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Farm Bill Primer: Beginning and Underserved Producers

U.S. food and agriculture policy provides support for farms and ranches operated by beginning, small and limited resource, and historically underserved farmers and ranchers. Although these producers generally are eligible for U.S. Department of Agriculture (USDA) programs, recent farm bills have provided targeted support addressing their needs. The 2018 farm bill (P.L. 115-334) reauthorized and expanded support for beginning, veteran, and socially disadvantaged producers. Congress may consider additional legislative changes as it debates the next farm bill.

Beginning and Underserved Producers

Beginning, veteran, limited resource and smaller-sized, and historically underserved farmers and ranchers represent a diverse and growing share of all U.S. agricultural producers. Historically underserved producers include socially disadvantaged farmers or ranchers (SDFRs). Two SDFR definitions exist in U.S. law (see **text box**): one SDFR definition includes members of a group that has been subjected to racial or ethnic discrimination; the other definition includes members of a group that has been subjected to racial, ethnic, or gender discrimination. Accordingly, the SDFR definition based only on race and ethnic discrimination excludes non-Hispanic White women, whereas the definition based also on gender discrimination includes all women regardless of race or ethnicity. Statutes relating to SDFR programs include provisions specifying the eligibility of Indian-related entities.

Beginning and veteran farmers or ranchers—referred to as BFRs and VFRs, respectively—are those who have operated a farm or ranch for not more than 10 years and in the case of veterans, also have served in the Armed Forces (except in federal crop insurance programs, which for most types of policies define a BFR and a VFR as a farmer or rancher who has not been operating for more than 5 years). Other definitions may apply regarding smaller-sized and/or limited-resource operations, usually based on annual farm income levels as determined by USDA, and may vary by year and state.

USDA does not report aggregate annual statistics across all the various historically underserved producer groups. Instead, statistics are reported by individual group and may include overlapping data (e.g., some producers may self-identify across multiple categories). Differing statutory definitions of an SDFR, a BFR, and a VFR further complicate data aggregation, and additional estimation is needed to account for possible overlap within the differing categories. The 2022 Census of Agriculture provides data for some individual producer groups. In 2022, USDA reports there were about 1 million BFRs in the United States with fewer than 10 years of farming or ranching experience, accounting for 33% of all U.S. producers. Operations with at least one BFR sold \$122 billion in agricultural products in 2022, or 23% of total U.S.

agriculture sales. USDA reports there were about 70,000 U.S. producers with military service who had been in operation less than 10 years. USDA does not separately report data on U.S. producers with fewer than 5 years of experience. Statistics on SDFRs vary by statutory definition; however, special tabulations of the 2022 census data are not yet available. Analysis of previous census data suggest that SDFRs, including women regardless of race and ethnicity, accounted for about 30% of all U.S. agricultural operations in 2017 (13% of U.S. agricultural sales). Excluding non-Hispanic White women, SDFRs accounted for 9% of all U.S. operations in 2017 (8% of U.S. agricultural sales).

Eligibility under USDA programs that provide preferences or prioritize beginning and underserved producers may vary depending on which statutory definition applies. With the exception of federal crop insurance programs, most USDA programs define BFRs and VFRs as people who have been engaged in farming for no more than 10 years. SDFR status also varies by program. In general, USDA defines an SDFR as a person belonging to any of the following groups: African Americans, American Indians, Alaska Natives, Asians, Hispanics, Pacific Islanders, refugees, immigrants, and others as determined by the Secretary of Agriculture. Other eligible entities under some programs include 1890 Institutions (historically Black land-grant colleges and universities), 1994 Institutions (Alaska Native and American Indian tribal colleges and universities), and Hispanic-serving colleges and universities. Some USDA programs vary in terms of eligibility for women. Commodity support, credit, noninsured crop assistance, and rural development programs tend to include SDFR support for women, regardless of race or ethnicity. In contrast, some USDA grant, conservation, and energy programs reference SDFR definition based on race and ethnicity only, thus excluding non-Hispanic White women.

Farm Bill Programs and Provisions

Title XII, Subtitle C, of the 2018 farm bill (Historically Underserved Producers) addresses USDA support for BFRs, VFRs, and SDFRs. Similar subtitles were also part of previous farm bills. In the 2018 farm bill, the subtitle expanded training and outreach to underserved producers under the Farming Opportunities Training and Outreach (FOTO) program, merging two formerly separate USDA programs, the Beginning Farmer and Rancher Development Grant Program and the Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers (2501 Program). The subtitle provided new support and grant funding for urban agricultural producers as well as additional support for tribal and veteran producers. These, along with provisions in other farm bill titles, expanded existing USDA programs and policies for BFRs, VFRs, and SDFRs that previous farm bills initiated.

Selected Terms and Definitions

Underserved producer—“an individual (including a member of an Indian Tribe) that is - (I) a beginning farmer or rancher; (II) a veteran farmer or rancher; or (III) a socially disadvantaged farmer or rancher” (7 U.S.C. §1508(a)(7)(A)(ii)).

Beginning farmer or rancher (BFR)—a “term as defined by the Secretary,” whereas a qualified beginning farmer or rancher means “an applicant ... who is eligible for assistance ... who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 years,” among other requirements (7 U.S.C. §1991(a)(8) and (11)). For the purposes of crop insurance, a BFR is “a farmer or rancher who has not actively operated and managed a farm or ranch with a bona fide insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 5 crop years” (7 U.S.C. §1502(b)(3)).

Veteran farmer or rancher (VFR)—“a farmer or rancher who has served in the Armed Forces (as defined in section 101(10) of title 38) and who - (A) has not operated a farm or ranch; (B) has operated a farm or ranch for not more than 10 years; or (C) is a veteran (as defined in section 101 of that title) who has first obtained status as a veteran (as so defined) during the most recent 10-year period” (7 U.S.C. §2279(A)(7)). For the purposes of crop insurance, a VFR is “a farmer or rancher who ... has operated a farm or ranch for not more than 5 years” (7 U.S.C. §1502(b)(14)).

Socially disadvantaged farmer or rancher (SDFR)—“a farmer or rancher who is a member of a socially disadvantaged group” where, depending on the USDA program, a “socially disadvantaged group” means either “a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group” (7 U.S.C. §2279(a)(6)) or “a group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group” (7 U.S.C. §2003(e)(1)) without regard to their individual qualities.

Indian—“a member of ... any Indian tribe, band, nation, or other organized group or community, including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act, recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians” (25 U.S.C. §5304(d)-(e)).

Historically underserved producer—“a person, joint operation, legal entity, or Indian Tribe” who is a BFR, SDFR, or VFR or is a *limited-resource farmer or rancher*, as defined in USDA regulation (7 C.F.R. §1466.3).

Considerations for the Next Farm Bill

As Congress debates the next farm bill, it might consider proposals debated in the 118th Congress. For example, H.R. 8467 (as ordered to be reported); the Senate Agriculture, Nutrition, and Forestry Committee majority bill, S. 5335; and the Senate minority proposal for a 2024 farm bill would redefine the BFR and VFR eligibility period from 5 years to 10 years for all federal crop insurance policies. S. 5335 also would amend programs and policies broadly supporting historically underserved producers. Other introduced legislation would expand support, including financial and technical assistance, for underserved producers. For example, some proposals would expand FOTO (e.g., H.R. 9363, S. 2380), while other proposals would expand

program set-asides for underserved producers (e.g., H.R. 1840/S. 1016, H.R. 3902/S. 3420, H.R. 3955/S. 2340) and/or expand their access to various USDA programs (e.g., H.R. 651/S. 179, H.R. 1824, H.R. 8210/S. 4219, H.R. 5589/S. 2874, H.R. 6308/S. 3129, H.R. 8598/S. 4441), including to federal crop insurance (e.g., H.R. 3904/S. 2458). Some proposals would provide additional training and support for underserved producers (e.g., H.R. 3084/S. 4856, H.R. 8488/S. 2614, H.R. 4861/S. 2341), while other proposals would support their access to land (e.g., H.R. 3955/S. 2340, H.R. 3424/S. 2631). Other bills provide support for VFRs (e.g., H.R. 2932, H.R. 5014, H.R. 7920/S. 4386). Congress may consider these or similar proposals in the next farm bill or may choose to keep existing policies unchanged.

Congress may also consider whether USDA needs to improve equity in its delivery of services and support (e.g., H.R. 5033/S. 2595) or assess any potential impacts to underserved producers (e.g., H.R. 707, H.R. 6916). Related topics may include if and how to amend USDA programs to address historical discrimination of underserved producers and provide equal access to assistance; loan forgiveness and access to credit for targeted producer groups; prioritization of underserved producers in competitive grant programs; and increased investment in historically Black colleges and universities, Hispanic-serving institutions, and Tribal colleges and universities.

Previously, Congress provided additional targeted support for these producer groups in recent agriculture appropriations and ad hoc emergency spending laws. In general, these include proposals addressing historical discrimination and racial inequities toward some producer groups in accessing USDA services and assistance (e.g., through loan forgiveness or deferment, or targeted assistance) and/or instituting reforms at USDA (H.R. 1167, H.R. 5296, S. 96, S. 5338). Congress provided farm loan debt forgiveness provision for SDFRs as part of the American Rescue Plan Act (P.L. 117-2, §1005), but courts blocked its implementation because of how it directed benefits based on race. The Inflation Reduction Act of 2022 (P.L. 117-169, §22006) later reoriented assistance based on economic criteria to help certain distressed farm loan borrowers and to provide technical and other assistance.

Information in Other CRS Products

CRS Report R47933, *Programs for Beginning, Limited Resource, Veteran, Socially Disadvantaged, and Tribal and Indigenous Farmers and Ranchers and for Small Farms and Ranches*

CRS Report R48269, *Beginning Farmers or Ranchers (BFRs): Challenges and Opportunities*

CRS Report R46727, *Defining a Socially Disadvantaged Farmer or Rancher (SDFR): In Brief*

CRS In Focus IF12475, *Outreach for Socially Disadvantaged Producers (2501 Program)*

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