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Agricultural and Resource Policy Report

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<http://dare.colostate.edu/pubs>

BEGINNING FARMER AND RANCHER RESOURCES ¹

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USDA Resources for Beginning Operations

Farm Service Agency

Beginning Farmer and Rancher Loans

FSA provides direct and guaranteed loans to beginning farmers and ranchers who are unable to obtain financing from commercial credit sources. In this program, a beginning farmer or rancher is defined as an individual or entity who:

- Has not operated a farm or ranch for more than 10 years
- Meets the loan eligibility requirements of the program to which he/she is applying
- Substantially participates in the operation
- Does not own a farm greater than 30 percent of the median size farm in the county and has farmed for at least three years.

Down Payment Farm Ownership Loans

Developed to help beginning farmers and ranchers purchase a farm or ranch. These loans provide a way for retiring farmers to transfer their land to a future generation of farmers and ranchers.

Requirements:

- Down payment of at least 5% of the purchase price
- FSA may provide up to 45% of the purchase price or appraised value, whichever is less
- Maximum loan is \$500,000 for a 20 year note.

More information for both FSA programs can be found at: http://www.fsa.usda.gov/Internet/FSA_File/beginning_09.pdf

Contact: Wayne Rieger
Larimer County Executive Director
(970) 295-5665

¹ For more information on this program please visit: <http://www.csrees.usda.gov/fo/beginningfarmerandrancher.cfm>

² For information on Colorado State University's new program, supported by a 2009 grant, contact: Adrian Card at acard@bouldercounty.org; (303) 678-6383; or Dawn Thilmany Mc-Fadden at thilmany@lamar.colostate.edu; (970) 491-7220.

Extension programs are available to all without discrimination.

Colorado Beginning Farmer Program

The Colorado Agricultural Development Authority (CADA) loan program involves a three-way transaction between the lender, the borrower and CADA. Through the issuance of a tax exempt bond by CADA to the lender, all interest paid by the borrower is tax exempt. The result is an interest rate to the borrower usually about 2% below commercial rates.

- Borrower must be a Beginning Farmer which is defined as an individual who has never owned farmland which is equal to or greater than 30 percent of the median county farm acreage
- A maximum amount borrowed of \$469,000 which can only be used for the purchase of agricultural land and depreciable agricultural property
- Borrower must be approved by a lender and terms must be mutually agreed upon
- Loans are not guaranteed by the government or by CADA
- Interest rates can be either fixed or floating
- Loan applications must be approved by CADA within 60 days of any payments made on the project

While this program is similar to the FSA Beginning Farmers and Ranchers Loan program, the maximum amount to be borrowed with the Colorado program is less and it is not required that applicants have farmed for at least three years.

For more information and application:

www.cadafarmloan.com

Contact: Stacy Romero,
Colorado Department of Agriculture
303-239-4116

Other Resources to Provide Networks and Technical Assistance

Land Link

Land Link is a farm and ranch transfer program to connect the next generation of farmers and ranchers to land and resources to establish successful operations. As the majority of farmers and ranchers are reaching the age of retirement, Land Link provides a transition program to connect beginning agriculturalists seeking land and resources to begin an operation with these retiring land-owners. Land Link is a grassroots movement organized locally. A fairly new program, Land Link has begun taking root in Colorado. See the links below for more information on Colorado programs and programs that are more established in Nebraska and Montana.

Southwest Colorado Land Link -

http://sustainableswcolorado.org/land_link

Land Share Colorado - www.landshareco.org

Lyons, NE Land Link Network -

http://www.cfra.org/resources/beginning_farmer/land_link

Land Link Montana - <http://landlinkmontana.org>

For assistance in further developing a Colorado land link program contact: Adrian Card, Colorado State University, acard@bouldercounty.org.

Beginning Farmer and Rancher Development Program

The U.S. agricultural population is poised to make a dramatic change - half of all current farmers are likely to retire in the next decade. Farmers over the age 55 own more than half the farmland in the U.S. but the number of new farmers and ranchers over the age of 35 is increasing, as is the number of smaller farms and ranches nationwide. To address the need to develop a new generation of producers, \$17.2 million was designated for the Beginning Farmer and Rancher Development Program (BFRDP) in the form of grants to Universities and community organizations to provide support to beginning farmers. A beginning farm is considered to be one that is operated by one or more operators who have 10 years or less of experience operating a farm or ranch.

2010 Dates:

- Opening Date- February 5, 2010
- Closing Date- April 6, 2010
- Anticipated Award Date- October 1, 2010
- Estimated Total Funding- \$18,240,000
- Cost Sharing- At least 25% of Federal Funds Awarded

Future dates expected to be similar.