

115TH CONGRESS  
1ST SESSION

# H. R. 4201

To improve the ability of beginning farmers in the United States to acquire farms and participate in agricultural production, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 1, 2017

Mr. SEAN PATRICK MALONEY of New York (for himself and Mr. COSTELLO of Pennsylvania) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Oversight and Government Reform, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To improve the ability of beginning farmers in the United States to acquire farms and participate in agricultural production, 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 “Young and Beginning Farmers Act”.

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

Sec. 1. Short title; table of contents.

## TITLE I—IMPROVED ACCESS TO LAND

- Sec. 101. Land trust eligibility for assistance for agricultural land easements.
- Sec. 102. Priority for option to purchase at agricultural value in agricultural land easements.
- Sec. 103. Prequalification of prospective applicants for credit from Farm Service Agency programs.
- Sec. 104. Increase in limitation on amount of direct farm ownership loans; inflation indexation of limit.
- Sec. 105. Report and action plan on agricultural conservation easement program.

## TITLE II—IMPROVED ACCESS TO DEPARTMENT OF AGRICULTURE TRAINING AND PROGRAMS

- Sec. 201. Beginning farmer coordination.
- Sec. 202. Transfer of Advisory Committee on Beginning Farmers and Ranchers to jurisdiction of Farm Service Agency.
- Sec. 203. Department of Agriculture on-line customer self-service portal.
- Sec. 204. Beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives.
- Sec. 205. Reauthorization of beginning farmer and rancher individual development accounts pilot program.
- Sec. 206. Sale of surplus farm equipment or property to socially disadvantaged farmers or ranchers, veteran farmers or ranchers, and beginning farmers or ranchers.

## TITLE III—INVESTMENT IN LOCAL AND REGIONAL FOOD SYSTEMS

- Sec. 301. Mandatory funding for farmers' market and local food promotion program.
- Sec. 302. Grants to support farm viability programs.

1 **TITLE I—IMPROVED ACCESS TO**  
 2 **LAND**

3 **SEC. 101. LAND TRUST ELIGIBILITY FOR ASSISTANCE FOR**  
 4 **AGRICULTURAL LAND EASEMENTS.**

5 (a) LAND TRUSTS.—Section 1265B of the Food Se-  
 6 curity Act of 1985 (16 U.S.C. 3865b) is amended by add-  
 7 ing at the end the following:

8 “(e) LAND TRUSTS.—

9 “(1) ELIGIBILITY FOR ASSISTANCE.—Notwith-  
 10 standing section 1001D(b), an eligible entity that is

1 a qualified land trust, as determined by the Sec-  
2 retary, may receive assistance under this section.

3 “(2) ASSISTANCE FOR RESERVATION OF EASE-  
4 MENT.—The Secretary may provide assistance to an  
5 eligible entity that is a qualified land trust to sup-  
6 plement the sale price of eligible land to a farmer or  
7 rancher, who is not ineligible to receive assistance  
8 under section 1001D, if the eligible entity that is a  
9 qualified land trust reserves for itself an agricultural  
10 land easement in the eligible land.”.

11 (b) CONFORMING AMENDMENT.—Section  
12 1001D(b)(1) of the Food Security Act of 1985 (7 U.S.C.  
13 1308–3a(b)(1)) is amended by striking “Notwith-  
14 standing” and inserting “Except as provided in section  
15 1265B(e), notwithstanding”.

16 **SEC. 102. PRIORITY FOR OPTION TO PURCHASE AT AGRICULTURAL VALUE IN AGRICULTURAL LAND EASEMENTS.**

17  
18  
19 Section 1265B(b)(3) of the Food Security Act of  
20 1985 (16 U.S.C. 3865b(b)(3)) is amended by adding at  
21 the end the following:

22 “(D) PRIORITY.—In evaluating applica-  
23 tions under the program, the Secretary shall  
24 give priority to an application for the purchase

1 of an agricultural land easement that, as deter-  
2 mined by the Secretary—

3 “(i) maintains agricultural viability;

4 “(ii) includes, as a condition of the  
5 easement, a requirement that any subse-  
6 quent purchase of the land subject to the  
7 easement shall be at agricultural value; or

8 “(iii) achieves the objectives of both  
9 clauses (i) and (ii).”.

10 **SEC. 103. PREQUALIFICATION OF PROSPECTIVE APPLI-**  
11 **CANTS FOR CREDIT FROM FARM SERVICE**  
12 **AGENCY PROGRAMS.**

13 Not later than October 1, 2018, the Secretary of Ag-  
14 riculture shall develop and implement procedures to en-  
15 sure that the Farm Service Agency is prepared, in ad-  
16 vance, to respond to a request by a prospective loan appli-  
17 cant (other than a request for preapproval) for a prelimi-  
18 nary determination on—

19 (1) whether the prospective applicant would  
20 likely qualify for credit under any program adminis-  
21 tered by the Farm Service Agency; or

22 (2) the amount of credit for which the prospec-  
23 tive applicant would likely qualify under any such  
24 program.

1 **SEC. 104. INCREASE IN LIMITATION ON AMOUNT OF DI-**  
2 **RECT FARM OWNERSHIP LOANS; INFLATION**  
3 **INDEXATION OF LIMIT.**

4 Section 305 of the Consolidated Farm and Rural De-  
5 velopment Act (7 U.S.C. 1925) is amended to read as fol-  
6 lows:

7 **“SEC. 305. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP**  
8 **LOANS.**

9 “(a) IN GENERAL.—The Secretary shall make or in-  
10 sure no loan under section 302, 303, 304, 310D, or 310E  
11 of this title that would cause the unpaid indebtedness  
12 under such sections of any 1 borrower to exceed the small-  
13 er of—

14 “(1) the value of the farm or other security; or

15 “(2)(A) in the case of a loan other than a loan  
16 guaranteed by the Secretary, \$500,000 (increased,  
17 beginning with the fiscal year 2019, by the regional  
18 farm real estate inflation percentage applicable to  
19 the region where the farm involved is located for the  
20 fiscal year in which the loan is made, and decreased  
21 by the amount of any unpaid indebtedness of the  
22 borrower on direct loans under subtitle B); or

23 “(B) in the case of a loan guaranteed by the  
24 Secretary, \$700,000 (increased, beginning with fiscal  
25 year 2000, by the cost inflation percentage applica-  
26 ble to the fiscal year in which the loan is guaranteed

1 and reduced by the amount of any unpaid indebted-  
2 ness of the borrower on loans under subtitle B that  
3 are guaranteed by the Secretary).

4 “(b) DETERMINATION OF VALUE.—In determining  
5 the value of the farm, the Secretary shall consider apprais-  
6 als made by competent appraisers under rules established  
7 by the Secretary.

8 “(c) COST INFLATION PERCENTAGE.—For purposes  
9 of this section, the cost inflation percentage applicable to  
10 a fiscal year is the percentage (if any) by which—

11 “(1) the average of the Prices Paid By Farmers  
12 Index (as compiled by the National Agricultural Sta-  
13 tistics Service of the Department of Agriculture) for  
14 the 12-month period ending on August 31 of the im-  
15 mediately preceding fiscal year; exceeds

16 “(2) the average of such index (as so defined)  
17 for the 12-month period ending on August 31, 1996.

18 “(d) REGIONAL FARM REAL ESTATE INFLATION  
19 PERCENTAGE.—

20 “(1) IN GENERAL.—For purposes of this sec-  
21 tion, the regional farm real estate inflation percent-  
22 age applicable to a farm for a fiscal year is the per-  
23 centage (if any) by which—

24 “(A) the regional farm real estate inflation  
25 index developed under paragraph (2) for the re-

1           gion in which the farm is located, for the 12-  
2           month period ending on August 31 of the im-  
3           mediately preceding fiscal year; exceeds

4           “(B) the average of the index (as so de-  
5           fined) for the 12-month period ending on Au-  
6           gust 31, 2018.

7           “(2) DEVELOPMENT.—The Secretary shall de-  
8           velop a regional farm real estate inflation index for  
9           measuring periodic changes in the price of farm real  
10          estate in each geographic region of the United  
11          States, using data from the National Agricultural  
12          Statistics Service.

13          “(e) MICROLOANS.—

14               “(1) IN GENERAL.—Subject to paragraph (2),  
15               the Secretary may establish a program to make or  
16               guarantee microloans.

17               “(2) LIMITATIONS.—The Secretary shall not  
18               make or guarantee a microloan under this sub-  
19               section that would cause the total principal indebted-  
20               ness outstanding at any 1 time for microloans made  
21               under this subtitle to any 1 borrower to exceed  
22               \$50,000.

23               “(3) APPLICATIONS.—To the maximum extent  
24               practicable, the Secretary shall limit the administra-  
25               tive burdens and streamline the application and ap-

1       proval process for microloans under this sub-  
2       section.”.

3       **SEC. 105. REPORT AND ACTION PLAN ON AGRICULTURAL**  
4                                   **CONSERVATION EASEMENT PROGRAM.**

5       (a) SENSE OF CONGRESS.—It is the sense of Con-  
6       gress that the agricultural conservation easement program  
7       established under section 1265(a) of the Food Security  
8       Act of 1985 (16 U.S.C. 3865(a)) remains a valuable pro-  
9       gram in assisting beginning farmers and ranchers in ac-  
10      quiring farmland for productive use.

11      (b) REPORT AND PLAN REQUIRED.—Not later than  
12      one year after the date of the enactment of this Act, the  
13      Chief of the Natural Resources Conservation Service shall  
14      submit to the Committee on Agriculture of the House of  
15      Representatives and the Committee on Agriculture, Nutri-  
16      tion, and Forestry of the Senate a report that includes—

17                   (1) an evaluation of the extent in which the ag-  
18      ricultural conservation easement program supports  
19      beginning farmers or ranchers in acquiring farm-  
20      land; and

21                   (2) a plan to address any shortcomings identi-  
22      fied through the evaluation for the purpose of fur-  
23      thering the goals of the agricultural conservation  
24      easement program to protect farmland and help  
25      farmers access farmland for productive use.



1 **TITLE II—IMPROVED ACCESS TO**  
2 **DEPARTMENT OF AGRICUL-**  
3 **TURE TRAINING AND PRO-**  
4 **GRAMS**

5 **SEC. 201. BEGINNING FARMER COORDINATION.**

6 (a) PROGRAM ESTABLISHED.—Not later than 1 year  
7 after the date of the enactment of this Act, the Secretary,  
8 acting through the Administrator of the Farm Service  
9 Agency, shall implement a program to assign to each State  
10 at least one coordinator to—

11 (1) promote communication between the De-  
12 partment of Agriculture and beginning farmers or  
13 ranchers (as defined in section 206(b)) located in  
14 such State; and

15 (2) increase the access of such beginning farm-  
16 ers or ranchers to apprenticeship programs, farm  
17 loan programs, and land available for purchase.

18 (b) USE OF CURRENT EMPLOYEES.—The assignment  
19 of beginning farmer coordinators in compliance with sub-  
20 section (a) may be accomplished through the designation  
21 of current employees of the Department of Agriculture  
22 and does not require the hiring of additional employees.

23 (c) STATE DEFINED.—In this section, the term  
24 “State” means each of the several States, the District of

1 Columbia, and any commonwealth, territory, or possession  
2 of the United States.

3 **SEC. 202. TRANSFER OF ADVISORY COMMITTEE ON BEGIN-**  
4 **NING FARMERS AND RANCHERS TO JURIS-**  
5 **DICTION OF FARM SERVICE AGENCY.**

6 The Department of Agriculture Reorganization Act  
7 of 1994 (7 U.S.C. 6901 et seq.) is amended—

8 (1) in section 226B(e)(2) (7 U.S.C. 6934)—

9 (A) by striking subparagraph (C); and

10 (B) by redesignating subparagraph (D) as  
11 subparagraph (C); and

12 (2) in section 226 (7 U.S.C. 6932), by adding  
13 at the end the following new subsection:

14 “(i) **ADVISORY COMMITTEE ON BEGINNING FARMERS**  
15 **AND RANCHERS.**—The Secretary of Agriculture shall co-  
16 ordinate the activities of the Farm Service Agency with  
17 the Advisory Committee on Beginning Farmers and  
18 Ranchers established under section 5(b) of the Agricul-  
19 tural Credit Improvement Act of 1992 (7 U.S.C. 1929  
20 note; Public Law 102–554).”.

21 **SEC. 203. DEPARTMENT OF AGRICULTURE ON-LINE CUS-**  
22 **TOMER SELF-SERVICE PORTAL.**

23 (a) **CUSTOMER SELF-SERVICE PORTAL.**—The Sec-  
24 retary of Agriculture shall develop an on-line customer  
25 self-service portal through which farmers and ranchers will

1 be able to securely access their customer and program in-  
2 formation and complete program applications in a wide  
3 range of agricultural programs offered by the Department  
4 of Agriculture.

5 (b) SENSE OF CONGRESS.—It is the sense of Con-  
6 gress that the development of an on-line customer self-  
7 service portal, as required by subsection (a), should not  
8 negatively impact the many farmers and ranchers who do  
9 not yet have access to high-speed internet or who would  
10 prefer not to utilize the online self-service portal.

11 (c) AUTHORIZATION OF APPROPRIATIONS.—For the  
12 three-fiscal year period beginning on October 1, 2018,  
13 there are authorized to be appropriated to the Secretary  
14 of Agriculture to carry out subsection (a)—

15 (1) not less than \$6,000,000; and

16 (2) such additional amounts as are considered  
17 appropriate.

18 **SEC. 204. BEGINNING FARMER AND RANCHER DEVELOP-**  
19 **MENT PROGRAM TO PROVIDE TRAINING,**  
20 **EDUCATION, OUTREACH, AND TECHNICAL AS-**  
21 **SISTANCE INITIATIVES.**

22 Section 7405 of the Farm Security and Rural Invest-  
23 ment Act of 2002 (7 U.S.C. 3319f) is amended by striking  
24 subsection (h) and inserting the following new subsections:

25 “(h) INDIVIDUAL DEVELOPMENT ACCOUNTS.—

1           “(1) TRANSFER OF FUNDS AUTHORIZED.—Of  
2           the funds made available under subsection (i), the  
3           Secretary may transfer up to \$10,000,000 per year,  
4           plus allocable administrative costs, for individual de-  
5           velopment accounts as authorized under section  
6           333B of the Consolidated Farm and Rural Develop-  
7           ment Act (7 U.S.C. 1983b).

8           “(2) ADMINISTRATIVE COSTS.—The Secretary  
9           may not use more than 4 percent of the funds trans-  
10          ferred under this subsection for administrative costs  
11          incurred in implementing the individual development  
12          accounts authorized under section 333B of the Con-  
13          solidated Farm and Rural Development Act (7  
14          U.S.C. 1983b).

15          “(i) FUNDING.—

16               “(1) MANDATORY FUNDING.—Of the funds of  
17               the Commodity Credit Corporation, the Secretary  
18               shall make available to carry out this section—

19                       “(A) \$20,000,000 for fiscal year 2018;

20                       “(B) \$30,000,000 for each of fiscal years  
21                       2019 and 2020;

22                       “(C) \$40,000,000 for each of fiscal years  
23                       2021 and 2022; and

24                       “(D) \$50,000,000 for fiscal year 2023 and  
25                       each fiscal year thereafter.

1           “(2) AUTHORIZATION OF APPROPRIATIONS.—In  
2           addition to funds provided under paragraph (1),  
3           there is authorized to be appropriated to carry out  
4           this section \$30,000,000 for fiscal year 2018 and  
5           each fiscal year thereafter.

6           “(3) AVAILABILITY.—Amounts made available  
7           under this subsection shall remain available until ex-  
8           pended.”.

9   **SEC. 205. REAUTHORIZATION OF BEGINNING FARMER AND**  
10                   **RANCHER INDIVIDUAL DEVELOPMENT AC-**  
11                   **COUNTS PILOT PROGRAM.**

12           Subsection (h) of section 333B of the Consolidated  
13   Farm and Rural Development Act (7 U.S.C. 1983b) is  
14   amended to read as follows:

15           “(h) AUTHORIZATION OF APPROPRIATIONS.—In ad-  
16           dition to any amounts provided under section 7405 of the  
17   Farm Security and Rural Investment Act of 2002 (7  
18   U.S.C. 3319f), there is authorized to be appropriated to  
19   carry out this section \$5,000,000 for each of fiscal years  
20   2018 through 2023.”.

1 **SEC. 206. SALE OF SURPLUS FARM EQUIPMENT OR PROP-**  
2 **ERTY TO SOCIALLY DISADVANTAGED FARM-**  
3 **ERS OR RANCHERS, VETERAN FARMERS OR**  
4 **RANCHERS, AND BEGINNING FARMERS OR**  
5 **RANCHERS.**

6 (a) SALE AUTHORIZED.—The Administrator of Gen-  
7 eral Services, under regulations prescribed by the Admin-  
8 istrator, may sell to a socially disadvantaged farmer or  
9 rancher, veteran farmer or rancher, or beginning farmer  
10 or rancher any farm equipment acquired by the General  
11 Services Administration that—

12 (1) is suitable for use in farming operations;

13 and

14 (2) has been determined to be surplus property  
15 under chapter 5 of title 40, United States Code.

16 (b) DEFINITIONS.—In this section:

17 (1) BEGINNING FARMER OR RANCHER.—The  
18 term “beginning farmer or rancher” means an indi-  
19 vidual or entity that has not operated a farm or  
20 ranch or that has operated a farm or ranch for not  
21 more than 10 consecutive years and that will materi-  
22 ally and substantially participate in the operation of  
23 the farm or ranch. In the case of an entity, these  
24 requirements apply to all members of the entity.

25 (2) FOOD, AGRICULTURE, CONSERVATION, AND  
26 TRADE ACT OF 1990 TERMS.—The terms “socially

1       disadvantaged farmer or rancher” and “veteran  
2       farmer or rancher” have the meanings given those  
3       terms in section 2501(e) of the Food, Agriculture,  
4       Conservation, and Trade Act of 1990 (7 U.S.C.  
5       2279(e)).

6       **TITLE        III—INVESTMENT        IN**  
7       **LOCAL AND REGIONAL FOOD**  
8       **SYSTEMS**

9       **SEC. 301. MANDATORY FUNDING FOR FARMERS’ MARKET**  
10       **AND LOCAL FOOD PROMOTION PROGRAM.**

11       Section 6(g)(1) of the Farmer-to-Consumer Direct  
12       Marketing Act of 1976 (7 U.S.C. 3005(g)(1)) is amend-  
13       ed—

14               (1) by striking “and” at the end of subpara-  
15       graph (C);

16               (2) in subparagraph (D), by striking “2018.”  
17       and inserting “2017; and”; and

18               (3) by adding at the end the following new sub-  
19       paragraph:

20                       “(E) \$50,000,000 for each of fiscal years  
21       2018 through 2023.”.

22       **SEC. 302. GRANTS TO SUPPORT FARM VIABILITY PRO-**  
23       **GRAMS.**

24       (a) GRANTS AUTHORIZED.—The Secretary of Agri-  
25       culture may make competitive grants to support a farm

1 viability program developed by a public or private entity  
2 that is designed—

3           (1) to improve the economic viability and integ-  
4           rity of farms participating in the program through  
5           the development and implementation of a farm via-  
6           bility plans; and

7           (2) to provide participating farmers with tech-  
8           nical, legal, marketing, and business planning assist-  
9           ance to expand, upgrade, and modernize their agri-  
10          cultural operations and assist in land access and  
11          transfer.

12          (b) *AUTHORIZATION OF APPROPRIATIONS.*—There  
13          are authorized to be appropriated to the Secretary of Agri-  
14          culture to make grants under this section \$5,000,000 for  
15          each of fiscal years 2018 through 2023.

○