the end the following:

20 “(g) COORDINATION.—The Secretary shall coordi-
 21 nate the borrower training program under this section
 22 with the beginning farmer and rancher development pro-
 23 gram established under section 7405 of the Farm Security
 24 and Rural Investment Act of 2002 (7 U.S.C. 3319f) to
 25 ensure, to the maximum extent practicable, that financial

1 management training programs funded under the begin-
 2 ning farmer and rancher development program are de-
 3 signed in such a way that the financial management train-
 4 ing programs will—

5 “(1) meet borrower training requirements under
 6 this section; and

7 “(2) qualify as beginning farmer and rancher
 8 development program projects covered by contracts
 9 under subsection (b).”.

10 **TITLE III—RURAL** 11 **DEVELOPMENT**

12 **SEC. 301. VALUE-ADDED PRODUCER GRANTS.**

13 Section 231(b) of the Agricultural Risk Protection
 14 Act of 2000 (7 U.S.C. 1632a(b)) is amended—

15 (1) by striking paragraph (6) and inserting the
 16 following:

17 “(6) PRIORITY.—

18 “(A) IN GENERAL.—In awarding grants
 19 under this subsection, the Secretary shall give
 20 priority to projects that—

21 “(i) contribute to increasing opportu-
 22 nities for operators of small- and medium-
 23 sized farms and ranches that are struc-
 24 tured as a family farm; or

1 “(ii) have applicants at least $\frac{1}{4}$ of
 2 whom are beginning farmers or ranchers
 3 or socially disadvantaged farmers or ranch-
 4 ers.

5 “(B) RANKING.—In evaluating and rank-
 6 ing proposals under this subsection, the Sec-
 7 retary shall provide very substantial weight to
 8 the priorities described in subparagraph (A).”;
 9 and
 10 (2) in paragraph (7)—

11 (A) in subparagraph (A)—

12 (i) by striking “October 1, 2008” and
 13 inserting “October 1, 2012, and each Octo-
 14 ber 1 thereafter through October 1, 2016”;
 15 and

16 (ii) by striking “\$15,000,000” and in-
 17 serting “\$30,000,000”;

18 (B) in subparagraph (B), by striking
 19 “2012” and inserting “2017”; and

20 (C) in subparagraph (C)—

21 (i) in clause (i), by striking “benefit”
 22 and inserting “have applicants at least $\frac{1}{4}$
 23 of whom are”; and

24 (ii) in clause (iii), by striking “June
 25 30 of the fiscal year” and inserting “the

1 close of the annual proposal review proc-
2 ess”.

3 **SEC. 302. USE OF LOANS AND GRANTS FOR ENTREPRE-**
4 **NEURIAL FARM ENTERPRISES.**

5 Subtitle D of the Consolidated Farm and Rural De-
6 velopment Act is amended by inserting after section 365
7 (7 U.S.C. 2008) the following:

8 **“SEC. 366. USE OF LOANS AND GRANTS FOR ENTREPRE-**
9 **NEURIAL FARM ENTERPRISES.**

10 “(a) IN GENERAL.—The Secretary shall approve
11 grants and loans under any rural development program
12 established under this title to support farm and farm-re-
13 lated business enterprises that—

14 “(1) create new entrepreneurial employment op-
15 portunities for beginning farmers and ranchers;

16 “(2) have the effect of—

17 “(A) creating new small- and medium-size
18 family farms;

19 “(B) enhancing local and regional food
20 systems;

21 “(C) increasing value-added production
22 and new markets;

23 “(D) preserving farmland and rural herit-
24 age; and

1 “(E) developing strong rural economies;
2 and

3 “(3) are consistent with the purposes of the
4 program.

5 “(b) LIMITATION.—Loans or grants made under this
6 section shall not be available for annual agricultural pro-
7 duction purposes.”.

8 **TITLE IV—RESEARCH,**
9 **EDUCATION, AND EXTENSION**

10 **SEC. 401. BEGINNING FARMER AND RANCHER DEVELOP-**
11 **MENT PROGRAM.**

12 Section 7405 of the Farm Security and Rural Invest-
13 ment Act of 2002 (7 U.S.C. 3319f) is amended—

14 (1) in subsection (c)—

15 (A) in paragraph (1)—

16 (i) in subparagraph (Q), by striking
17 “and” after the semicolon at the end;

18 (ii) by redesignating subparagraph
19 (R) as subparagraph (S); and

20 (iii) by inserting after subparagraph
21 (Q) the following:

22 “(R) agricultural rehabilitation and voca-
23 tional training for veterans; and”;

24 (B) in paragraph (4)—

1 (i) by striking “To be eligible” and in-
 2 serting the following:

3 “(A) IN GENERAL.—Except as provided in
 4 subparagraph (B), to be eligible”; and

5 (ii) by adding at the end the fol-
 6 lowing:

7 “(B) EXCEPTIONS.—The Secretary may
 8 waive or modify the matching requirement in
 9 subparagraph (A) if the Secretary determines a
 10 waiver or modification is necessary to effectively
 11 reach an underserved area or population.”;

12 (C) in paragraph (8)—

13 (i) in subparagraph (B), by striking
 14 “and” after the semicolon at the end;

15 (ii) in subparagraph (C), by striking
 16 the period at the end and inserting “;
 17 and”; and

18 (iii) by adding at the end the fol-
 19 lowing:

20 “(D) military veteran beginning farmers
 21 and ranchers.”; and

22 (D) by adding at the end the following:

23 “(11) INDIRECT COSTS.—To help facilitate par-
 24 ticipation in the program under this subsection by
 25 nongovernmental and community-based nonprofit or-

ganizations, the Secretary shall provide for an optional 10 percent indirect cost option in lieu of a higher negotiated rate.”; and

(2) in subsection (h)—

(A) in paragraph (1), by striking “section—” and all that follows through the period at the end and inserting “\$25,000,000 for each of fiscal years 2013 through 2017.”; and

(B) in paragraph (2), by striking “2008 through 2012” and inserting “2013 through 2017”.

SEC. 402. AGRICULTURE AND FOOD RESEARCH INITIATIVE.

Subsection (b) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)) is amended—

(1) in paragraph (2)(F)—

(A) by redesignating clauses (iii) through (vi) as clauses (iv) through (vii), respectively; and

(B) by inserting after clause (ii) the following:

“(iii) new farming opportunities, including young, beginning, socially disadvantaged, and immigrant issues and

1 farm transition, farm transfer, farm entry,
 2 and beginning farmer profitability issues;”;
 3 (2) in paragraph (7), in the matter preceding
 4 subparagraph (A), by inserting “projects (including
 5 integrated projects)” after “education”; and
 6 (3) in paragraph (11)(A)—
 7 (A) in the matter preceding clause (i), by
 8 striking “2008 through 2012” and inserting
 9 “2013 through 2017”; and
 10 (B) in clause (i), by striking “pursuant to”
 11 and inserting “under”.

12 **TITLE V—CROP INSURANCE**

13 **SEC. 501. SENSE OF CONGRESS ON BEGINNING FARMER** 14 **AND RANCHER ACCESS TO CROP AND REV-** 15 **ENUE INSURANCE.**

16 It is the sense of Congress that the Secretary of Agri-
 17 culture should, to the maximum extent practicable, remove
 18 barriers and ensure effective access to crop and revenue
 19 insurance by beginning farmers and ranchers on terms
 20 that are fair and assist in the goal of increasing the num-
 21 ber of new farming and ranching opportunities.

22 **SEC. 502. RISK MANAGEMENT PARTNERSHIP PROGRAMS.**

23 Section 522 of the Federal Crop Insurance Act (7
 24 U.S.C. 1522) is amended—

25 (1) in subsection (d)—

1 (A) in paragraph (1)—

2 (i) by striking “priority given to risk”

3 and inserting “priority given to—

4 “(A) risk”;

5 (ii) by striking the period at the end

6 and inserting “; and”; and

7 (iii) by adding at the end the fol-

8 lowing:

9 “(B) underserved producers, including be-

10 ginning farmers and ranchers and socially dis-

11 advantaged farmers and ranchers.”;

12 (B) in paragraph (2)—

13 (i) by striking “options for producers”

14 and inserting “options for—

15 “(A) producers”;

16 (ii) by striking the period at the end

17 and inserting “; and”; and

18 (iii) by adding at the end the fol-

19 lowing:

20 “(B) underserved producers, including be-

21 ginning farmers and ranchers and socially dis-

22 advantaged farmers and ranchers.”; and

23 (C) by adding at the end the following:

24 “(4) REQUIREMENTS.—In carrying out the pro-

25 grams established under paragraphs (2) and (3), the

Secretary shall place special emphasis on risk management techniques, tools, and programs that are specifically targeted at—

“(A) beginning farmers or ranchers;

“(B) legal immigrant farmers or ranchers that are attempting to become established agricultural producers in the United States;

“(C) socially disadvantaged farmers or ranchers;

“(D) farmers or ranchers that—

“(i) are preparing to retire; and

“(ii) are using transition strategies to help new farmers or ranchers get started; and

“(E) new or established farmers or ranchers that are converting production and marketing systems to pursue new markets.”; and

(2) in subsection (e)(2)(A), by striking “\$12,500,000 for fiscal year 2008” and inserting “\$15,000,000 for fiscal year 2013”.

TITLE VI—MISCELLANEOUS

SEC. 601. SMALL AND BEGINNING FARMER AND RANCHER COORDINATORS.

Section 226B of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6934) is amended—

1 (1) in subsection (c)(4), by inserting before the
 2 semicolon at the end the following: “, including re-
 3 view of rulemakings to provide an assessment and
 4 make recommendations regarding the impact of
 5 rules on small farms and ranches, beginning and so-
 6 cially disadvantaged farmers and ranchers, and re-
 7 lated matters relevant to the structure of agri-
 8 culture”;

9 (2) in subsection (e)(2)—

10 (A) by redesignating subparagraph (D) as
 11 subparagraph (E); and

12 (B) by inserting after subparagraph (C)
 13 the following:

14 “(D) STATE SMALL AND BEGINNING
 15 FARMER AND RANCHER COORDINATOR.—

16 “(i) IN GENERAL.—The Small Farms
 17 and Beginning Farmers and Ranchers
 18 Group shall designate a State small and
 19 beginning farmer and rancher coordinator
 20 from among the State office employees of
 21 the Farm Service Agency, the Natural Re-
 22 sources Conservation Service, the Risk
 23 Management Agency, the Rural Business-
 24 Cooperative Service, and the Rural Utili-
 25 ties Service.

1 “(ii) TRAINING.—The Small Farms
2 and Beginning Farmers and Ranchers
3 Group shall coordinate the development of
4 a training plan so that each State coordi-
5 nator shall receive sufficient training to
6 have a general working knowledge of the
7 programs and services available from each
8 agency of the Department to assist small
9 and beginning farmers and ranchers.

10 “(iii) DUTIES.—The coordinator
11 shall—

12 “(I) coordinate technical assist-
13 ance at the State level to help small
14 and beginning farmers and ranchers
15 gain access to programs of the De-
16 partment;

17 “(II) develop and submit a State
18 plan for approval by the Small Farms
19 and Beginning Farmers and Ranchers
20 Group to provide coordination to en-
21 sure adequate services to small and
22 beginning farmers and ranchers at all
23 county and area offices throughout
24 the State;

1 “(III) oversee implementation of
2 the approved State plan; and

3 “(IV) work with outreach coordi-
4 nators in the State offices of the
5 Farm Service Agency, the Natural
6 Resources Conservation Service, the
7 Risk Management Agency, the Rural
8 Business-Cooperative Service, and the
9 Rural Utilities Service to ensure ap-
10 propriate information about technical
11 assistance is available at outreach
12 events and activities.”;

13 (3) in subsection (f), by striking paragraph (3);

14 and

15 (4) by adding at the end the following:

16 “(g) AUTHORIZATION OF APPROPRIATIONS.—There
17 are authorized to be appropriated to carry out this section
18 such sums as are necessary for each of fiscal years 2013
19 through 2017.”.

20 **SEC. 602. MILITARY VETERANS AGRICULTURAL LIAISON.**

21 (a) IN GENERAL.—Subtitle A of the Department of
22 Agriculture Reorganization Act of 1994 is amended by in-
23 serting after section 218 (7 U.S.C. 6918) the following:

1 **“SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.**

2 “(a) AUTHORIZATION.—The Secretary shall establish
3 in the Department the position of Military Veterans Agri-
4 cultural Liaison.

5 “(b) DUTIES.—The Military Veterans Agricultural
6 Liaison shall—

7 “(1) provide information to returning veterans
8 about, and connect returning veterans with, begin-
9 ning farmer training and agricultural vocational and
10 rehabilitation programs appropriate to the needs and
11 interests of returning veterans, including assisting
12 veterans in using Federal veterans educational bene-
13 fits for purposes relating to beginning a farming or
14 ranching career;

15 “(2) provide information to veterans concerning
16 the availability of and eligibility requirements for
17 participation in agricultural programs, with par-
18 ticular emphasis on beginning farmer and rancher
19 programs;

20 “(3) serving as a resource for assisting veteran
21 farmers and ranchers, and potential farmers and
22 ranchers, in applying for participation in agricul-
23 tural programs; and

24 “(4) advocating on behalf of veterans in inter-
25 actions with employees of the Department.”.

1 (b) CONFORMING AMENDMENTS.—Section 296(b) of
 2 the Department of Agriculture Reorganization Act of
 3 1994 (7 U.S.C. 7014(b)) is amended—

4 (1) in paragraph (6), by striking “or” after the
 5 semicolon at the end;

6 (2) in paragraph (7), by striking the period at
 7 the end and inserting “; or”; and

8 (3) by adding at the end the following:

9 “(8) the authority of the Secretary to establish
 10 in the Department the position of Military Veterans
 11 Agricultural Liaison in accordance with section
 12 219.”.

13 **SEC. 603. BUDGETARY EFFECTS.**

14 The budgetary effects of this Act, for the purpose of
 15 complying with the Statutory Pay-As-You-Go Act of 2010,
 16 shall be determined by reference to the latest statement
 17 titled “Budgetary Effects of PAYGO Legislation” for this
 18 Act, submitted for printing in the Congressional Record
 19 by the Chairman of the Senate Budget Committee, pro-
 20 vided that such statement has been submitted prior to the
 21 vote on passage.

22 **SEC. 604. EFFECTIVE DATE.**

23 This Act and the amendments made by this Act take
 24 effect on October 1, 2012.

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