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Barriers Missouri's Farmers Face Regarding Beginning Farmer Government Programs

Benjamin J. Travlos
Missouri State University, Benjamin369@live.missouristate.edu

BARRIERS MISSOURI'S FARMERS FACE REGARDING BEGINNING FARMER GOVERNMENT PROGRAMS

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By

Benjamin J. Travlos

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ABSTRACT

Federal and state governments have responded to the hardships beginning farmers and ranchers face by creating programs to mediate the identified challenges for new producers. However, hardships still exist for these producers and there is a lack of research on if the programs are providing the needed assistance to beginning farmers and ranchers. This research explores the perceived barriers to beginning farmer federal and state government programs for Missouri producers. Through the utilization of focus groups, the research identified major barriers such as: time, program awareness, program resources, and program requirements and eligibility. Aside from the barriers, the research also identified results in program positives and benefits. Altogether, the results of this research illustrate areas which could be improved and potential ways to improve the government programs, thus providing more and better opportunities for beginning farmers and ranchers.

KEYWORDS: beginning farmers and ranchers, government programs, program barriers, focus groups, time, program awareness, program resources, program requirements and eligibility

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Approved:

Arbindra Rimal Ph.D., Thesis Committee Chair

Nichole Busdieker-Jesse M.S., Committee Member

Christine Sudbrock M.S., Committee Member

Scott Brown Ph.D., Committee Member

Julie Masterson, Ph.D., Dean of the Graduate College

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INTRODUCTION

The 2012 U.S. Census of Agriculture provides today's picture of production agriculture with 2.1 million farms operated by 3.2 million farmers (National Agriculture Statistics Service, 2018). These 3.2 million farmers have the capability to feed on average 165 people per farmer (American Farm Bureau Federation, 2017). The United Nations estimates the 2050 world population will be somewhere around 9.7 billion people (Department of Economic and Social Affairs, 2013). It is estimated the agriculture industry will have to increase production by about 70% (American Farm Bureau Federation, 2017) to meet these needs.

With the challenges facing the agriculture industry, such as an ever-increasing world population, there is a hidden issue. For the seventh consecutive U.S. Census of Agriculture, the average age of the principal operator has increased, now at 58.3 years old (National Agriculture Statistics Service, 2018). Agriculture is an industry in which experience and knowledge is important to the success of a farm. However, if agriculture is to meet future food demands, young and new producers are needed as well. Government programs have been designed to support young and beginning farmers and ranchers in moving back to the farm while also helping those new to agriculture.

In addition to simply ensuring a new generation is present in agriculture, younger producers represent a chance for innovation to return the farm. The Hamilton, Bosworth and Ruto (2015) discussion paper examines the entrepreneurial characteristics of young producers to justify efforts made in the development of EU policy for beginning farmers. The concept of "generational renewal" was introduced. Generational renewal is the idea that young farmers are more productive, more eager to take on risk, more open to innovative changes, and more technologically savvy than their older counterparts (Hamilton et al., 2015).

The understanding of who and what this discussion includes starts with defining the beginning farmer and what designates a farm. The United States Department of Agriculture-Economic Research Service (USDA-ERS) defines a farm as, "any place from which $1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the year" (Economic Research Service, 2018). Katchova and Ahearn (2017) assert this has been the accepted definition since the 1970's. The USDA-ERS (2017) defines a beginning farmer or rancher as a producer who has been the principal operator for ten years or less. According to the USDA, approximately 17.2% of U.S. farms were classified as beginning farms in 2012 (National Agriculture Statistics Service, 2018). While 17.2% are classified as beginning farms, it is estimated 35% of those beginning farmers are 55 years or older (National Agriculture Statistics Service, 2018). Freedgood and Dempsey (2014) theorize this could indicate individuals are retiring and seeking a second career in agriculture. These individuals are being captured within USDA's beginning farmer definition.

Much of the research identifies the challenges beginning farmers face and some identify government programs in place for beginning farmers. Unfortunately, there is a lack of research conducted on the programs themselves and the success or failures of those programs. In order to improve these government programs, particularly the beginning farmer government programs, this research works to discover what barriers Missouri's beginning farmers face regarding beginning farmer government programs.

LITERATURE REVIEW

Identified Challenges Beginning Farmers Face

One common topic of discussion in agriculture centers on the continued increase in the average age of the American farmer. The most accepted reason as to why the age has continued to climb, revolves around the fact beginning farmers face many challenges and hardships. One critical challenge is the start-up cost of farming. Previous research argues the high start-up cost as the biggest barrier beginning farmers must overcome (Ahearn, 2013; Ahearn & Newton, 2009; Dodson, 2002; Freedgood & Dempsey, 2014; Kauffman, 2013; Pouliot, 2011).

Agricultural production requires a substantial amount of capital, assets and other variable inputs such as access to farmable land, farm equipment, on-farm infrastructure, seed and feed, pesticides, vaccinations, fencing materials, fertilizers, etc. To obtain the capital and assets necessary to achieve farm profitability, financing becomes critical. Unfortunately, beginning farmers often lack adequate financing to get their operations up and running (Ahearn, 2011). Dodson (2002) maintains this forces beginning farmers to seek out federal guaranteed loans, United States Department of Agriculture-Farm Service Agency (USDA-FSA) loans, or a seller financing in order to afford farm investments. Fernandez-Cornejo, Mishra, Nehring, & Hendricks (2007) contend this barrier also compels beginning farmers to seek off-farm income to manage paying for a farm and everyday costs of living.

High start-up costs is further broken down in other recent research. Pouliot (2011) further specifies the price of fixed assets to be the main barrier to entry. The author believes as farm output prices increase established farmers have more incentive to produce more output which inadvertently raises the price of fixed assets such as machinery and land; which then serves as the main barrier to entry for beginning farmers. Freedgood and Dempsey (2014) put this further into perspective by estimating there was a 79% increase in land values from 2002 to 2008. Per acre value of farm real estate across the nation in 2012 averaged $2,650, up 10.9% from 2011 (Ahearn, 2013).

Freedgood and Dempsey (2014) found the most universal challenge beginning farmers voiced was locating, affording, and acquiring appropriate farmland. Appropriate farmland, as defined by the authors, is a subjective term dependent on the individual and operation. Appropriate farmland differs even more when niche markets like greenhouse businesses, organic farming, vineyards and specialty crops are considered.

Ahearn and Newton (2009) provide an overlooked example of what else can constitute appropriate farmland. Considering the need for off-farm income, many beginning farmers desire farmland in relative proximity to more metropolitan areas where off-farm work opportunities are more prevalent. This leads to another challenge discussed by Freedgood and Dempsey (2014) who explain these lands receive added pressure from non-farm development including roads, subdivisions, businesses, etc. This puts these farmlands in even tighter markets for both established producers and beginning farmers and ranchers looking to work off-farm and on-farm. Freedgood and Dempsey (2014) further explain that between 1982 and 2007, more than 23 million acres of agricultural land has been developed for non-farm uses.

Another challenge identified in the literature is qualifying for the credit needed to finance a farm or operations purchase. Kauffman (2013) explains how lenders are often more cautious with young beginning farmers because they are generally greater risks to lend to with lower levels of equity. The author notes many lenders may ask for higher collateral from beginning farmers. Further complicating the matter is that many beginning farmers often do not have the collateral lenders ask for to be awarded these loans (Pouliot, 2011). This leads to higher interest rates to compensate for the lack of collateral and perceived risks (Kauffman, 2013). Not only does it prove to be a challenge to convince a lender to take on the additional risk, but many potential beginning farmers could be deterred from applying due to the cost of borrowing.

There is evidence arguing beginning farmers face high start-up costs which dissuades farm entry, but Zimmel and Wilcox (2011) of the Food and Agricultural Policy Research Institute (FAPRI) found that entry may not be the most prevalent issue. They found between 2002 and 2007 the number of operators with two years or less of experience grew by more than 28 percent. At the same time, those with five to nine years of experience decreased by 6.8 percent. This highlights the argument that perhaps one of the main challenges beginning farmers face is not entry but rather sustaining their business. Ensuring farm survival could be where additional attention needs to be given in enabling beginning farmers and ranchers for long term success.

The evidence of the challenges beginning farmers of all ages face has led to the development of government programs. A number of organizations and governmental bodies have created programs to address the different challenges farmers face while continuing to support current farmers and ranchers. There are educational outreach programs, financial lending programs, cost shares, and crop insurance considerations available to beginning farmers. However, the question then changes from are the right programs available? to, are farmers able to participate in those programs?

Production Knowledge

Agriculture is an industry in which experience and knowledge is important to the success of a farm (Hamilton et al., 2015). While many established farmers have achieved these two attributes through years of operating and trial and error, beginning farmers have not yet had this opportunity. In order for a beginning farm to survive the operators must not only overcome financial barriers, but they must also have the knowledge to do so.

There are many educational opportunities for beginning farmers through University Extension services, online sources, professional agricultural consultants, commodity organizations, etc. Trede and Whitaker (2000) conducted a study to identify perceptions of beginning farmers in Iowa towards the content and delivery of beginning farmer education. They found beginning farmers show preferences towards hands-on/experiential learning, problem solving, and critical thinking skills (Trede & Whitaker, 2000). They also noted beginning farmers demonstrated heavy reliance on family, extension services and consultants. Finally, the author's state beginning farmers seemed to prefer on-site educational training, single meetings with single topics, and consultation with public institutions for unbiased information (Trede & Whitaker, 2000). Understanding the mode of delivery in which beginning farmers prefer to obtain information is beneficial for those creating and implementing the educational programs for beginning farmers.

Mentorship programs are another method of sharing information. They pair beginning farmers with more experienced farmers which provides a platform for answering newcomer questions from an individual who has been in the same position. It also allows for the mentors to share their experience and knowledge with another generation of producers. Hayes (2001) found nearly all of the beginning farmers involved in the study brought up the idea of mentoring programs.

University Extension-based programs in Kentucky and Colorado have implemented pilot programs which provide mentors for beginning farmers (Meyer et al., 2011). Through these pilot programs the mentors are paid for their services. Mentors were selected on a basis of their backgrounds in direct marketing production, management, and sales. Thus far, these programs have been found to benefit beginning farmers through the active engagement with experienced farmer mentors. Post mentorship evaluations also showed mentor participants felt they gained new perspectives on their own operations.

The USDA-FSA offers what is known as Operating Microloans. These loans are designed for beginning farmers with little experience, but some experience is still required before a loan is granted (FSA, 2017c). For those lacking the required experience, USDA-FSA has recently allowed applicants to work with a mentor for guidance during the first production and marketing cycle. The required experience needed to award the loan is accounted for through the mentor, so long as it can be proven the mentor is actively assisting the mentee through their first year (FSA, 2017c).

Financial Stress and Costs

Katchova (2010) found beginning farmers have different likelihoods of experiencing financial stress depending on their characteristics such as age, education, and household size. The author also explains financial stress depends on farm size, crop/livestock type, and legal status of the farm (Katchova, 2010). Mishra, Wilson, and Williams (2007) expound on this idea and found applying the adoption of genetically modified crops, having a written business plan, controlling variable costs, participation in government programs, and participation in marketing contracts lead to higher financial performance for beginning farmers. It can be deduced from the findings the more active a beginning farmer is with offsetting their financial strains the less financial pressure they will experience.

Financial stress upon beginning farmers and ranchers is unlikely to get any better. In recent years, agricultural costs in the U.S. have continued to rise considerably. From 2006 to 2011, annual U.S. corn production costs rose roughly 8% per year; average fertilizer costs alone increased 17% and seed costs increased by an annual average of 20% (Kauffman, 2013). Consequently, feed costs for livestock operations continued to increase as well. With climbing input costs and stagnant/declining income prices, it is improbable the financial stress beginning farmers and ranchers experience will be lightened in any way (Kauffman, 2013).

According to Mishra, Wilson, and Williams (2009), education, age, and off-farm work lowered financial performance for new and beginning farmers. Perhaps as an individual receives more education they are faced with higher opportunity costs of starting a farm rather than exerting their efforts towards off-farm jobs. The older and more financially stable an individual gets, the less they stress about the little costs and therefore their on-farm financial performance decreases. Perhaps the individuals working both off-farm and on-farm believe the gains of the off-farm job surpasses the losses of the on-farm work, depending on their operations and situations.

Off-Farm Income

Fernandez-Cornejo, Mishra, Nehring, Henricks (2007) illustrate the changing times and the role off-farm income plays in addressing the financial stress and financial needs of today's beginning and established farmers. They discuss how in 1960 almost half of total household income for U.S. farmers was directly from off-farm sources. Mishra, El-Osta, Morehart, Johnson, and Hopkins (2002) found more than half of American farmers work off-farm, along with half of farm spouses. By analyzing Agricultural Resource Management Surveys (ARMS)

Mishra et al. (2002) concluded nearly 90% of total farm household income in 1999 originated from off-farm sources. Mishra et al. (2002) found regardless of location, near metropolitan areas or not, off-farm income still serves as the dominant source of household earnings according to their studies. They claim off-farm work is no longer viewed as a transitional position but rather as a lifestyle choice with farming as a second job or investment. In 2004, 52% of all farmers, not including spouses, in the U.S. worked off of the farm (Fernandez-Cornejo et al., 2007). There could be a variety of reasons for this high percentage, one simply being the desire for greater overall income. Another reason however could be the desire to obtain benefits, such as securing retirement savings and health insurance (Mishra et al., 2002).

When specifically looking at the beginning farmer population, beginning farmers typically have more formal education than established farmers and therefore are more competitive for off-farm jobs (Mishra et al., 2009). The USDA-ERS found in 2013 that beginning farm households always received less farm income and more off-farm income than established farm households regardless of farm size. Using ARMS data they demonstrate net farm earnings in 2011 for beginning farmers was around $1,902 on average, compared to $18,119 on average for established farmers. However, they also exhibit off-farm earnings for beginning farmers on average to be around $89,015 per household, compared to an average of $64,172 for established farmers (Ahearn, 2013).

When considering scale and size of an operation, it is noted beginning farmers often start out with less acreage and/or livestock numbers and therefore cannot yet produce enough to be profitable (Fernandez-Cornejo et al., 2007). Due to this, beginning farmers running smaller-scale farms work and depend more on off-farm sources. In economic terms, to compensate for the scale disadvantages smaller scale/beginning farmers seek out off-farm opportunities

(Fernandez-Cornejo et al., 2007). Ahearn and Newton (2011) dive further into this by claiming many beginning farmers will continue to operate smaller farms and not increase in size. They believe that perhaps many beginning operators choose farming for its residential amenities and do not exactly aspire to produce at a commercially viable level. Off-farm income is often a consideration when approving beginning farmers for some government lending programs. In some cases, if off-farm income exceeds projected on-farm income the beginning farmer applicant will not be approved (Missouri Department of Agriculture, 2017).

Selected Beginning Farmer Government Programs

The following sections discuss government programs that focus on lending options for beginning farmers, assets and startups, crop insurance benefits, conservation management for beginning farmers, and developing resources for producers. These types of government programs are highlighted due to their impact on beginning farmers and ranchers. It should be noted there are other government programs beginning producers can utilize and this is not to be considered an exhaustive list of available programs.

Lending Options for Beginning Farmers:

When considering the high start-up costs in production agriculture, loans become a critical component of a business plan. Farmers apply to local banks, organizations such as Farm Credit Services, or government agencies like USDA-FSA. As discussed, when identifying the challenges, farming is a high risk industry and new farmers often do not have the collateral to be awarded lower interest rates. Kauffman (2013) of the Federal Reserve Bank of Kansas City states lenders are frequently more cautious with young beginning farmers because they generally are greater risks with lower levels of equity. However, Kauffman finds loan repayment rates to be significantly higher for beginning farmers than established producers.

According to Freedgood and Dempsey (2014), the USDA-FSA began offering loans in the 1930s, and have since evolved into the programs in existence today such as the FSA down payment loan program or the FSA direct operating program. The 1992 Agriculture Credit Improvement Act set the precedence for today's beginning farmer government programs by being the first to authorize the targeting of funds to beginning farmers (Ahearn, 2013). Today, there are a wide array of government programs for beginning farmers and ranchers.

One such program established in the 2008 Farm Bill and then reauthorized in both the 2014 and 2018 Farm Bills is a federal program known as the Beginning Farmer and Rancher Individual Development Accounts Pilot Program (BFRIDA) (FSA, 2010). With this program, eligible beginning farmers receive matched accounts. In essence, for every contribution a beginning farmer makes to a designated savings account, the federal government will match that contribution into the designated savings account. The 2014 and 2018 Farm Bills directs the USDA to establish pilot projects in at least 15 states across the nation (FSA, 2010). All 50 states would have the opportunity to apply to be one of the 15 pilot states. The pilot projects intend to determine if the program could be successful in the future. Once funds are appropriated, state organizations and agencies then compete for the funds.

The BFRIDA program has yet to receive any funding to date through the annual appropriations process. Due to lack of finances, the USDA has not been able to establish the pilot projects so it remains unknown if this program could be successful. Similar to but not affiliated with this federal program, California and Vermont have both implemented state Individual Development Account (IDA) programs for beginning farmers. These state-level programs are smaller in scale but do in fact have success stories (National Sustainable Agriculture Coalition, 2014). More information in regards to this program can be found in Appendix A.

Another set of programs to help address financial stress or financial needs of producers are low interest loan programs. These programs address two challenges beginning farmers face. They assist with the high start-up cost of farming and aid beginning farmers in qualifying for credit required to finance many farms (FSA, 2017b; Missouri Department of Agriculture, 2017; Missouri State Treasurer's Office, 2017).

The USDA-FSA has numerous low interest loan programs including Farm Ownership Loans, Farm Operating Loans, Guaranteed Farm Loans, Microloan Programs, and even Youth Loans (FSA, 2017b). Further details on these programs can be found in Appendices B-F. Each of these programs are a little different and each have different requirements for applicants who wish to partake in the program benefits. There are four programs in particular in which beginning farmers receive special consideration which include Farm Ownership Loans, Operating loans, Guaranteed Farm Ownership Loans, and Guaranteed Farm Operating Loans (FSA, 2017b). These programs give special attention to beginning farmers by having what is known as "targeted funds". Targeted funds set aside predetermined percentages of the congressionally appropriated dollars to be exclusively directed towards beginning and socially disadvantaged farmers (FSA, 2017b).

There are some eligibility requirements that must be met before low interest loans are awarded. A former eligibility requirement for USDA-FSA's Direct Farm Ownership Loan Program stipulated that an applicant could not own more than 30% of the median size farm in the county the farm resided in. This requirement was altered with the 2014 Farm Bill, which changed the word “median” to “average.” This drastically expanded the pool of potential applicants. Nationally in 2012, the average farm was 384 acres while the median farm was 81 acres. It was estimated in 2014 that more than 75% of beginning farms in America would meet the new criteria, while only about 38% met it previously (Williamson, 2014).

A state-level beginning farmer loan program that offers low interest loans to beginning farmers is informally known as “Aggie Bonds.” The state of Missouri’s “Aggie Bond” is administered by the Missouri Agriculture and Small Business Development Authority (MASBDA), which is a branch of the Missouri Department of Agriculture (MDA). This program issues a bond to traditional lenders and the lenders then receive federally-tax exempt interest on loans made to beginning farmers (Missouri Department of Agriculture, 2017). In turn, a beginning farmer receives lower interest rates on a loan. These loans can only be used to buy agricultural land, farm buildings, farm equipment, and breeding livestock. While they cannot be used for operating expenses, inventory purchases, or supplies, these loans are still highly beneficial for those who utilize them (Missouri Department of Agriculture, 2017). Further information regarding this program can be found in Appendix G.

Another state-level government program that offers low interest loans to beginning farmers is linked deposit programs. The state of Missouri’s linked deposit program for beginning farmers is administered by Missouri’s State Treasurer’s Office. Through beginning farmer linked deposit programs, a traditional lender charges a beginning farmer less than the normal interest rate and then subsequently the lender is reimbursed for this loss of interest by receiving a lower interest charge on a deposit in the amount of the loan (U.S. Legal, 2017). Loans can only be used to purchase agricultural land, farm buildings, farm equipment, livestock, and working capital (Missouri State Treasurer’s Office, 2017). Unfortunately, while these programs can be extremely advantageous for beginning farmers, Freedgood and Dempsey (2014) point out how many states with linked deposit programs are discontinuing them due to lack of use. More details regarding the Missouri Linked Deposit Beginning Farmer Program can be found in Appendix H.

Assets and Startup

For some producers the financing is only one of the issues they face. Another prevailing issue for beginning farmers is land availability and capacity to acquire assets. Acquiring ownership of land and equipment is often difficult. Many beginning farmers and ranchers realize this truth of having to work towards their goals. Studies show beginning farmers and ranchers are twice as likely to be tenants as compared to all other farm operators (Mishra et al., 2009). Renting farmland and farm equipment is a viable way for beginning farmers and ranchers to start-off and work their way up. Once they have obtained financial stability and once the land they desire becomes available to purchase, then they are in a better position to have the funding necessary for a down payment having worked from a rental strategy.

Mishra et al. (2009) state, "New and beginning farmers and ranchers can gain traction in the field of agriculture by starting as a tenant and fully employing their borrowed money into productive and high return enterprises" (p. 175). If a beginning farmer does not have the substantial capital required for down payments for buying land and equipment outright, they can pay for the rent on these assets and then devote more resources to paying for the variable input costs. Kauffman (2013) believes a rental strategy for land and equipment could become the standard business model for future beginning farmers and ranchers. The author thinks the higher prices for land and equipment appear to already be shifting the structure of farm enterprises for beginning farmers from an owner-operator model to a renter-operator model (Kauffman, 2013).

Programs that focus on land and asset transfers have been created on the state and federal levels to address the challenge of locating, affording, and acquiring appropriate farmland and other agricultural assets (Freedgood & Dempsey, 2014). These types of programs lighten the burden. Land and asset transfer programs assist beginning farmers and established farmers looking to retire. These programs incentivize established farmers to seek out beginning farmers to arrange purchases or leases of agricultural assets.

The Conservation Reserve Program: Transition Incentive Program is a federal level program falling into this category. This program provides retired/retiring land owners with two additional annual rental payments on land enrolled in expiring Conservation Reserve Programs contracts on the condition they sell or rent this land to a beginning farmer or rancher or a socially disadvantaged group (FSA, 2017d). New land owners or renters must return the land to production using sustainable farming methods (FSA, 2017d). This program was authorized to spend $25 million with the 2008 Farm Bill and $22.7 million was ultimately appropriated. In total 1,719 contracts covering 275,608 acres were awarded (Williamson, 2014). Due to the high utilization, the 2014 Farm Bill authorized $33 million to be made available until spent during the 2014-2018 years (Williamson, 2014). The 2018 Farm Bill authorized another $50 million (115th Congress, 2018). For more information, see Appendix I.

A state-level program aiming to incentivize transfer of assets to beginning farmers is commonly referred to as Beginning Farmer and Rancher Tax Credits. This title can be slightly misleading however, as it is typically not the beginning farmer receiving a tax credit but rather the established farmer. With these programs, landowners receive state income tax credits when they sell or rent land and other agricultural assets to beginning farmers. There are three states who currently implement this type of program including Minnesota, Iowa, and Nebraska (The Office of the Revisor of Statutes, 2017; Iowa Finance Authority, 2017; Nebraska Department of Agriculture, 2017). Each one is slightly different and requires different eligibility stipulations for beginning farmers and established farmers participating, as well as what constitutes acceptable assets. They also are different in the size of tax credits offered, but in essence achieve the same goal of bringing established and beginning farmers together. Nebraska offers an additional benefit by offering a personal property tax exemption to beginning farmers and ranchers (Nebraska Department of Agriculture, 2017). Details on these state level programs can be found in Appendices J, K, and L.

Crop Insurance Benefits

Federal crop insurance is an effective risk management tool utilized by farmers today. It provides a safety net empowering farmers to operate more confidently and successfully. Crop insurance is based on Actual Production History (APH), which is four to ten years of records demonstrating how much was produced on farmed ground. APH allows both farmers and crop insurance providers to decide what the best insurance policies are on a case-by-case basis (Farm Bureau, 2016).

Beginning farmers who do not have the minimum four years of APH must use county Transitional Yields (T-Yields) for missing years. T-Yields used to be defined as 60% of the county average; but were redefined in the 2014 Farm Bill as 80% of the county average (Farm Bureau, 2016). There were also other provisions outlined in the 2014 and 2018 Farm Bills providing special benefits for eligible beginning farmers and the 2018 Farm Bill recently passed continues these special benefits.

One benefit for beginning farmers is they can use the APH of a farming operation that they were previously involved with (Risk Management Agency, 2014). This benefit is not as pertinent to farmers starting from scratch, but is advantageous for those with relevant circumstances. Another benefit for eligible beginning farmers is if they suffer a poor yield due to an insurable loss, thus affecting their future APH, they may replace the poor yield with the applicable T-Yield (Risk Management Agency, 2014). A third benefit is being exempted from paying the administrative fee of $300 for catastrophic and additional coverage policies (Risk Management Agency, 2014). Finally, and perhaps the chief benefit, is eligible beginning farmers receive an additional 10% premium subsidy on any crop insurance policy than other farmers (Risk Management Agency, 2014). For example, if a farmer who is not a qualified beginning farmer opts to get the basic crop insurance for corn at 70%, the farmer will be subsidized 59% of the cost of the premium. If a qualified beginning farmer opts to get the same exact package, they will be subsidized 69% of the cost of the premium.

To be eligible for these beginning farmer crop insurance provisions individuals must meet the definitions authored by the USDA and the program administration agency. The USDA defines a beginning farmer as having farmed for ten years or less. However, the Risk Management Agency (RMA), which is the branch of USDA that administers federal crop insurance and thus administers the beginning farmer crop insurance provisions, defines beginning farmers as having farmed for five years or less. This potentially alters the pool of potential applicants (Risk Management Agency, 2014). For more information, see Appendix M.

A common grievance voiced amongst producers is crop insurance only covers certain crops; not including crops grown for direct human consumption or crops raised for livestock consumption. However, there is a program through the USDA-FSA known as the Noninsured Crop Disaster Assistance Program (NAP Program). Through this program, farmers growing crops not covered by traditional crop insurance can receive protection. Typically these contracts cost producers $250 per crop, but eligible beginning farmers and ranchers can receive this safety net for free. Eligible beginning producers can file for a waiver of the service fee and thus carry crop insurance for specialty crop and/or pasture lands for no charge (FSA, 2017a). See Appendix N for further specifics.

Conservation Management for Beginning Farmers

Cost share programs through the Natural Resources Conservation Service (NRCS) are primarily designed to enhance established properties. Programs such as the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) provide financial and technical assistance to landowners to voluntarily plan, implement, maintain, and improve conservation practices (NRCS, 2017a; NRCS, 2017b). While these programs were originally designed to advance conservational practices on land already in production, today NRCS is simultaneously awarding even more assistance to beginning farmers than established producers (Ahearn & Newton, 2009).

According to Ahearn and Newton (2009), both EQIP and CSP will grant farmers up to 75% cost share on projects. The 75% cost share is a substantial amount, especially when one considers the type of projects the funds work to establish. Qualified beginning farmers however, can receive up to 90% cost share (Ahearn & Newton, 2009). This high of a cost share almost entirely pays for a project, giving eligible beginning farmers a distinct advantage if they choose to implement environmentally friendly practices.

Beginning farmers have more advantages specific to these programs. Eligible beginning farmers can receive advanced payments up to 50% to purchase materials and services needed for EQIP projects (Freedgood & Dempsey, 2014). Typically participants are reimbursed for EQIP projects once the projects are completed. This provision recognizes beginning farmers often lack the financial means to begin a project and therefore the 50% advance payment gives them a necessary jumpstart. Another advantage specific to both the EQIP and CSP programs is the USDA Secretary of Agriculture is authorized by federal law to set aside 5% of funds solely for beginning and socially disadvantaged farmers (Freedgood & Dempsey, 2014). This allotted amount set aside enables program administrators to give preference to beginning farmers and pull funds specifically from this special funding pool. Therefore, there is less competition for funds amongst eligible beginning producers and they are thus more likely to be awarded funding. Furthermore, if beginning producers do not receive funding then they are able to essentially reapply for the at large funding pools. See Appendices O and P for more information.

Developing Resources for Producers

Another federal program that propels beginning farmers and ranchers forward is the Beginning Farmer and Rancher Development Program (BFRDP). BFRDP is administered by the National Institute of Food and Agriculture (USDA-NIFA) and its purpose is to provide federally-funded grants for organizations to apply for in the development and implementation of projects aimed at assisting beginning farmers and ranchers (National Institute of Food and Agriculture, 2017a). First authorized in the 2002 Farm Bill and subsequently obtaining mandatory funding in the 2008 Farm Bill (Niewolny & Lillard, 2010), BFRDA grants fund projects up to $200,000 per year for three years (National Institute of Food and Agriculture, 2016).

Those eligible to apply for this grant funding include universities/colleges, community based organizations, and nongovernmental organizations (NIFA, 2017a). It is important to note these grants are not awarded to individual farmers looking to start a farm. According to Anderson (2013), funded projects typically offer education, mentoring, training, and hands-on workshops and events for beginning farmers to increase their knowledge and experience. Anderson makes note that these projects are aimed to assist beginning farmers and ranchers with overcoming the obstacles of starting a farm. To date, at least four projects have been funded in the state of Missouri and over 250 projects across the nation (NIFA, 2017b). Additional specifics regarding this program can be found in Appendix Q.

This program is still in its early stages of development and will more than likely be improved in various ways as the years pass. Anderson (2013) believes the application process is too time consuming and onerous, and NIFA should offer grant writing workshops so as to allow a more speedy process (Anderson, 2013). Anderson (2013) found the program in 2010 to be successful on several accounts, one being the number of beginning farmers and ranchers reached through implemented projects.

The Value-Added Agricultural Market Development Grants program is another program that can assist beginning operators. This program is designed for those who wish to enter value-added activities and assists producers with creating new products and market opportunities (Williamson, 2014). The Specialty Crop Block Grants program helps farmers become competitive producers of fruits, vegetables, tree nuts, horticulture, and etc. A third program is the National Organic Certification Cost-Share program, which assists with certification costs for those wishing to operate organic farms or handle organic produce.

Impact of Government Programs

While there are benefits of the programs in place for beginning farmers and ranchers, there are critics who believe the programs are ineffective. Some argue these programs in general have a negligible impact and overall only partially offset the issues at hand. Those who oppose and critique the government programs would largely prefer no government intervention in regards to mitigating the challenges beginning producers face.

Gale (1993) explores this topic while evaluating the declining number of young farm entrants. It was concluded any increase in farm entry induced by a government subsidy would only partially offset the decline due to demographic forces. Gale was not convinced governmental support would be large enough to make a meaningful impact (Gale, 1993). This is supported by Katchova and Ahearn (2017) who found there was no evidence of policy impact on the needs of beginning farmers. They state the lack of policy impact is due to the limited scale of programs. Pouliot (2011) adds to this discussion by expressing concerns that government intervention enables less efficient farmers to enter the agriculture workforce.

Sanderatne (1986) writes on small farmer loan delinquency and the political economy behind it. The author believes the government is offering lip service for the poor-small farmer but not actually helping, rather searching to score political points instead. Instead, Sanderatne writes, “Credit is disbursed to remote areas which do not have satisfactory institutions. These institutions often lack personnel to determine credit worthiness, supervise lent funds, or implement a recovery mechanism” (Sanderatne, 1986, p. 347). Further concerns are that the government is only helping a small minority in the rural sector and in many cases those helped are the wealthier and better off farmers (Sanderatne, 1986). Sanderatne's pessimistic perspective leads many to question the effectiveness of beginning farmer government programs.

Beginning farmer needs

It is apparent beginning farmers and ranchers face many hardships and challenges (Ahearn, 2013; Ahearn & Newton, 2009; Dodson, 2002; Freedgood & Dempsey, 2014; Kauffman, 2013; Pouliot, 2011). From struggling with acquiring appropriate farmland (Freedgood & Dempsey, 2014), the ever increasing prices of assets and variable input costs (Kauffman, 2013), and acquiring the knowledge needed to successfully operate a farmstead (Trede & Whitaker, 2000), beginning farmers face many challenges. The different government programs were designed to ease the burden upon beginning farmers and ranchers. Whether the programs effectively offset the challenges is difficult to determine.

METHODS

Due to the exploratory nature of this study, the research team decided to implement a qualitative research design. Merriam and Tisdell (2015) explain "the overall purposes of qualitative research are to achieve an understanding of how people make sense out of their lives, delineate the process (rather than the outcome or product) of meaning-making, and describe how people interpret what they experience" (p. 15). Corbin and Straus (2008) describe how qualitative research allows researchers to learn about the experiences of participants, and by doing so, discover rather than test variables. They contend one of the most important reasons for choosing to do qualitative research is it enables the researchers to see the world from the perspective of the participants. This research was designed qualitatively to learn and assess the experiences of those involved with Missouri's beginning farmer government programs. By evaluating their experiences and perspectives, recommendations to improve upon the programs can be made.

Basic Qualitative Research

Merriam and Tisdell (2015) acknowledge a challenge many researchers face is determining what kind of qualitative research they wish to carry out, or rather, what theoretical framework to use. They propose "the most common type of qualitative research is a basic interpretive study" (Merriam & Tisdell, 2015, p. 23). In basic qualitative investigations, the researchers are primarily concerned with understanding the meaning of something; in this case, the meaning of the experiences of those involved with Missouri's beginning farmer government programs. Merriam and Tisdell (2015) claim that:

> "Qualitative researchers conducting a basic qualitative study would be interested in (1) how people interpret their experience, (2) how they construct their worlds, and (3) what meaning they attribute to their experiences. The overall purpose is to understand how people make sense of their lives and their experiences" (p. 24)

The authors recognize this characterizes the vast majority of qualitative research, but reason the difference is other theoretical frameworks have additional components absent in basic qualitative studies (Merriam & Tisdell, 2015). An example would be a grounded theory approach seeking not just to understand but also develop an overarching theory about the phenomenon.

An underlying component of basic qualitative research is referred to as constructivism. This central characteristic of basic qualitative investigations can be described as individuals constructing reality in interaction with their social worlds (Merriam & Tisdell, 2015). Basically, it is the theory people construct their knowledge base through experiences, and then reflect on those experiences. When learning something new, people try and connect those new pieces of information with previous familiarities. This is important for this research study since the main concern is investigating Missourians' experiences with beginning farmer government programs and in how people construct their knowledge base in regards to these programs.

After data is collected when executing basic qualitative studies, Merriam and Tisdell (2015) write "the analysis of data involves identifying recurring patterns that characterize the data. Findings are these recurring patterns or themes supported by the data from which they are derived" (p. 25). These recurring patterns or themes are often referred to as codes. Stuckey (2015) explains how coding data entails predetermining codes (often referred to as a priori), identifying emergent codes (often referred to as open coding), or a mix of both. For this study, open coding was conducted and emergent codes were identified following the data collection during the data analysis portion of the study. These codes provided a baseline understanding for the research team to make recommendations on how to improve upon the programs available for beginning farmers and ranchers in Missouri.

Focus Groups

Data were collected for this study through focus groups. Morgan (1997) contends "focus groups are basically group interviews, although not in the sense of an alternation between a researcher's questions and the research participants' responses" (p. 2). The author goes on to explain that rather than question-and-answer, like traditional one-on-one interviews, the advantage of focus groups is the ability to observe group interaction. This provides insights that would be less accessible in a traditional interview set-up. Morgan (1997) continues "it is the researcher's interest that provides the focus, whereas the data themselves come from the group interaction" (p. 6). Through these meetings, participants are able to share their experiences and viewpoints with one another which encourages deeper discussions and thought regarding the topics being presented to the group.

A focus group meeting is typically comprised of five to eight participants assembled in a room with a moderator to guide the discussion. The moderator asks discussion questions and allows the participants to exchange their experiences and perspectives. For this study, following the focus group meetings the data were analyzed using an analytic framework classified by Krueger and Casey (2015) as key concepts. The objective of this type of framework is to identify factors that are of central importance. By utilizing this type of analytic framework, the research team was able to discover core ideas and experiences Missourians have regarding government programs designed for beginning farmers.

Focus groups are utilized in a variety of ways to include academic research, marketing inquiries, organizational concerns, needs assessments, etc. (Krueger & Casey, 2015). When considering the majority of studies that utilize focus groups, Morgan (1997) outlines several rules of thumb prevailing in most projects. These guidelines consist of "(a) use homogeneous strangers as participants, (b) rely on a relatively structured interview with high moderator involvement, (c) have six to ten participants per group, and (d) have a total of three to five groups per project" (Morgan, 1997, p. 34). While these rules of thumb provide a comforting sense of structure, Morgan (1997) goes on to describe how "unfortunately, some people act as if these rules of thumb constitute a standard about how focus groups should be done rather than a descriptive summary of how they often are done" (p. 34). Considering this claim, it is crucial to acknowledge qualitative research is not, and should not for that matter, be held to rigid standards or protocols if meaningful data is to be found.

Krueger and Casey (2015) clarify an essential ingredient for a successful study using focus groups is a skillful moderator. While moderating a focus group seems relatively easy on the surface, there is more art involved in being a skillful moderator than what first meets the eye. The level of moderator involvement sets an upfront precedent and can lead the research exactly where it needs to go, or directly away from it (Krueger & Casey, 2015). It is up to the moderator to understand what the research team is searching for and how best to unveil answers to the respective questions.

Morgan (1997) describes moderator involvement, which is the "extent to which the moderator either controls the discussion or allows relatively free participation" (p. 39). More structured groups have distinct agendas and less structured groups have more of an exploratory approach. For this study, it was decided to use a semi-structured approach. The moderator followed a predeveloped protocol for the duration of the focus group meetings. However, the moderator did not rigidly adhere to the protocol guide. For example, if a participant's response did not fully answer the question the moderator would follow up and ask for clarification. If a participant's reply raised a different question not included on the protocol, and the moderator felt it necessary to explore, the moderator was at liberty to inquire.

There have been several agricultural studies utilizing focus groups successfully. Bailey (2013) implemented focus groups to identify and explain the interaction between educational drivers, educational needs, and programming preferences of young beginning farmers and ranchers in Montana. The author found by conducting a study utilizing focus groups, they were able to unveil in-depth views of the participant's educational needs and preferences, and their study could be used as a springboard for future research. Gustafson (2006) used focus groups to engage potato farmers, crop insurance agents, and lenders in a risk management education project. The author concluded the method of focus groups was a useful way for suggestions to be made regarding the improvement of potato insurance. A third study conducted by the Northeast New Farm Network in 2001 used focus groups to ascertain the needs of beginning farmers in New England (Johnson, Bowlan, Brumfield, McGonigal, Ruhf, & Scheils, 2001).

Northeast New Farmer Network, 2001). The authors learned through focus group interaction that new farmers' needs changed as they gained experience, and this enabled them to further develop outreach programs for green-hand farmers in the New England area.

Research Design

Focus groups for this research were conducted throughout the summer of 2018. To effectively evaluate the government programs designed for beginning farmers in Missouri, several different types of focus groups were formed.

- Focus Group 1 (FG1) consisted of current Missouri producers who had participated in one or more beginning farmer government programs in the past and/or present. Three repetitions of this group type allowed the researchers to assess the challenges these producers had to overcome and the key reasons they were able to successfully partake in the programs from across the state.
- Focus Group 2 (FG2) was comprised of Missourians who were unable to participate in any beginning farmer government programs. This group included those who ultimately decided not to apply for a program and those whose applications were unsuccessful. There were three repetitions of this group type.
- Focus Group 3 (FG3) was a sample of beginning farmer government program administrators. This group provided a different perspective and identified challenges administrators felt applicants were struggling with and also ascertained their perceived success of the programs to achieve their designed goals. Two repetitions of this group type were carried out.
- Focus Group 4 (FG4) consisted of those working directly with beginning farmers and ranchers. This was especially in regard to adult agriculture educators and extension specialists, as these individuals are in constant contact with beginning farmers and ranchers as they develop educational classes, farm business

management programs, and advise local Missouri young farmer groups. There were two repetitions for this group.

Various locations were used to conduct focus groups for this study. One reason for this was simply to reach more participants and not limit the pool of potential participants to a single region. Another reason for this is because of the differing agricultural operations from one region of the state to the next. For instance, cotton produced in Missouri can only be found in the southeastern corner of the state. Cow-calf operations are most dense in southwestern Missouri while some of the highest soybean producing counties are in north central Missouri. Choosing locations across the state ensured a wider variety of operation types were included in the research, which more accurately reflects the story of those applying for the beginning farmer government programs in Missouri. The locations included:

- Missouri State University's Bond Learning Center in Springfield, Missouri
- Missouri Farm Bureau Headquarters in Jefferson City, Missouri
- The University of Missouri's Mumford Hall in Columbia, Missouri
- The Drury Inn and Suites Conference Room in St. Joseph, Missouri
- The Missouri Electric Cooperative Building at the Missouri State Fair in Sedalia, Missouri
- The Missouri Pork Producers Association Headquarters in Columbia, Missouri

Focus Group participants were recruited in several different ways to include contacting members of grass-root organizations such as Missouri Farm Bureau, Missouri Corn Growers Association, and Missouri Soybean Association. Program administrators and adult agriculture education staffers and extension agents were contacted directly and asked for their participation.

Finally, a short video was made and posted on Missouri Farm Bureau's and Missouri State University Darr College of Agriculture's social media platforms.

Participants were asked to contact the research team to indicate interest. A follow up email appropriately placed individuals into the correct focus group types. As a result of the various recruitment platforms, a sufficient number of people indicated interest in participating in the study. Though it did not prove to be necessary, had a surplus of people indicated interest in participating the research team agreed final participant selection was to be decided on a first-come-first-serve basis. This predetermined standard ensured participants were not chosen based on any sort of bias. Had any individuals showed interest after focus groups were filled, they would have been politely declined in an email explaining final participant selection process.

Institutional Review Board

The Institutional Review Board (IRB) for Missouri State University requires studies involving human subjects to undergo rigorous assessments to ensure the research is being conducted in an ethical manner and that no unnecessary harm comes to the human subjects. Research projects are not approved unless it is determined the benefits far outweigh any potential risks and every precautionary measure is taken to ensure a moral investigation. This research study was approved by Missouri State University's IRB on April 13, 2018.

To ensure integrity, each participant was given a consent letter describing the study, its procedures, participant risks and benefits, measures taken to ensure their privacy, and their ability to cease participation at any point during the study. The letters also outlined how each session was to be transcribed, audio recorded, and videotaped. To guarantee participants were not directly identified when publishing results, pseudonyms were assigned (e.g. Participant 1-

Participant n). Furthermore, to protect the confidentiality of records, all information and data analysis were kept on a password protected University computer in a locked office. The data had another level of security as it was not connected to the internet in any way.

Protocols

The four different protocols pertinent to each group type were developed and peer-reviewed by the graduate team to increase the validity and quality of the questions prior to the focus group meetings. Two pilot tests were organized; one with Douglas County farmer members and one with current program administrators. Krueger and Casey (2015) explain that following pilot tests, revisions can be made and then implemented preceding the evaluated focus groups. Possible revisions include changing the wording of questions so the participants fully understand what is being asked, altering the questions if they do not stimulate the desired types of conversations, disposing of questions thought to be irrelevant, etc. Following the pilot tests, slight alterations were made to the surveys and protocols and then the graduate team agreed the questions were properly formatted. The pilot tests also raised questions as to potential codes that could emerge in the actual focus group meetings.

Focus Group Procedure

Each focus group meeting lasted approximately 60-90 minutes and the moderator followed the protocols designed prior to the meetings. The moderator began each meeting by welcoming the participants and introducing herself. Following the welcome and the introductions, the moderator described the purpose of the study and set some basic ground rules for how participants should conduct themselves for the duration of the meeting. Before starting on the direct questions, each participant was asked to introduce themselves and briefly describe their operations and/or occupations. This set a more relaxed tone for the remainder of the meetings.

The FG1 questions aimed to discover the participants' experiences regarding the beginning farmer government program(s) they had taken advantage of. Questions were developed to determine what, if anything, made it possible for them to participate in the programs, what made the process difficult, how they learned about the programs, challenges they faced, improvements they suggest, and so forth. Another question led to a discussion of off-farm income. This is due to the perceived high level of consideration program administrators place on off-farm income when determining if an applicant is to be approved for a specific program or not.

The FG2 questions aimed to discover the participants' experiences regarding the beginning farmer government program(s) they had tried to take advantage of and/or the ones they ultimately decided not to apply for. Questions were developed to determine what, if anything, prevented them from partaking in the programs, how they learned about the programs, awareness of certain programs, challenges they faced, improvements they suggest, etc. This group type was also asked about their level of off-farm income.

The FG3 questions sought to discover administrators' opinions regarding barriers beginning farmers and ranchers face concerning these programs. Questions were developed to determine if they felt the programs were achieving their designed goals, challenges they felt applicants struggled with, strengths and weaknesses of the programs, and suggestions for improvement. Administrators were asked about the level of consideration they give to off-farm income when evaluating applications.

The FG4 questions aimed to discover adult agriculture education staffers' and extension specialists' opinions regarding barriers beginning farmers face regarding these programs. Questions were developed to determine if they felt the programs were achieving their designed goals, challenges they felt applicants were struggling with, if there was enough awareness of the programs, improvements they suggest, and so forth. A question was asked of this group regarding what, if any, requests for classes or trainings revolving around beginning farmer government programs they had received.

Following each focus group meeting, the moderator briefly summarized their notes out loud and asked if the participants agreed with the summaries and/or if they wished to add anything more. Creswell and Miller (2000) refer to this tactic as member checking, and this procedure adds validity to the study. By allowing the participants to confirm the preliminary results of the meetings, the finalized data were inherently more valid. After summaries were agreed upon, the participants left with their participation favors and were thanked for their assistance.

Data Collection

Data were collected in a few different ways for this study. When answering how one should capture data, Krueger (2006) reports to not completely trust one method and therefore collect data in multiple ways. Due to this consideration, data were collected by gathering field notes, audio recordings, and video recordings. During the focus group meetings the two assistant moderators/researchers took active field notes to outline responses given to the questions, document individuals not actively participating, attitudes, body language, expressions of the entire group, etc. Following the final question of the meetings, the moderator briefly summarized their notes for the participants to agree upon or, if they chose to, to amend or add final comments. By incorporating the tactic referred to as member checking, the research is thus more valid and dependable (Creswell & Miller, 2000).

Audio and video recordings were in place to ensure the accuracy and precision of the data collection. Krueger (2006) warns videos can be intrusive, but it was deemed necessary for the researchers to most accurately analyze the data and produce results. The video recorder was set off to the side in hopes of being less intrusive upon the participants. Krueger (2006) suggests each member of the research team, including the moderator, should convene immediately after focus group meetings conclude to convert memories to field notes. This prevents the inevitability of forgetting certain details.

Screening Process and Participant Selection

The focus groups were conducted throughout the summer of 2018. A total of 99 people indicated interest in participating in the study. Not all 99 were able to participate, however, due to scheduling conflicts. In all, 57 individuals participated in the focus group meetings. There were a total of ten meetings between the four types of focus groups.

- Focus Group 1 (FG1): Current Missouri producers who had participated in one or more beginning farmer government program
    - Repetition 1: Held on July 13, 2018 with 5 participants
    - Repetition 2: Held on July 18, 2018 with 5 participants
    - Repetition 3: Held on July 27, 2018 with 5 participants
- Focus Group 2 (FG2): Missourians unable to participate in beginning farmer government programs

- Repetition 1: Held on July 28, 2018 with 5 participants
- Repetition 2: Held on August 8, 2018 with 4 participants
- Repetition 3: Held on August 12, 2018 with 7 participants

- Focus Group 3 (FG3): Program administrators
  - Repetition 1: Held on July 2, 2018 with 7 participants
  - Repetition 2: Held on July 9, 2018 with 7 participants
- Focus Group 4 (FG4): Adult agriculture education and extension specialists
  - Repetition 1: Held on July 19, 2018 with 7 participants
  - Repetition 2: Held on September 13, 2018 with 5 participants

A purposeful sample was taken to effectively evaluate the Missouri beginning farmer government programs. Palinkas et al. (2015) define purposeful sampling as "the identification and selection of information-rich cases related to the phenomenon of interest" (p. 1). To ensure appropriate participants were identified and recruited, the involvement of agricultural organizations was imperative. Members of Missouri Farm Bureau, Missouri Corn Growers Association, and Missouri Soybean Association were contacted. Additionally, 25 program administrators and 17 adult agriculture education staffers and extension agents were contacted directly and asked for their participation. Finally, Missouri Farm Bureau and Missouri State University Darr College of Agriculture posted a short video seeking possible focus group participants. These different recruitment platforms enabled the research team to bring in a sufficient number of focus group participants to carry out the study.

Once the participants were identified, a meeting location and date were selected. Snacks and drinks were provided at the meetings and each participant for FG1 and FG2 received a gas gift card totaling $10 along with a small Missouri State University gift. FG3 and FG4 only received a small Missouri State University gift and not the gas gift card due to potential conflict of interest with their occupations. Participants were not made aware of the gas cards or gifts until they arrived to the focus group discussion. At the beginning of the focus group meetings, each participant filled out a short survey with questions pertaining to demographics, operations/occupations, program awareness, and levels of off-farm income for FG1 and FG2.

Participants in FG1 and FG2 were involved a wide variety of farming operations to include beef cattle, hogs, dairy cattle, poultry, sheep, goats, corn, soybeans, wheat, sorghum, hay, and specialty crops. Participants in FG3 and FG4 indicated current employers consisting of the USDA-FSA, Natural Resource Service Agency, FCS Financial, Missouri Department of Agriculture, Missouri Treasurer's Office, University of Missouri Extension, Lincoln University Extension, and Adult Agriculture Education.

Data Analysis

Directly after each focus group meeting, the research team met for a debriefing. During this debriefing, the main points and ideas were discussed and converted into field notes. Minor alterations were also discussed during this time concerning any potential improvements if needed for the next focus group meeting.

For this study, open coding was used and emergent codes were identified. According to Merriam and Tisdell (2015), the identified codes are the "recurring patterns that characterize the data" (p. 25). By utilizing this type of analytic framework, the research team was able to discover core ideas and experiences Missourians have regarding beginning farmer government programs. The strategy for this type of analysis was the use of the computer software known as NVivo. NVivo is a computer program specifically designed for analyzing qualitative data, and can "open doors for analysis possibilities that are not reasonably possible with other strategies" (Krueger & Casey, 2015, p. 156). The employment of this software was deemed necessary due to the large sets of text; because the study involved a total of ten different focus group meetings it was imperative to implement a facilitating software for the data analysis.

NVivo assisted the research team when undergoing the coding process. Charmaz (2006) writes, "…coding means that we attach labels to segments of data that depict what each segment is about" (p. 3). By coding the transcripts, common themes and key concepts were identified. By pinpointing these codes, recommendations on how to improve upon the government programs could be made. Each focus group meeting had an individual transcript that was analyzed and subsequently coded. Afterwards, the key concepts identified were compared across all focus group meetings.

Validity, Credibility, Trustworthiness, and Integrity

To ensure validity, credibility, trustworthiness, and integrity was present during the course of this study, several measures were incorporated. One technique to ensure this took place was through member checks. Following each focus group meeting, the moderator briefly summarized their notes out loud and asked if the participants agreed with the summaries or if they wished to add anything more. Creswell and Miller (2000) explain how this procedure adds validity to the study. By allowing the participants to confirm the preliminary results of the meetings, the finalized data were inherently more credible.

Another confirmation of this study's trustworthiness was saturation. Morgan (1997) defined saturation as "the point at which additional data collection no longer generates new understanding" (p. 43). After conducting ten different focus group meetings and four focus group types, the researchers agreed additional repetitions of the group types would yield similar results. By achieving a point of saturation, it was determined the study could indeed be classified as trustworthy.

A third approach taken in this study was the employment of triangulation. Triangulation refers to using multiple methods during a study to increase the validity and credibility of the research (Merriam & Tisdell, 2015). The triangulation in this project included collecting data using four different types of focus groups. Due to a point of saturation being obtained within each type of focus group and the four differing types all discussing the same prevailing topics overall, triangulation was provided by the data.

Due to these different measures taken to ensure validity, credibility, trustworthiness, and integrity present throughout the study, it was agreed the identified barriers to the beginning farmer government programs were legitimate. This provided a solid foundation for recommendations to be made to facilitate those partaking in the programs available in the state of Missouri.

While many research projects, especially those more quantitatively based, seek the ability to be repeatable, this is not as feasible when considering qualitative studies. In most quantitative research projects, it is considered reliable if the results can be duplicated; if the study is repeatable. This study is in fact repeatable as the protocol questions can indeed be asked again to similar group types. However, the results may vary some due to the inherent unpredictability of human behavior. Saturation was reached in our study and it was believed no new findings could be found at this time. However, the exact results are nearly impossible to duplicate due to the use of human subjects. Whereas the goal of quantitative studies is often times generalizability, the goal in qualitative research is transferability. The findings of this project are transferable and suggestions to make improvements upon the beginning farmer government programs can be made.

Two members of the research team were responsible for coding the data. The junior member conducted initial analysis of the transcripts. Afterward, a senior qualitative researcher coded the transcripts independently. The results were compared for agreement. Only minor changes were made to the final codes which provided some level of verification the codes are valid and credible.

RESULTS

The results discussed in this chapter ensued from careful data analyzation from the research team. Figure 1 on page 92 illustrates the data analysis process.

Each focus group discussion was individually transcribed. From the transcripts axial codes, or reoccurring themes, were identified and then combined into overarching themes. The themes and axial codes identified in the results are the barriers to beginning farmer government programs. It should be noted one theme is not a barrier to participants but rather advantages or strengths of the government programs.

Participant Summary

Short surveys were implemented prior to each discussion to gain an understanding of the characteristics of the participants in each focus group. Questions included in the surveys inquired about age, gender, awareness of programs available, type of farming operations for FG1 and FG2, and current employers for FG3 and FG4.

Names of all participants involved in the focus group discussions were removed to protect their identities. Any potential identifying characteristics were also removed from the transcripts prior to the coding process to ensure participants could not be identified in any way. Tables 1, 2, 3, and 4 starting on page 88 summarizes the demographic information.

Theme 1: Time

The theme of *time* consisted of two axial codes that were discernable across the ten focus group meetings; *application* and *program processing*. Every focus group put an emphasis on the length and duration required when completing the applications, and subsequently going through the program processing.

Application. In each focus group meeting the participants spoke in depth concerning the amount of time required when completing the applications for beginning farm government programs. This included the amount of paperwork required for the applications and how long it takes to complete the applications. In FG1, the moderator began the discussion by asking participants to describe their overall experience with beginning farmer programs. Immediate responses that followed included, *"slow," "very slow,"* and *"tons of paperwork."*

Many participants in FG1 and FG2 were frustrated with the amount of information being asked of them and the amount of time needed to complete the forms. One participant even described the application as *"a Bible worth of paperwork."* In FG1, a participant said:

> *"And the thing is that even with the paperwork, you're talking to a bunch of young farmers here and a bunch of young hustlers. I mean we don't really have a lot of time to sit down in an office filling out paperwork. A lot of times it's stuff that the moms end up doing at night after they put the kids to bed. Which you know, part of being a young farmer too, but they sure don't help us any on that."*

The length of the applications and the duration it often takes to complete them was echoed in FG3 and FG4. Program administrators in FG3 discussed what they have seen when working with applicants:

> *Participant 1: "I think they look at it sometimes and they just, their mind just goes blank. Some people are just not used to filling out financial forms. Some do a great job. There are a few that do."*

Participant 2: "I've walked people through every single page. Helping them with it. And it's not difficult but it, you know a lot of stuff they have to take from their taxes and transpose it over there and it's plug and play a lot of it but they're not really sure where to go with it. It's lengthy."

Participants across the ten focus groups spoke in reference to the length of the application and agreed it often takes a long time for a beginning farmer or rancher to adequately complete the forms.

Program processing. Every focus group meeting consisted of discussions regarding the amount of time for program processing. This included the duration it takes for an applicant to be approved after submitting the application, the length of time for administrators to validate program requirements, and finally the stress program participants' felt when trying to keep sellers of farm land patient until approval and disbursement of funds. Participants in FG1 had varied processing experiences ranging from six or seven months to as many as 15 months. They highlighted the complaints of the sellers who had to wait for the paperwork to go through and one participant recalled:

"I was getting frequent phone calls of, 'What's taking so long!?!' He didn't back out he just yelled… a lot."

Multiple participants across all three repetitions of FG1 explained that because the program processing was taking so long and sellers were getting so impatient their parents ended up buying the land. Following the parents' purchase of the land these participants refiled applications to buy it from their parents effectively increasing the processing time.

Another item discussed by a participant in FG1 was in respect to their frustrations of waiting for an appraisal. After describing how they had to wait a month for the appraiser to come and assess the land they was trying to purchase, the moderator inquired further by asking:

Moderator: "And so you said it took you a month to get your appraiser out there?"

Participant: "Yeah they only have one person on their list that they can use and you know, in the city closest to me there are 20 appraisers. But there's only one certified for whatever qualifications they had to get. And so you wait."

This topic came up in FG3 discussions as well and they openly admitted to the slow speed in the progression of processing. A program administrator said:

"And we would love to be faster. But you know, the nature of what we do, which is based on laws, is that we got to follow the laws you know. So we are three to four months. And that's sometimes not going to work in this market."

Theme 2: Program Awareness

Program awareness was an identified theme with three axial codes including *program participants, commercial lenders,* and *program outreach.* Discussions regarding *program participants* appeared in ten discussions, *commercial lenders* appeared in seven of the ten focus groups, and *program outreach* was prevalent in nine of the ten focus groups. Participants across the focus groups stressed the importance of increasing awareness of the government programs available for beginning farmers.

Program participants. All of the focus group discussions included conversations revolving around the lacking awareness of programs among potential program participants. Many felt as though there is not enough effort put towards making people aware of the programs available to beginning producers. In many cases, even those who have utilized beginning farmer government programs were still unaware of all the programs available. This is supported by a conversation from FG1:

Participant 1: "Also, you know there's so many different programs that it seems like, I get the feeling that everyone of us was in a different program. We're all here for the beginning farmer but none of us have had the same one."

Participant 2: "Yeah like I have never heard of the MAS-DA, or whatever it is."

Participant 2 in this conversation was actually trying to refer to a program through the Missouri Department of Agriculture that is administered by MASBDA. This topic of not being aware of available programs was echoed in another FG1 when the participants discussed the programs they were unaware of after completing the survey prior to the discussion:

Participant 1: "They don't advertise it at all. And when they do it's kind of like that list we just filled out right? We are involved, and we still don't know what 90% of those things are."

Participant 2: "Yeah I was looking at that survey and I was like, 'I don't even know what this is? And what is that?'"

Several participants voiced agreement with these statements both verbally and with body language.

Participants who work with beginning producers involved in FG4 agree many of those who they have the opportunity to work with are unaware of the resources available to them. This is supported by a statement from a participant in FG4:

"I think it's possible that probably younger guys in our community may not know about it until somebody says something to them. Someone who does know about it. I mean I

know who the FSA person is in our county. Of course I'm in that office and so I have always known there was a person back there that took care of that."

Participants in FG3 explained they are aware of this challenge and are working to overcome it. It was acknowledged every time the topic arose that if potential beginning producers are unaware of government programs available, then it will be impossible for the programs to assist in the startup of those operations.

Commercial lenders. The topic of local commercial lenders not being aware of the programs available to beginning farmers and ranchers was evident as well. Several of the beginning farmer government programs, on the state and federal levels, are designed to not only assist and enable beginning producers but also to support a relationship between beginning producers and their local banks and/or financial institutions. Participants in FG1 stressed how important it was for them to have commercial lenders aware of the programs when working through the application and program processing:

Participant 1: "I think the other advice I would give someone is find a bank that is good at working with them."

Participant 2: "Absolutely. That's a make or break deal. That's right."

Participant 3: "Even if there was like a list on USDA, something like these lenders have done these programs before or something. Because basically all it was for me was trying to think of people who had used it and basically calling the banks like 'have you had any experience with this?' until you found one."

In FG2, a participant mentioned a negative about the programs and working with commercial lenders is *"A lot of local banks are not familiar with working with them. So they have no idea* *how it works. A learning experience for them too I guess."* Other participants in the same group agreed. They added:

> *"I'd agree with him I don't think a lot of the local banks know about it. I've worked with some kids trying to get stuff going and they'd talk to the banks and they're like, 'What? What are you talking about? Really?'"*

A participant in FG1 expressed how they wish program administrators would make more of an effort to work with lenders by saying:

> *"I think they need to educate lenders on these programs and their requirements so they can kind of hit the ground running. I think the one lender that is educated well in it is FCS and then you got the other banks that are not. So, I think if they could offer some education on that side and kind of get those lenders I think more people would utilize it and improve the time, the schedule and try to get things moving if they want people to use these."*

Program outreach. The issue of potential program participants and commercial lenders being unaware of the government programs available led to discussions on a lack of program outreach. A farmer who had participated in multiple beginning farmer government programs said:

> *"The other thing, it's not really a frustration for me but I just don't understand, the official that runs our office has personally asked me to go out and talk to other young farmers and tell them about the programs and encourage them to do it. I'm like, 'Yeah I'd be glad to, but why aren't you doing that? Why aren't you taking the time to go do some of this stuff?' It's not even my programs."*

This farmer's frustration of administrators in local offices not making efforts to advertise the programs was shared amongst other farmers and ranchers in other focus groups. The issue was discussed in depth in FG4 when the topic of the FSA newsletter arose. An adult agriculture educator who works with beginning farmers and ranchers first learned of the FSA newsletter from the focus group discussion. They showed a lot of frustration with just now learning about the outlet and said:

> *"I guess I just look at it as that I have been in it a year now and I didn't even know there was a list to get on. So if I'm a young farmer, which dad and I farm a little bit so I kind of fall into that category, I didn't even know that there was an opportunity where there was someplace that I needed to be signed up to get some information."*

Administrators in the repetitions of FG3 are well aware of this issue. A participant in FG3 even took the challenge head on and stated:

> *"So I went on a national radio show and talked on the radio show several times and doing anything and everything I could. I went and we did ten spots for EQIP that went out. For CSP I did the same thing and then we did a Twitter campaign and just launched it. And you would have thought that our programs being around for as long as they have been around that everybody would have known that they were there. But we had a 50% increase in applications for both of those programs just because of a mouthpiece!"*

Another administrator talked about the workforce within their agency being so exhausted that making time to reach out and advertise the programs was not as big of a priority as other issues such as processing paperwork. As one participant said:

> *"Right now with our work force kind of depleted, we're not real excited about going out and promoting… and there are areas in the state where we need more, we could use*

some more work, and you know could get more loans. And we're working on that, we're doing our best. But there are some places that, you know quite frankly there are some offices I would rather that they would slow down. Because they've got too much work and we're not able to do the things that we really want to do."

Administrators in both repetitions of FG3 shared when they do make an effort to reach out about their programs, their biggest hurdle is potential beginning farmers and ranchers not paying attention because they do not have an immediate need. Administrators admit if someone does not have an immediate need for their programs then the efforts advertising will ultimately be ignored. Nonetheless, farmers and ranchers involved in both FG1 and FG2 called for more effort to be made in terms of program outreach. It was suggested several times across FG1 and FG2 for administrators to become more involved with grassroots organizations such as Farm Bureau, Missouri Cattleman's Association, and the Corn and Soybean Associations to leverage these organizations when advertising beginning farmer government programs.

Theme 3: Program Resources

The theme of *program resources* contained three axial codes to include *program administrator staffing, program administrator transitioning, and application resources. Program administrator staffing* was found in seven of the ten focus group conversations, *program administrator transitioning* came up in four of the ten, and *application resources* was mentioned in all ten.

Program administrator staffing. This axial code was in relation to government agencies not having enough workforce to administer the beginning farmer programs. Specifically, administrators being overworked and servicing many counties was attributed to a lack of workforce. Having a depleted number of administrators was also connected back to the prolonged duration of program processing. A participant in FG1 acknowledged this by saying:

> *"I think some of it also has to do with a staffing issue. I think our USDA offices are severely understaffed. And that's no fault of their own. That's higher up. So I think they are already spread thin enough."*

This was reiterated amongst those assisting beginning farmers in FG4. An extension specialist illustrated the issue of understaffing by explaining:

> *"In just my home county, USDA is so understaffed right now. In my NRCS office there used to be three technicians and now we have one. FSA office, there used to be two people and now there is one."*

Once again, this is a known issue amongst program administrators. In FG3 participants discussed challenges they face and said:

> *"I think now we are running into a resource problem. So we have lots of money to loan but don't necessarily have all the resources to do all the things we need to do to loan the money… So I think it's coming but right now we have the funds, but now we need the bodies."*

Later on in this part of the discussion the moderator asked what administrators felt could be done to improve the effectiveness of the programs and participants answered by stating "*hire and train more people to administer and deliver the programs."*

Administrators felt having a larger workforce would help reduce processing times and improve the customer experience. An administrator from FG3 spoke on this and how when they started their career they were able to provide more adequate levels of service to customers. Now with the depleted workforce they admit to not providing the level of service they aspire to be and wishes more administrators could be hired and trained. They feel this will help especially in terms of time by saying, *"If we had more staff I think we could do better service on the processing."*

When discussing the barriers to beginning farmer government programs across all ten focus groups it was often agreed upon that many of the barriers could be addressed more adequately if administrator staffing was first addressed. Having more hired and trained administrators was widely regarded as being one of the best possible solutions to the barriers identified in this research project.

Program administrator transitioning. The axial code of *program administrator transitioning* especially revolved around retiring administrators who had been servicing areas for extended periods of time. It is noted this axial code only arose in four of the ten meetings; the reasoning for still including as an axial code is due to the in-depth conversations regarding this topic when it did arise. While it was always agreed these individuals had earned their right to retire, the frustrations being voiced by farmers and ranchers was in respect to either not hiring adequate replacements, hiring replacements long after their predecessor's retired, or not hiring replacements at all. A participant in FG1 explained:

> *"Our administrator retired and they gave them a year's notice on retirement. And they never hired anybody. Never brought anybody in to train."*

Later in this same focus group another participant voiced similar concerns:

> *"I guess another thing, just general concern is in our office it seems like we got a generation of employees retiring and as they retire that knowledge is not getting passed on to a new generation. There are going to be difficulties in training is what I am trying to say. I mean one of our administrators retired in our county end of March, and the*

other one, she can retire anytime within the next three years. And unless they get somebody in there with some training behind them… once she retires, having to retrain someone, even if they do come from within the county and know the county pretty well it's still going to take them some time to train them as far as all the systems go. But if they come with not a whole lot of farm knowledge and not a lot of knowledge of the county, you're going to have a whole lot of unhappy customers."

The potential for unhappy customers was expressed in other focus group meetings as well. A multi-generational farmer who had not ever taken advantage of beginning farm government programs described their frustrations with the USDA-FSA in general. In FG2, they stated:

"And that's something that the further south you get in Missouri, the FSA offices are fastly going past a joke and getting to sad. As people are retiring they're not replacing these individuals, or they're hiring part-time. Just for example our county hired a gal and she was super. You could walk in there and she 'bam, bam, bam.' It was great and done and we were all so happy because we thought, 'Here is the next generation to work with.' Then here about two years ago it was about crop reporting time and she said, 'I guess I'll see you somewhere down the road.' I was like, 'Well what do you mean?' She said, 'Well I'm out of time.' They had hired her for so many hours and she had about filled that out. So our county farm bureau we all wrote letters to the state board and this, that, and the other, and they pretty well said, 'Thanks for writing.'"

Another reoccurring response to inadequate replacements being hired was farmers and ranchers traveling to offices servicing adjacent areas. It was proclaimed by several in various focus group meetings that because they were not being properly guided through applications on beginning farm programs, they would take the applications to other offices for advice on how to properly fill out the forms and then bring them back to their respective office.

It was acknowledged throughout the meetings how difficult it is to find adequate replacements. Participants explained how not only do the program administrators have to thoroughly understand their programs, but they also must understand agriculture. Nonetheless, participants expressed their desire in creating a better environment when transitioning in new hires as former administrators retire and believe this would assist in addressing other barriers such as *program processing* times and *application resources.*

Application resources. The final axial code underneath Program Resources, *application resources*, deals with a lack of online resources and assistance outside of the administrators of the programs. It was discussed in several of the focus groups how there are not online applications available. An adult agriculture educator from FG4 addressed this by saying:

> *"You know any more things need to be done online! I went to the website last night and this morning and I don't really know that you can do much online with these programs. It looks like there ought to be something in place with at least a preliminary interview or something, I think that would help."*

Lacking online resources was also discussed amongst the program administrators in FG3:

> *Participant 1: "I sometimes do the FSA Guaranteed application online myself, can they do an application online?"*
>
> *Participant 2: "You can get a PDF fillable form but it's not online it's just a PDF fillable form."*
>
> *Participant 1: "There are a lot of young people that probably, if they knew that was available would probably be much more likely to feel comfortable doing that."*

Another prevailing issue in terms of application resources is not having assistance outside of the administrators themselves who, as discussed earlier, are understaffed and not always able to provide the necessary support. Due to the lack of help provided when completing the applications, farmers and ranchers from FG1 proposed possible solutions:

> *"It would be worth the funding amount to have a really good assistant in the office to help that loan officer get their clients where they need to be before you sit in front of the loan officer."*

Later on as this discussion developed a participant suggested:

> *"I don't want to talk like higher interest rates for some of these loans but I think that we as farmers, I mean we're cheap but we are not against paying for service… So I almost think that if they would look at increased interest rates, and I'm not saying to go like they normally would, but I think we would all be okay with paying a little bit more if the service could be increased to where we wanted to go that direction. Because it's still a good selection to go even if they have to up the interest rates a little bit. But if it would make it to where they could hire an extra person, or the service would increase and make it more appealing, I don't think that most people would be against that."*

Outside of the administrators of programs, there are other possible outlets to obtain assistance when navigating the beginning farmer government programs. However, it was apparent when conducting FG4 not all those assisting beginning producers are familiar with the beginning farmer government programs. Furthermore, none of the participants in FG1 or FG2 mentioned learning about or using people like those in FG4 as resources. An extension specialist from FG4 admitted to not knowing much about the government programs but explained how they would be willing to assist in any way they can by stating:

> *"I have never seen it as my job to keep up with all of the details of all of the programs. I am certainly willing to go dig it out for somebody, but my first reaction when people come looking for money is, 'I work for the university I don't have any money. I got expertise. If you are looking for money, here are the people I know that can help you.' And I have worked with those people and I know what kind of support the customer will get over there. So I'm not sending them on a wild goose chase or just pushing them away. That just sets it up from the beginning, here's how I can help you, here's how they can help you, and we are going to work together. And I am not going to spend my time trying to keep up with all of the regulations and rules. I am going to try to help you make business."*

Regardless of their limited experience, those involved in FG4 discussions are wanting to assist beginning farmers and ranchers in any way they can. An adult agriculture educator in FG4 suggested:

> *"Now it almost looks like they ought to, if the loan officer isn't going to be helpful, because you indicated one of yours wasn't, they ought to have an approved list or something of people that could help out. You know that's a whole separate issue. But the paperwork can be pretty daunting. But I think if anybody would come to us, I don't think any of us would have any trouble filling it out and be successful if they are anywhere near qualified."*

As the conversation carried on, the participants discussed the possibility helping more than they currently are by saying, "*So I guess the point that I'm trying to get at is the Adult Ag. Instructors might have a pretty big role to play in helping those people."*

Theme 4: Program Requirements and Eligibility

The fourth theme identified as a barrier to beginning farmer government programs was *program requirements and eligibility*. It is comprised of three axial codes including *office interpretations, participant interpretations,* and *restrictive requirements and eligibility.* Conversations about *office interpretations* surfaced in all ten of the focus group meetings, *participant interpretations* arose in seven of the ten focus group meetings, and *restrictive requirements and eligibility* was identified in all ten focus groups.

Office interpretations. *Office interpretations* served as an axial code due to different government agency offices, administering the same programs, interpreting requirements and eligibility criteria differently. Again, it should be noted this axial code revolves around differing interpretations of requirements for the same programs; it is known different programs will have different requirements and eligibility. Many of these conversations centered on the flexibility of differing administrators when considering the requirements of an applicant. This is portrayed in FG1 when a participant said:

> *"I have had a lot of friends my age wanting to get started in farming and their FSA offices are a lot less easy to work with than the folks that I worked with. I mean, they will find just about any reason to say, 'Nope, you're not eligible for FSA.' and they are not eligible for conventional either so it kind of just discourages getting into farming."*

This was a common conversation point amongst both FG1 and FG2 participants. Participants expressed their frustrations of being told different things between offices and how it is caused them to identify and commute to the offices proving to be more flexible.

It was also discussed amongst those assisting beginning farmers and ranchers in FG4 when an extension agent said:

"So that was going to be my point is that what happens, that we see, is that when some people walk through a particular office they are denied for whatever reason but if they walk over to the next county office, or better yet if we have people that work with our projects and pick up the phone and call the state office and say, 'So-and-so was just denied services after attending this program. Can you explain some things?' Within 48 hours we are getting a call back saying, 'So-and-so is eligible and so-and-so will receive services from that home office.' So that's disconcerting. And that's not our issue, anyone around this table, that's an agency issue."

Those working with beginning producers as they try to get their businesses up and running are becoming frustrated as well on this issue. They expressed wishes of more uniform interpretations when considering an applicant so they can then provide better guidance to beginning farmers and ranchers.

This topic was also discussed amongst program administrators involved in FG3. In one instance, an administrator was talking about what they require when working with applicants and then an older administrator, who has been an administrator for their entire career, clarified how to potentially alter interpretations:

Participant 1: "But you know, people need to know about those three years of farming taxes and start filing it early and I don't think that that is out there like it maybe could be, but then at the same time you get people who walk in that know everything about it and it works perfectly so."

Participant 2: "I want to clarify something, you mentioned three years farm taxes… it's not a requirement that they have to have three years of schedule F. Okay, that's misnomers out there. Our offices, is if they do have it, it makes it an easy determination *that they are eligible. If you have applicants that do have some management experience on a farm they need to provide us with, I call it a resume, which describes what they have done in a management capacity on a farm. Or we do have managers that will accept a reference letter from someone that knows, even though they haven't filed taxes, someone that knows they've done management decisions on a farm."*

Participant interpretations. This axial code revolved around participants and potential participants of government programs interpreting requirements and eligibility stipulations differently. It also included instances of beginning producers not being able to decipher what was required of them and the level of strictness on certain items. For instance, the graduation clause with FSA loans states once a person is able to obtain financing with commercial lenders they are to 'graduate' from FSA loans and onto traditional financing. There was a lot of confusion amongst focus group participants in the repetitions of FG1 as to when this point would actually be considered reached.

Another example of not being able to interpret what the requirements and eligibility standards actually were was described by a participant in FG1 when they talked about their hired farm hand looking into FSA loan programs:

"Well like when my hired hand was going through the process of trying to get established, he was emailing this administrator back and forth and he would forward the emails to me and say, 'What do I need to give them?' Because he didn't have a clue. The administrator would tell him but they couldn't explain to him what it meant. So I had to go through and look at the application and see what they were wanting and he was trying to get it all. I mean I put together cow numbers for him and you know, profit-loss stuff

for him and stuff like that because they couldn't explain to him what they wanted. And I don't know, it was a two or three month long process."

Unfortunately, there were instances amongst those who had not partaken in beginning farmer government programs in which their interpretations of the requirements and eligibility standards discouraged them to the point of not applying altogether. An example of this is depicted in FG2, when a participant stated:

"But all of the years as a child kind of worked against me in terms of getting in some of these programs when we started to really look at them. Got to looking and, 'Well I don't think I really qualify for that. Ehh, I think they're going to shut the door on me there.' So kind of got discouraged and just looked elsewhere."

Another example from an administrator's viewpoint causes different kinds of concerns in which participants misunderstood requirements to the point of implementing incorrect practices. An administrator involved in FG3 described this type of situation by saying:

"One of the biggest problems we have is people not doing it right the first time. We go out and we check it, it's a little different than paperwork I mean, you can send a form home with somebody and if they don't get it right and they got to go back and do it right. But when they build a terrace and it's not up to the specs it's a little more work in the going out and fixing that than fixing a form."

Restrictive requirements and eligibility. This axial code was discussed across all ten focus group discussions. Farmers and ranchers called for more flexibility in terms of the requirements and eligibility across all state and federal level government programs for beginning producers. One type of eligibility requirement, primarily with the FSA ownership loan programs, serving as a barrier to beginning farmers is the level of farming experience. In FG1, the participants described their experience with the number of years they had been farming. The issue was often focused on the limitation of no more than ten years in farming being too restrictive. One participant stated:

> *"I started filing schedule F's probably when I was 12 or 13 years old. And so, literally I was in the 9th year and had no idea, which was the first year I was serious about farming. You know, found all this out as we are filling out the paperwork. And technically I was in the year ten by the time we had actually closed but we started the paperwork, so it just barely slid in there."*

This requirement of having to have at least three years farming experience but not more than ten years was seen as a barrier for both those who successfully partook in beginning farmer loan programs and as a barrier ultimately disqualifying others. Some of those who successfully partook in programs had to argue their circumstances to be granted admission into the programs.

Another stipulation causing struggles, as discussed earlier, was the graduation clause. A participant in FG1 said:

> *"I lived in fear for a long time worried about making too much money or doing something that would get me kicked out of it, and losing it, because I mean that was a huge problem. Because I just didn't understand, it seemed like there was always a hiccup somewhere and everything is so black and white that if, I mean it wasn't like you had the money to get a commercial loan but if they thought you did or if something happened where you got kicked out just seemed like it was a very high likelihood. I never felt comfortable knowing that it was going to be there every year."*

While none of the participants in the repetitions of FG1 had ever been forced to graduate onto commercial financing, it was evident those who had FSA loans were concerned with this possibility.

Another beginning producer talked about the 30% rule which dictates if an applicant previously owns 30% or more acres of the county average size farm, then they will not be eligible to partake in the program. For some government programs it reads they cannot previously own 30% or more of the 'median' size farm within the county. One participant said:

> *"So if you're buying your first farm and planning on going back for a second farm, you got to make sure that that's under the 30% mark because in my area it seems like everybody's got 20 or 40 acres that they have five or ten cows on. And so then it brings down your average size quite a bit. So you have to be mindful of that as well. It just differs a lot."*

As this participant explained, this causes issues a lot of times because it is relatively easy to surpass that 30% mark of the county average and/or median size farm.

Another topic that arose in almost every focus group discussion was in regards to the level of off-farm income. Some beginning farm government programs strictly enforce the requirement of expected on-farm income must exceed off-farm income, otherwise participants are ineligible for the program. Almost all of the farmers who partook in the focus group discussions had some kind of off-farm job, often times not only for the added income but for fringe benefits such as health insurance. A particular producer in FG1 did not have an off-farm job but solely relied on their farming operation to support their family. He described how difficult this is when considering health insurance:

"My wife and I, and son, pay $1,464 a month for health insurance. Which is just disgusting. I can't even believe it. Just can't believe it. And I mean we're perfect, there is not a thing wrong with any of us. Perfectly healthy. Very rarely go to the doctor."

Off-farm employment can be used to supplement living costs while simultaneously operating a farm. Having requirements where off-farm income cannot exceed expected on-farm income is serving as a barrier to beginning farm government programs and in some cases turning potential program participants away from even applying.

FG2 participants described other requirements that discouraged them to the point of ultimately not applying for government programs. One producer in FG2 said:

"I went and asked several local bankers and I said, 'What are your thoughts of the beginning farm loan?' And they all said the same thing! They said, 'They're great if you need them.' But every one of them told me the worst thing about them is when you do it they take every asset that you got available. So when it comes time to get an operating loan you've got all your assets tied up."

This point was discussed in several of the focus group discussions as well as the accompanying difficulties. Such difficulties include not being able to apply for subsequent loans, whether it be down payment loans or operating loans, due to all assets being tied up. This in turn causes beginning producers to struggle or to not even consider certain programs.

In FG2, a producer who looked into the programs but ultimately decided not to apply described their reasoning as:

"Some of the programs at the time that I would have been eligible that peaked my interest, what bothered me the most about them was that you had to be rejected by three separate lending institutions. And the whole time I'm going through this process I'm

thinking to myself, 'Well if three separate institutions reject my idea, maybe I should rethink this?' If you have to be rejected by three separate lending institutions perhaps you should really reconsider your business model."

It is said the USDA-FSA is the lender of last resort. While that is true and it serves a good purpose, it is thought by some this stipulation needs to be revised and/or done away with. This stipulation also contributes to a previously described barrier of extending the duration of applying and going through the program processing. Having to be denied three times before starting the application process extends time even longer and in some cases loses the beginning producer the opportunity to even purchase the farmland.

Theme 5: Program Positives and Benefits

The fifth and final theme identified in this research does not have any axial codes attributed to it. It also does not describe a barrier to beginning farmer government programs but rather outlines the positives and benefits of the programs. This code was included because it would be remiss to discuss the barriers without also considering the strengths. Often times focus groups would point out they appreciate the programs and do not want to talk too negatively about them. An example was towards the conclusion of FG1 when a participant said:

"Well it's easy to talk about the negative but the reality is I wouldn't be farming, I don't know how I would have gotten into it without them. I'm grateful to have had it."

While there is still room for improvement upon the government programs designed to enable beginning farmers and ranchers, they are assisting beginning producers get their operations up and running. Another example comes from FG1:

"I couldn't afford land when I first started so when I put in the rotational grazing I was able to run more cattle on the first 50 acres that I had. So I had put that in and it allowed me to build the equity I needed to go out and buy the land. So to me it was a cheap way to build equity so I could continue to buy ground because I could raise more cattle on the ground I had."

A specific way in which farm loan programs assist younger beginning farmers and ranchers is the fact if they meet all of the requirements and eligibility standards, they are able to build their financial credit on their own without cosigners. This was a strength echoed throughout focus group discussions, especially considering this allowed younger producers to start their operations without tying up their parent's assets in a cosigned loan. An example of this is from FG1:

"It helped me qualify for the loan without a cosigner. On the 50/50 the government was my backer for the regular bank loan. You know my parents didn't have to cosign or anything, I stood on my own which was nice."

Another specific example of the program strengths was discussed amongst the program administrators in FG3:

"With FSA programs, what was the word successful? Heck yeah. Absolutely. We have awesome programs. 1.5%? To start you out on a portion of real estate, you know? No down payments, tons of resources we can hook you up with."

Being able to obtain loans with 1.5% interest rates was described even amongst the farmer focus groups as the cheapest money they will ever borrow. Even with the identified barriers to the beginning farmer government programs, it must be noted there are many success stories of the programs doing exactly what they were designed to do; assist beginning farmers and ranchers get their operations started.

DISCUSSION

This qualitative study was designed to examine state and federal government programs created for beginning farmers and ranchers. The objectives of the research were to identify barriers to utilization of the programs, ascertain possible solutions to those barriers, and to encourage a dialogue between beginning producers, government administrators, and academics. For this research, it was decided to concentrate on Missouri's beginning producers and programs; therefore focus groups were designed and conducted with participants across the state of Missouri to assess their experiences with beginning farmer government programs.

This research found five overarching themes throughout the focus groups conducted to include: *time, program awareness, program resources, program requirements and eligibility*, and *program positives and benefits*. The first four overarching themes are the identified barriers to beginning farmer government programs, and the final theme outlines the strengths of the programs.

Time

The first theme, *time*, was not an anticipated finding. Due to regulations, the application and program process understandably take time. However, the fact it took several participants as long as 15 months from start to finish before receiving final approval is surprising. In many situations, the sellers of the farmland grew impatient whilst waiting for beginning farmers to obtain the loan funding needed to purchase the ground. Due to this, there were several cases of relatives purchasing the farmland and holding it to allow the beginning producer the additional time necessary for program processing, which resulted in longer processing times as paperwork with a new seller listed had to be resubmitted. Realistically however, not everyone is fortunate enough to have family members willing and able to do this.

When a seller of farmland can have their ground sold within 30 days to someone going through commercial lenders, or within a day at an auction, the result is likely to be a missed opportunity for beginning farmers using these programs. Freedgood and Dempsey (2014) found the most universal challenges beginning farmers faced was locating, affording, and acquiring farmland. Therefore, already having these challenges coupled with time required for these beginning farmer government programs is burdensome for beginning producers.

When considering the long application for many of these programs, two potential solutions were described in the meetings. One idea would be to make available online applications for programs. There was notable hesitation of this idea from program administrators as they wish to have face-to-face conversations with beginning producers. While this may be true, having online applications could reduce the amount of time required to complete the forms. Additionally, it would keep items in an organized fashion for applicants and be in a format in which younger beginning producers are more comfortable with. It could even be designed online in stages, therefore a beginning farmer or rancher is not daunted by the extensive application but rather takes it one step at a time. From the administrators' perspective, it could simultaneously serve as a screening process for unqualified applicants.

Another potential way to improve the time span of completing the applications is to offer trainings to extension specialists and adult agriculture educators. These individuals consistently work with beginning farmers and ranchers but have limited experience when it comes to many of the government programs available to starting producers. Therefore, if trainings could be offered then extension specialists and adult agriculture educators could provide better assistance as they work with potential applicants.

A point raised by some participants contributing to the barrier of program processing times was the number of appraisers available for some of these programs. For example, as part of the program processing for FSA direct ownership loan programs, there has to be an appraisal conducted by a certified appraiser on the farmland being purchased. This is an understandable step in the program processing because it ensures the money being loaned out by the government is actually at fair market value; it would not be efficient use of taxpayers' money otherwise. However, the issue comes in that there are only a handful of appraisers who are certified to conduct assessments of farmland for FSA in Missouri. One participant described waiting a month just for the appraiser to find time to come out to look at the tract of land. This poses another opportunity to improve upon the barrier of time by simply certifying more appraisers for instances such as this.

Program Awareness

Limited program awareness was an anticipated finding. However, the level in which commercial lenders are unaware of programs, as indicated by focus group participants, was unexpected. Many of these government programs, especially the low interest loan programs, are designed to enhance relationships between beginning farmers and local financial providers. While this is a great design of beginning farm programs and one that has success stories, the number of success stories could drastically increase if more effort was put towards reaching out to commercial lenders in rural areas. If a commercial lender is leery of working with a beginning farmer with low equity levels, there is incentive to both lender and starting producer to utilize low interest loan programs for beginning farmers and ranchers.

Ways to improve program awareness is another complicated issue. Administrators often discussed their frustrations when reaching out about their programs and how they are frequently ignored by potential applicants if they do not have an immediate need for the program. A potential way to combat this frustration and to concurrently increase program awareness relates back to providing trainings to extension specialists and adult agriculture educators. Trede and Whitaker (2000) found beginning farmers prefer more hands-on and experiential learning, which is what extension specialists and adult agriculture educators can provide. Offering training allows these individuals to not only learn how to assist applicants, but it also would allow them to learn the benefits of the programs. Thus, they may become advocates for the programs and assist with program outreach.

Trainings could also be expanded to include commercial lenders who, according to some participants, are often times the first people beginning farmers and ranchers go to. The level in which commercial lenders are uninterested in or unaware of available programs is disconcerting. Offering trainings would encourage commercial lenders to advocate for the programs and utilize them for mutually beneficial reasons. In addition to this, there were instances of focus group participants wishing a list could be created and maintained by government agencies outlining which commercial lenders in the state of Missouri have successfully utilized these programs as they work with beginning farmers and ranchers. A couple different participants from FG1, those who utilized programs, described how their suggestion to anyone interested in the programs is to find a commercial lender who has worked with the programs before. This idea of a list would more than likely make commercial lenders excited, as well as producers, because it would be another way of attracting more business themselves. It might also encourage others to participate in the programs.

A second list that could be created and maintained by government administrators was suggested by a participant in FG4, those working with beginning producers. This list would go along with offering trainings for adult agriculture educators and extension specialists. After having completed the training it would be beneficial to subsequently be included on a list of certified individuals who can assist beginning farmers and ranchers with applications outside of the administrators themselves. This would alleviate the administrators' workload a little and simultaneously improve the processing time due to the applications having professional guidance before coming to the program administrator.

Aside from offering trainings and creating lists of approved persons outside of the administrators, farmers and ranchers from FG1 and FG2 called for program administrators to lean on grassroot organizations when reaching out about programs. Many of today's beginning producers are involved in one or several agricultural organizations to expand their network and to learn of opportunities applicable to their personal operations. If efforts could be made to email blast and present at organization meetings such as Farm Bureau, Missouri Cattleman's, Corn and Soybean Associations, etc., then the potential for program outreach could increase. This idea was acknowledged by program administrator focus groups and arguments were made that they try to have booths set up at functions like these. While this is a good way to increase program awareness, perhaps there would be more success if administrators were to arrange short presentations for these meetings. This format of delivery would ensure the administrators had the captive attention of potential applicants and thus more opportunity for the potential applicants to retain information; rather than simply stopping at a booth and asking a couple questions with a disposable brochure in hand.

Program Resources

Another unanticipated discovery from this study was in terms of program resources. The degree in which program administrators were understaffed echoed throughout the focus group discussions. Many participants felt a lot of the barriers identified could potentially be fixed if the workforce were to increase. Furthermore, the lack of online resources and the seeming reluctance from program administrators to create online applications was another interesting finding.

When program administrators were asked what would make their programs more effective, often times the response was to hire and train more administrators. The depleted workforce of government agencies is causing issues and administrators are backlogged with work. Due to the exhausted workforce, the duration to approve applicants has expanded even further and has subsequently become a weakness of the programs. Program administrators need help and this can only be done by hiring more administrators. Unfortunately, this has to come from the top and is often a difficult undertaking.

Even so, participants involved in FG1suggested a possible solution to the understaffing of administrators for the low interest loan programs. Several participants agreed they would be willing to take on small increases in the loan's interest rates if it meant FSA offices could hire assistants to help prepare the loan applications. These participants of course did not want drastic increases in the interest rates because a large incentive to these programs is the low interest. However, if it meant improving the processing time and overall creating a more conducive environment for applicants and administrators alike, perhaps it would be worth increasing the interest rates a little and using that funding to hire assistants for the program administrators.

Along with this challenge there is another related concern with administrators transitioning. Focus group participants explained there are cases of program administrators retiring and then no one being hired to replace those individuals. If and when replacements are hired they are automatically at a disadvantage as they no longer have a knowledgeable mentor to learn from. Several involved in the focus groups felt it would be good to hire replacements before administrators officially retire, thus allowing them to learn hands on from their predecessors and not be floundering around in the dark.

Another thought regarding lack of program resources is encouraging mentorship programs. Hayes (2001) found beginning farmers almost always brought up the idea of mentorship programs with much enthusiasm. Meyer et al. (2011) claim the pilot programs for Kentucky and Colorado extension implementing mentorship programs were widely successful and beginning farmers found having mentors to be hugely beneficial. Fairly recently, operating microloans offered by USDA-FSA began allowing applicants to work with a mentor for guidance thus fulfilling the required experience criteria for the program.

This could potentially be expanded upon in a slightly different direction to other beginning farmer government programs such as direct ownership, direct operating, and even state level programs. The idea would be to connect new applicants with those who have successfully utilized the programs. Those who have used the programs could provide guidance as the new applicants work through the application and program processing. This would allow applicants to have assistance outside of the administrators themselves and simultaneously improve the processing time as the administrators would not be dealing with incomplete/incorrect applications as much. The mentors would more than likely need some sort of incentive, but this would still be significantly less expensive than hiring more administrators or assistants.

Program Requirements and Eligibility

Requirements and eligibility stipulations were anticipated to be major talking points of participants. Some of the standards to be met in order to qualify for programs were expected to serve as a barrier to beginning farm government programs and the results supported these anticipated findings. An unexpected finding was that of different interpretations between offices impacting beginning farmers and ranchers. With some administrators being more flexible on their requirements than others, it was thought by many participants more uniform interpretations would be beneficial for beginning farmers and ranchers.

After conducting this study there are certain requirement and eligibility standards identified as barriers to beginning farmer government programs that could potentially be altered. For instance, having not farmed for more than 10 years is a common definition of beginning farmers across different programs. However, an unfortunate occurrence is startup producers who had 4-H or FFA projects occasionally have those years counted as years of experience. This lessens the time they are considered beginning farmers even if their youth projects only consisted of a few show cattle. A potential solution to this issue is to not start counting years of experience until an individual reaches 18 years of age. This would allow youth in agriculture to gain farm management experience through 4-H and FFA projects but not be later hurt by losing eligibility years for beginning farm programs.

A specific requirement that caused frustrations and also caused applicants to ultimately be ineligible was the three years of management experience for the FSA down payment loan programs. For this type of program, applicants had to prove they had at least three years of managerial experience in operating a farm or ranch. The reasoning for including this requirement was to ensure money was not being loaned out to individuals who would eventually fail. Administrators used this stipulation to reassure they were lending money to viable businessmen and women who understood how to operate a farm or ranch, allowing them to be good stewards of the funds. Again while this was good intentioned, it served as an overly stringent stipulation that was in fact causing hindrance more than anything. This was recognized by federal legislators and the 2018 Farm Bill eliminated this requirement (115th Congress, 2018).

Another restrictive requirement of some government programs that could be improved upon is having to prove anticipated on-farm income exceeds expected off-farm income. The idea behind this stipulation is to ensure only those serious about farming are being granted program benefits; and those with high paying off-farm jobs looking to hobby farm are not taking advantage. While well intentioned, the requirement is unfortunately limiting the pool of potential applicants because almost all beginning producers have some sort of off-farm income. Mishra et al. (2002) concluded that in 1999, 90% of total farm household income came from off-farm sources. This study supports their findings as almost all the participants in FG1 and FG2 had some sort of off-farm jobs.

It is easy to understand new startup farms will more than likely not turn over much profit for several years. Having off-farm employment not only provides necessary income to support operations and families, it also can provide fringe benefits such as health insurance. There could potentially be better ways to only assist true beginning producers other than assessing the level of off-farm income.

Yet another restrictive requirement is the 30% rule which dictates if an applicant previously owns 30% or more acres of the county average size farm, then they will not be eligible to partake in the program. For some government programs it reads they cannot previously own 30% or more of the ‘median’ size farm within the county. Federal programs, such as FSA’s Direct Farm Ownership Loan program, changed from using ‘median’ and now use ‘average,’ which as Williamson (2014) discusses, drastically increases the potential applicant pool. Those programs still using the word ‘median’ might consider making alterations to increase the potential applicant pool, thus better enabling the next generation of farmers and ranchers.

In addition to the 30% rule however, it must be noted USDA defines a farm as, “any place which $1,000 or more of agricultural products were produced and sold, or normally would have been sold, during the year” (Economic Research Service, 2017). In reality, it is not overly difficult to produce $1,000 worth of agricultural products and therefore there are many hobby farms, or large gardens even, being captured in this definition. As discussed by some focus group participants who are working to grow their operations to the point of the farmsteads providing for family living, the fact these small hobby operations lower the county ‘average’ and ‘median’ size farms makes it difficult to stay within this program criteria of owning less than 30% while achieving economies of scale.

An additional concern relates to Kauffman (2013) who says lenders typically want collateral to put up against the large loans often required to finance purchasing farmland or equipment. Kauffman acknowledges though, beginning farmers and ranchers often lack collateral and therefore lenders willing to take on the additional risk will, more often than not, charge higher interest rates. A point raised by some FG2 participants in this study was how they were deterred from applying for low-interest loan programs because the programs locked in all of their assets as collateral. So while it was beneficial to have the lower interest rates, the reality was these producers still wanted the ability to obtain traditional operating loans and, as Kauffman (2013) points out, if they do not have collateral then lenders will not be as inclined to work with them as borrowers.

Looking beyond specific requirements and eligibility, the results indicate vastly different interpretations between agency offices. This is worrisome as some potential applicants are being told they will not qualify for programs, but if they were to go to a different office they would hear a different story. Due to this there were several instances of participants explaining how they choose to travel several hours away from their farmsteads to find the necessary level of service they needed. This is an issue that needs to be further addressed by administrators to ensure there is a more uniform interpretations of requirements when considering applicants.

Program Positives and Benefits

Going into this study, the research team knew there were positives and benefits to these programs and were confident there were success stories. However, it was not predicted for participants in all ten focus group discussions to emphasize the strengths of the programs to the high level they did. While this study primarily focuses on the barriers to the beginning farmer government programs, it was evident focus group participants wanted to make it clear to the research team that despite the barriers there are still many positives.

Dodson (2002) says due to the high startup costs of farming and ranching beginning farmers are forced to seek out federal guaranteed loans and direct FSA loans. This is supported by the findings from this study with many FG1 participants saying it is because of the programs they are able to farm and ranch today. This is also supported by the findings with FG2 participants who tried to utilize the programs but were unable to. Some of the FG2 participants were still able to find a way into production agriculture, but this was not the case for everyone and by not being able to utilize the programs some are now involved in other endeavors besides farming or ranching.

Another point raised by Kauffman (2013) points to lenders who are willing to work with beginning farmers and ranchers are often charging higher interest rates. This reinforces findings from this study in some of the biggest strengths of certain beginning farmer government programs is the ability to obtain financing at lower interest rates. With FSA loans typically being around 1.5%, it is definitely an appeal to beginning producers to utilize these programs instead of traditional financing like what Kauffman (2013) describes.

Other Points Connecting Literature to This Study

A few other items to note relating past studies to this research begins with Freedgood and Dempsey (2014) as they discuss linked deposit programs. They claim many linked deposit programs have been discontinued due to lack of use. This is supported by this study as none of FG1 participants utilized the linked deposit program for beginning farmers which is administered through the Missouri Treasurer's Office. There were efforts made to identify individuals who had utilized this program and to include them into the focus group discussions. But the reality was the research team could only identify one individual through the recruitment platforms and due to conflicting schedules they were not able to participate. The fact only one was identified through the recruitment platforms gives way to the idea this program is underutilized and not as well-known as other programs; which as illustrated in this study is not much because there is lacking awareness of even the most popular beginning farmer government programs.

Another item in the literature is demonstrated by Mishra et al. (2009) when they state beginning farmers are twice as likely to be tenants as compared to all other farm operators. Kauffman (2013) supports this and believes a rental strategy for farmland and equipment could become the standard business model for future beginning farmers and ranchers. What is concerning is how there is only one beginning farmer government program available in the state of Missouri that works with those employing rental strategies to begin their farming endeavors. CRP: TIP is a federal level program that is only beneficial if beginning producers identify an established farmer with retiring CRP lands and who is willing to sell or rent the land to them. The incentive is the established farmer would receive two additional rental payments for their CRP contracts. This program is beneficial if everything aligns, but the fact no other programs assist beginning producers wishing to rent farm ground is troublesome; especially when considering the other studies discussing beginning farmers and renting.

Limitations of Study

The focus groups organized for this study allowed the research team to collect qualitative data. All participants were residents of Missouri and therefore the results and implications of this research only directly apply to Missourians. That being said however, the results and implications are expected to indirectly apply to those residing outside of Missouri's borders.

A second limitation of this study was that not all available beginning farmer government programs in the state of Missouri were represented in the focus groups. Firstly, through the Missouri Treasurer's Office there is a linked deposit program for beginning farmers and ranchers. This program was represented in the program administrator focus groups but was not represented by any participants who had utilized one or more beginning farmer government program. Secondly, there are beginning farmer benefits in federal crop insurance; but no focus group participants had any involvement with these provisions. This limitation was not intentional as efforts were made to recruit focus group participants with experience with these programs, but unfortunately conflict of scheduling prevented this from occurring.

A third limitation could be in terms of scale economies. In the Midwest it is common for farm operations to be relatively large when compared to operations found on either U.S. coast. Therefore, the topics of conversation and perceived barriers could vary slightly if this study were to be repeated on either the west or east coasts, where smaller operations are more prevalent.

A final limitation that could be present in this study would be non-response bias (Creswell, 2014). Non-response bias can exist when focus group participants who choose not to participate in the study have differing experiences than those who did participate. There is no true way to combat this limitation but is something to be recognized as a potential shortfall of this research.

Possible Future Research

This study is the first known assessment of barriers to beginning farmer government programs. Due to this, the exploratory nature of conducting a study qualitatively allowed the research team to discover unanticipated findings along with support for expected results. This study could be replicated in other states to assess other barriers to these types of programs. Due to a point of saturation being obtained, it would be expected that similar results would surface.

One way this study could potentially serve as a springboard for further research is in terms of calculating the potential expansion of the applicant pool following changes of certain requirements and eligibility standards. For example, Williamson (2014) discusses a former eligibility requirement for FSA's Direct Farm Ownership Loan in which applicants could not own more than 30% of the median size farm in the county the farm resided. This requirement was altered for the Direct Farm Ownership Loan program with the 2014 Farm Bill changing the word 'median' to 'average' which drastically expanded the pool of potential applicants. Nationally in 2012, the average farm was 384 acres while the median farm was 81 acres. Williamson (2014) estimated more than 75% of beginning farms in America will meet the new criteria, while only about 38% met it previously. It would be interesting for a study to be conducted to measure the potential increase of possible applicants if certain eligibility requirements were to be altered or eliminated. A study such as this could provide more evidence when suggesting changes to the programs.

There is also potential to use the results from this study to inform a quantitative study design. This would allow for testing statistical significance and generalizability. For instance, one of the suggestions from FG1 participants was to slightly increase loan interest rates and then use those funds to hire assistants for program administrators. This could potentially help with the understaffing issue as assistants could assist in the preparing of loan applications thus improving processing times and overall creating a more conducive environment for applicants and administrators alike. It would be interesting for a quantitative study to be conducted in the form of a survey of those who have utilized beginning farmer government programs assessing if this idea and feeling is more prevalent and widespread as well as analyzing the potential returns that could be realized from doing so.

Finally, this study highlights general barriers relating to a wide range of state and federal level government programs for beginning farmers and ranchers. However, each program could have unique barriers because of the nature of the individual program. Therefore, it could be beneficial for future studies to evaluate each program individually in order to highlight program specific barriers.

Key Findings

When looking back on this study, there are key findings to highlight. First, that it took more than a year for some participants, from start to finish, to finally be able to take advantage of various programs was astonishing. Second, the lack of awareness of the programs available to beginning farmers and ranchers is concerning and should not be overlooked. Third, the degree to which program administrators are understaffed seems to serve as a potentially foundational barrier to participation. Fourth, the number of strict requirements and eligibility stipulations reduces the number of eligible beginning farmers. Finally, despite the barriers, the level in which focus group participants emphasized program positives and benefits should be encouraging to those championing beginning farmer government programs. While there are definitely many more take home messages discussed in this study, these five are the more prevalent findings.

CONCLUSION

With the anticipated 2050 world population reaching 9.7 billion people (Department of Economic and Social Affairs, 2013), it is estimated agriculture production will have to increase by about 70% (American Farm Bureau Federation, 2017) to meet these needs. If the agriculture industry is to meet these future food demands, more producers are needed. Programs have been developed and are being utilized to ease the entry and reduce the challenges for these new producers.

This study fills in a gap in the literature by exploring some of the more impactful government programs. The research identified barriers to beginning farmer government programs, ascertained possible solutions to those barriers and has begun to encourage a dialogue between invested parties. To analyze the government programs, four types of focus groups were conducted to include current Missouri producers who had partaken in one or more beginning farmer government programs, those unable to partake in a program, program administrators, and those working directly with beginning producers such as adult agriculture educators and extension specialists.

From the ten focus group discussions held across Missouri, five themes arose: *time, program awareness, program resources, requirements and eligibility,* and *program positives and benefits. Time* was a significant barrier to the beginning farmer government programs. This was especially in regard to the length of the applications, the time required to complete them, and subsequently the extended duration of program processing. *Program awareness* was another identified barrier which centered on program participants being unaware of the programs available, commercial lenders being unaware of programs that they could utilize when working with beginning producers, and lacking program outreach from the administrators themselves.

The third barrier identified in this research was *program resources* which revolved around the understaffing of program administrators, the difficulties with program administrators transitioning, and lacking application resources such as assistance outside of the administrators themselves. *Program requirement and eligibility* was the fourth barrier identified which included data on differing office to office interpretations of requirements, differing participant interpretations of the requirements, and overly stringent requirements and eligibility stipulations.

Aside from the barriers, the data also indicated results in terms of *program positives and benefits*; while the programs have definite room for improvement the research cannot take away from the success of programs when able to be utilized. This theme outlined the program's strengths and reasons as to why the programs are necessary to continue enabling the next generation of farmers and ranchers.

This research found common barriers to program utilization across the focus groups evaluated and identified possible solutions to those barriers. A dialogue has already begun with state and federal elected officials, program administrators, grassroot organizations, and others, but the conversation needs to continue. It is the hope of the research team that the findings will be leveraged to improve upon beginning farmer government programs and thus better enable the next generation of American farmers.

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Table 1: FG1 Demographics

	Participant	Gender	Age-Range	Farming Operation
Rep. 1	1	Female	25-34 years	Beef cattle, corn, soybean, and hay
	2	Male	35-44 years	Corn and soybean
	3	Male	25-34 years	Beef cattle, corn, soybean, and specialty crop
	4	Male	25-34 years	Beef cattle, goats, soybeans, sorghum, and hay
	5	Male	18-24 years	Beef cattle
Rep. 2	1	Male	25-34 years	Beef cattle, corn, soybeans, and wheat
	2	Male	25-34 years	Beef cattle
	3	Female	25-34 years	Beef cattle, hogs, hay, and specialty crop
	4	Male	25-34 years	Beef cattle, corn, soybeans, wheat, and hay
	5	Male	35-44 years	Beef cattle, corn, soybeans, and wheat
Rep. 3	1	Male	25-34 years	Corn and soybean
	2	Male	35-44 years	Dairy cattle, hogs, corn, and hay
	3	Male	25-34 years	Beef cattle, corn, soybean, wheat, and hay
	4	Female	25-34 years	Dairy cattle, hogs, corn, and hay
	5	Male	25-34 years	Beef cattle, corn, and soybean

Table 2: FG2 Demographics

	Participant	Gender	Age Range	Farming Operation
Rep. 1	1	Male	25-34 years	Beef cattle, hogs, corn, soybean, wheat, and hay
	2	Male	25-34 years	Beef cattle and hay
	3	Male	25-34 years	Beef cattle and hay
	4	Male	25-34 years	Beef cattle, corn, soybean, wheat, and hay
	5	Male	25-34 years	Corn
Rep. 2	1	Female	25-34 years	Beef cattle, poultry, and hay
	2	Male	35-44 years	Beef cattle, corn, soybean, and hay
	3	Male	25-34 years	Wanted to but not currently farming
	4	Male	35-44 years	Corn and soybean
Rep. 3	1	Male	25-34 years	Beef cattle
	2	Male	35-44 years	Beef cattle, corn, soybean, wheat, and hay
	3	Male	25-34 years	Beef cattle, corn, and soybean
	4	Male	35-44 years	Beef cattle, sheep, goats, and hogs
	5	Male	25-34 years	Beef cattle, corn, soybean, sorghum, and hay
	6	Male	25-34 years	Beef cattle
	7	Male	35-44 years	Beef cattle and hay

Table 3: FG3 Demographics

	Participant	Gender	Age Range	Current Employer
Rep. 1	1	Male	25-34 years	Commercial Ag. Lender
	2	Male	55-64 years	Commercial Ag. Lender
	3	Male	55-64 years	Farm Service Agency
	4	Male	45-54 years	Farm Service Agency
	5	Female	25-34 years	Commercial Ag. Lender
	6	Female	25-34 years	Farm Service Agency
	7	Male	55-64 years	Farm Service Agency
Rep. 2	1	Male	45-54 years	Farm Service Agency
	2	Female	55-64 years	Farm Service Agency
	3	Male	35-44 years	Natural Resource Service Agency
	4	Female	45-54 years	Farm Service Agency
	5	Male	55-64 years	State Treasurer's Office
	6	Female	45-54 years	Missouri Department of Agriculture
	7	Male	45-54 years	Commercial Ag. Lender

Table 4: FG4 Demographics

	Participant	Gender	Age Range	Current Employer
Rep. 1	1	Female	55-64 years	Extension Specialist
	2	Male	55-64 years	Extension Specialist
	3	Female	25-34 years	Extension Specialist
	4	Male	55-64 years	Extension Specialist
	5	Male	65+	Extension Specialist
	6	Female	45-54 years	Extension Specialist
	7	Male	55-64 years	Extension Specialist
Rep. 2	1	Male	65+	Adult Ag. Ed.
	2	Male	65+	Adult Ag. Ed.
	3	Male	25-34 years	Adult Ag. Ed.
	4	Male	45-54 years	Adult Ag. Ed.
	5	Female	35-44 years	Adult Ag. Ed.

Figure 1: Illustration of the data analysis process

APPENDICES

Appendix A. The Beginning Farmer and Rancher Individual Development Accounts Pilot Program

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Farm Service Agency
- **Beginning Farm Definition:**
  - Has not operated a farm or ranch for more than 10 years
  - An individual who does not have significant financial resources or assets
- **Purpose:**
  - To help beginning farmers and ranchers of limited means finance their agricultural endeavors through business and financial education and matched savings accounts
  - For every contribution the farmer makes the federal government (through a local partner) matches that amount
  - 2014 Farm Bill directs USDA to establish pilot projects in at least 15 states. Once funds are appropriated, state organizations/agencies can compete for funds
- **Eligibility:**
  - Operators who have income less than 80% of the median income of the state in which they live or 200% of the most recent annual Federal Poverty Income guidelines
  - Qualified applicant must agree to complete a financial training program
  - Any non-profit organization or tribal, local, or state government can submit an application to USDA to receive a grant
- **Further Information:**
  - First authorized in the 2008 Farm Bill
  - 2014 and 2018 Farm Bills reauthorizes the IDA program but does not provide any direct mandatory funding
  - The selected organizations will establish and administer the IDAs and are also responsible for providing access to business and financial education for farmer participants
  - Granted organization/agency can receive up to $250,000. The grantees can use up to 10% of funds to support business assistance, financial education, account management, and general program operation costs
- **Actual Historical Funding and Utilization for the Program:**
  - Has yet to receive any funding to date through the annual appropriations process
  - California and Vermont have both implemented state IDA programs for beginning farmers. These programs are similar to but not affiliated with this Federal program

Appendix B. FSA Farm Ownership Loans

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Farm Service Agency
- **Beginning Farmer Definition:**
  - Has not operated a farm or ranch for more than 10 years
  - Does not own a farm or ranch greater than 30% of the average size farm in the county as determined by the most current Census for Agriculture at the time the loan application is submitted
  - Substantially participates in the operation
- **Purpose:**
  - To buy a farm or ranch, or make a down payment
  - To enlarge an existing farm or ranch
  - Purchase of easements
  - To construct, purchase, or improve farm dwellings, service buildings, or other facilities and improvements essential to the farm operation
  - To promote soil and water conservation and protection
  - To pay loan closing costs
- **Eligibility:**
  - Eligible Farm Enterprise:
    - Farm Ownership loan funds cannot be used to finance nonfarm enterprises, such as exotic birds, tropical fish, dogs, or horses used for non-farm purposes (racing, pleasure, show, and boarding)
  - General Eligibility Requirements:
    - Must not have Federal or State conviction(s) for planting, cultivating, growing, producing, harvesting, storing, trafficking, or possession of controlled substances
    - Have the legal ability to accept responsibility for the loan obligation
    - Have an acceptable credit history
    - Be a United States citizen, non-citizen national or legal resident alien of the United States, including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Trust Territory
    - Have no previous debt forgiveness by the Agency, including a guarantee loan loss payment
    - Be unable to obtain sufficient credit elsewhere, with or without an FSA loan guarantee
    - Not be delinquent on any Federal debt, other than IRS tax debt, at the time of loan closing
    - Not be ineligible due to disqualification resulting from Federal Crop Insurance violation
    - Be able to show sufficient farm managerial experience through education, on-the-job training and/or general farm experience, to assure reasonable prospect of loan repayment ability
    - Must be the owner-operator of a family farm after loan closing
  - Farm Management Experience:

        - 2018 Farm Bill indicates a qualified beginning farmer or rancher must have either 1 to 2 years of farm management experience or has successfully completed a farm mentorship, apprenticeship, or internship program with an emphasis on management requirements and day-to-day farm management decisions
            - Experience can also be met through other means such as 16 credit hours of post-secondary education in a field related to agriculture, significant business management experience, successfully repaid a youth loan, etc.
- **Types of Farm Ownership Loans:**
    - Regular:
        - This is the most basic type of Direct Farm Ownership loans
        - Beginning farmers take precedence, but being a beginning farmer is not a requirement for this loan program
    - Joint Financing:
        - Also known as a participation loan
        - FSA lends up to 50% of the cost of value of the property being purchased and a commercial lender, state program, or the seller of the farm/ranch being purchased provides the balance of loan funds, with or without an FSA guarantee
        - Beginning farmers take precedence, but being a beginning farmer is not a requirement for this loan program
    - Down Payment:
        - Partially finances the purchase of family size farm or ranch
        - Only program that does not provide 100% financing. Loan requires applicants to provide 5% of the purchase price of the farm
        - Only available to <u>eligible</u> beginning farmers and ranchers and/or minority and women applicants
- **Maximum Loan Limitations and Specifications:**
    - Regular, Joint, and Direct Farm Ownership Down Payment maximum loan amounts is $600,000
- **Repayment Terms:**
    - Maximum repayment period for the Direct Farm Ownership loan and the Joint Financing loan is 40 years
    - Repayment term for FSA's portion of a Down Payment loan is 20 years. The non-FSA portion is required to be at least a 30 year repayment period with no balloon payment allowed within the first 20 years of the loan
- **Further Information:**
    - There is a conservation compliance with this loan program
    - Interest rate charged is always the lower rate in effect at the time of loan approval or loan closing for the type of loan wanted. Interest rates are calculated and posted the 1st of each month
    - In regards to the three years of experience required for the Direct Farm Ownership Down Payment loan, the applicant needs to be able to demonstrate that they have farm management experience in farm production and experience in making on-farm decisions. This can include deciding crop rotations, when to cull

livestock and which ones to cull, selecting and purchasing breeding or feeding stock, and so on. The experience can be obtained while utilizing other FSA loans

- **Actual Historical Funding and Utilization for the Program:**

Direct Farm Ownership				
Fiscal Year	**Amount Allotted**	**Beginning Farmer Targeting of Loan Funds**	**Amount Obligated**	**Unobligated Balance**
2014	$ 1,110,000,000	$ 832,500,000	$ 999,666,507	$ 110,333,493
2015	$ 1,500,000,000	$ 1,125,000,000	$ 1,007,898,351	$ 492,101,649
2016	$ 1,500,000,000	$ 1,125,000,000	$ 1,016,965,558	$ 483,034,442
2017	$ 1,500,000,000	$ 1,125,000,000	$ 1,044,115,361	$ 455,884,639

Appendix C. FSA Direct Farm Operating Loans

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Farm Service Agency
- **Beginning Farmer Definition:**
  - Has not operated a farm or ranch for more than 10 years
  - Does not own a farm or ranch greater than 30% of the average size farm in the county as determined by the most current Census for Agriculture at the time the loan application is submitted
  - Substantially participates in the operation
- **Purpose:**
  - Assist with costs of reorganizing a farm to improve profitability such as:
    - Purchase equipment to convert from conventional to no-till production
    - Change from stocker to cow-calf production
    - Shifting from row crop to vegetable production
    - Purchasing grain drying and storage equipment to facilitate better marketing
    - Purchase shares in value-added processing and marketing cooperatives
  - Purchase of livestock, including poultry
  - Purchase of farm equipment
  - Farm operating expenses including but not limited to:
    - Feed
    - Seed
    - Fertilizer
    - Pesticides
    - Farm supplies
    - Cash rent
    - Family living expenses
    - Initial processing of agricultural commodities, under certain circumstances
  - Minor improvement or repairs to buildings
  - Refinance certain farm-related debts, excluding real estate
  - Land and water development, use, or conservation
  - Loan closing and borrower training costs
- **Eligibility:**
  - Eligible Farm Enterprise:
    - Farm Ownership loan funds cannot be used to finance nonfarm enterprises, such as exotic birds, tropical fish, dogs, or horses used for non-farm purposes (racing, pleasure, show, and boarding)
  - General Eligibility:
    - Not having Federal or State conviction(s) for planting, cultivating, growing, producing, harvesting, storing, trafficking, or possession of controlled substances
    - The legal ability to accept responsibility for the loan obligation
    - An acceptable credit history

        - Be a United States citizen, non-citizen national or legal resident alien of the United States, including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Trust Territories
        - No previous debt forgiveness by the Agency, including a guarantee loan loss payment
        - Being unable to obtain sufficient credit elsewhere, with or without an FSA loan guarantee
        - No delinquency on a Federal debt, other than IRS tax debt, at the time of loan closing
        - Not being ineligible due to disqualification resulting from a Federal Crop Insurance violation
        - Have sufficient managerial ability to assure a reasonable expectation of loan repayment
- **Maximum Loan Limitations:**
    - Maximum loan amount is $400,000. There is no down payment requirement
- **Repayment Terms:**
    - Repayment terms on operating loans vary depending on the purpose of the loan, applicant's ability to pay, and when income is projected to be available
        - General operating and family expenses are normally due within 12 months. Larger purchases (such as equipment) the term will not exceed 7 years
- **Further Information:**
    - The interest rate charged is always the lower rate in effect at the time of loan approval or loan closing for the type of loan wanted. Interest rates are calculated and posted the 1st of each month
    - Managerial ability can be any combination of education, on-the-job training, and farm experience. There is no minimum number of years required like the Direct Farm Ownership Down Payment Program. The level of management ability required depends on the complexity of the operation and the amount of the loan request
    - Beginning farmers take precedence, but being a beginning farmer is not a requirement for this loan program
- **Actual Historical Funding and Utilization for the Program:**

Direct Operating Loans				
Fiscal Year	**Amount Allotted**	**Beginning Farmer Targeting of Loan Funds**	**Amount Obligated**	**Unobligated Balance**
2014	$ 1,220,620,000	$ 610,310,000	$ 1,201,284,207	$ 19,335,793
2015	$ 1,252,100,409	$ 626,050,205	$ 1,251,216,268	$ 884,141
2016	$ 1,339,726,748	$ 669,863,374	$ 1,339,523,171	$ 203,577
2017	$ 1,309,457,371	$ 654,728,686	$ 1,284,034,708	$ 25,422,663

Appendix D. FSA Guaranteed Farm Loans

- **Federal/State:**
    - Federal Program
- **Administering Agency:**
    - United States Department of Agriculture: Farm Service Agency
- **Beginning Farmer Definition:**
    - Has not operated a farm or ranch for more than 10 years
    - Does not own a farm or ranch greater than 30% of the average size farm in the county as determined by the most current Census for Agriculture at the time the loan application is submitted
    - Substantially participates in the operation
- **Purpose:**
    - To obtain loans from USDA-approved commercial lenders at reasonable terms to buy farmland or finance agricultural production. Financial institutions receive the benefit from the safety net FSA provides by guaranteeing farm loans up to 95% against possible financial loss of principal and interest
    - It is important to note that with a guaranteed farm loan, the lender is FSA's customer, <u>NOT</u> the loan applicant
    - An applicant and a lender must complete the Application for Guarantee and submit it to FSA
    - Once the application is approved FSA will issue the lender a conditional commitment outlining the terms of the loan guarantee and indicating that the loan may be closed
    - In the event the lender suffers a loss, FSA will reimburse the lender according to the terms and conditions specified in the guarantee
- **Eligibility:**
    - Be a citizen of the United States (or legal resident alien), which includes Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Trust Territories
    - Have an acceptable credit history as determined by the lender
    - Have the legal capacity to incur responsibility for the loan obligation
    - Be unable to obtain a loan without an FSA guarantee
    - Not have caused FSA a financial loss by receiving debt forgiveness on more than 3 occasions on or prior to April 4, 1996, or any occasion after April 4, 1996, on either an FSA direct or guarantee loan
    - Be the owner-operator or tenant-operator of a family farm after the loan is closed. For an Operating loan, the producer must be the operator of a family farm after the loan is closed. For a Farm Ownership loan, the producer also needs to own the farm
    - Not be delinquent on any Federal debt
    - Conservation Loan applicants do not have to meet the "family farm" definition nor do they have to be unable to obtain a loan without an FSA guarantee. All other eligibility requirements must be met
- **Types of Guaranteed Farm Loans:**
    - Farm Ownership

    - Similar to Direct Farm Ownership loans except FSA offers a guarantee rather than actual funds
    - Beginning farmers take precedence, but being a beginning farmer is not a requirement for this loan program
  - Farm Operating
    - Similar to Direct Farm Operating Loans except FSA offers a guarantee rather than actual funds
    - Beginning farmers take precedence, but being a beginning farmer is not a requirement for this loan program
  - Land Contract
    - Guarantees offered to the owner of a farm who wishes to sell real estate through a land contract to a beginning farmer or a farmer who is a member of a socially disadvantaged group
    - The guarantee provides an incentive to sell to individuals in these groups as it reduces the financial risk to the seller due to buyer default on the contract payments
  - Conservation Loan
    - Provides access to credit for farmers who need and wanted to implement conservation measures on their land but do not have the “up front” funds available to implement these practices
    - Funds can be used to implement a conservation practice approved by the Natural Resources and Conservation Service (NRCS). Practices could include; reducing soil erosion, improving water quality, and promoting sustainable and organic agricultural practices
    - Beginning farmers take precedence, but being a beginning farmer is not a requirement for this loan program
- **Maximum Loan Limitations:**
  - FSA can guarantee standard Operating, Farm Ownership, and Conservation loans up to $1,399,000; this amount is adjusted annually each Fiscal Year based on inflation
  - The maximum loan limit for Land Contract Guarantees is $500,000
- **Repayment Terms:**
  - Repayment terms vary according to the type of loan made, the collateral securing the loan, and the producer's ability to repay. Operating Loans are normally repaid within 7 years and Farm Ownership loans cannot exceed 40 years. All advances on an Operating Line of Credit must be repaid within 7 years of the date of the loan guarantee
- **Further Information:**
  - The Guaranteed loan interest rate and payment terms are negotiated between the lender and the applicant and may not exceed the maximum rates established by FSA

- **Actual Historical Funding and Utilization for the Program:**

Guaranteed Farm Ownership-Regular				
Fiscal Year	**Amount Allotted**	**Beginning Farmer Targeting of Loan Funds**	**Amount Obligated**	**Unobligated Balance**
2014	$ 2,350,000,000	$ 940,000,000	$ 2,012,781,879	$ 337,218,121
2015	$ 2,500,000,000	$ 1,000,000,000	$ 2,041,129,633	$ 458,870,367
2016	$ 2,500,000,000	$ 1,000,000,000	$ 2,470,663,059	$ 29,336,941
2017	$ 2,750,000,000	$ 1,100,000,000	$ 2,278,602,448	$ 471,397,552

Guaranteed Operating Loans				
Fiscal Year	**Amount Allotted**	**Beginning Farmer Targeting of Loan Funds**	**Amount Obligated**	**Unobligated Balance**
2014	$ 1,052,172,049	$ 420,868,820	$ 1,000,135,463	$ 52,036,586
2015	$ 1,395,896,867	$ 558,358,747	$ 1,365,450,053	$ 30,446,814
2016	$ 1,493,541,155	$ 597,416,462	$ 1,493,461,351	$ 79,804
2017	$ 1,408,590,000	$ 563,436,000	$ 1,366,897,438	$ 41,692,562

Appendix E. FSA Microloan Programs

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Farm Service Agency
- **Beginning Farmer Definition:**
  - Has not operated a farm or ranch for more than 10 years
  - Does not own a farm or ranch greater than 30% of the average size farm in the county as determined by the most current Census for Agriculture at the time the loan application is submitted
  - Substantially participates in the operation
- **Purpose:**
  - Direct Farm Ownership Microloans
    - Make a down payment on a farm
    - Build, repair, or improve farm buildings, service buildings, or farm dwellings
    - Soil and water conservation projects
    - May be used as a Down-payment Farm Ownership Loan
    - May be used in Joint Financing
  - Direct Farm Operating Microloans
    - Essential tools
    - Fencing and trellising
    - Hoop houses
    - Bees and bee equipment
    - Milking and pasteurization equipment
    - Maple sugar shack and processing equipment
    - Livestock, seed, fertilizer, utilities, land rents, family living expenses, and other materials essential to the operation
    - Irrigation
    - GAP (Good Agricultural Practices), GHP (Good Handling Practices), and Organic certification costs
    - Marketing and distribution costs, including those associated with selling through Farmers' Markets and Community Supported Agriculture operations
    - Pay for qualifying OSHA compliance standards (Federal or State)
- **Differences Between Microloans and Regular Loans:**
  - Direct Farm Ownership Microloans
    - No appraisal needed
    - Verification of non-farm income unnecessary unless required for repayment
    - Successful repayment of an FSA Youth loan may be used towards the required three years of management experience
  - Direct Farm Operating Microloans
    - Managerial experience can be obtained through small business experience plus any farm experience, along with a self-guided apprenticeship Managerial experience can also be obtained if applicant was a Rural

Youth loan recipient with a successful repayment history, or youth who have participated in an agriculture-related organization can meet the managerial ability requirements with those experiences

- **Eligibility:**
  - General Eligibility Requirements for both Microloans:
    - Must not have Federal or State conviction(s) for planting, cultivating, growing, producing, harvesting, storing, trafficking, or possession of controlled substances
    - Have the legal capacity to incur the loan obligation
    - Be able to show an acceptable credit history
    - Is a citizen, non-citizen national or legal resident alien of the United States, including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, and certain former Pacific Trust Territories
    - Have no previous debt forgiveness by the Agency, including a guarantee loan loss payment
    - Be unable to obtain sufficient credit elsewhere, with or without an FSA loan guarantee
    - Not be delinquent on any Federal debt, other than IRS tax debt, at the time of loan closing
    - Not be ineligible due to disqualification resulting from Federal Crop Insurance violation
  - Eligibility Requirements Specific to Direct Farm Ownership Microloans
    - Three years farm management experience within ten years of the application date. One year farm management experience may be substituted with one of the following:
      - 16 credit hours Post-Secondary Education in an Agriculturally-related field
      - Business management: at least one year direct management experience (not manager in title only)
      - Military leadership or management: completed an acceptable military leadership role
      - Successful repayment of an FSA Youth Loan
  - Eligibility Requirements Specific to Direct Farm Operating Microloans
    - It is not necessary for a Microloan applicant to have produced farm income to meet the requirements for managerial experience
    - Farm experience can be met with small business experience, agricultural internships, apprenticeship programs, and even those that are self-guided
    - Applicants with little to no farm experience have the option of working with a mentor for guidance during the first production and marketing cycle
      - Direct Farm Operating Microloan applicants choose their own mentor and FSA reviews the choice
- **Maximum Loan Limitations:**
  - Maximum loan amount for either Microloan is $50,000
  - An applicant can have a Guaranteed Operating loan, Farm Ownership loan, or Emergency loan and still qualify for a Microloan
- **Repayment Terms:**

- For the Direct Ownership Microloan, the maximum term is 25 years
- For the Direct Operating Microloan, the repayment period will vary depending upon the purpose of the loan. General operating and family living expenses are due within 12 months or when the agricultural commodities sell. For larger purchases such as equipment or livestock, the term will not exceed 7 years

- **Further Information:**
  - FSA's Direct Operating loan interest rate applies to Operating Microloans. FSA's Direct Farm Ownership loan interest rate applies to Farm Ownership Microloans. The interest rate charged is always the lower rate in effect at the time of loan approval or loan closing for the type of loan wanted. Interest rates are calculated monthly and are posted on the 1st of each month
  - Beginning farmers take precedence, but being a beginning farmer is not a requirement for this loan program
- **Actual Historical Funding and Utilization for the Program:**
  - There are no specific allotments for Microloans. The funding is pulled from the other loan program allotments. For instance, if someone qualifies for a Direct Farm Ownership Microloan; the funding for their loan comes from the Direct Farm Ownership Loan allotments. Therefore, the funding and utilization amounts are captured in the allotments and utilizations of other loan programs

Appendix F. FSA Youth Loan Program

- **Federal/State:**
    - Federal Program
- **Administering Agency:**
    - United States Department of Agriculture: Farm Service Agency
- **Beginning Farmer Definition:**
    - Has not operated a farm or ranch for more than 10 years
    - Does not own a farm or ranch greater than 30% of the average size farm in the county as determined by the most current Census for Agriculture at the time the loan application is submitted
    - Substantially participates in the operation
- **Purpose:**
    - FSA makes loans to young persons wishing to start and operate income-producing projects in connection with their FFA, 4-H club, Tribal Youth Group, or similar agricultural youth organizations
    - The project being financed must provide an opportunity for the young person to acquire experience and education in agriculture-related skills
    - Can use loan for purchases such as;
        - Buying livestock, seed, equipment, and supplies
        - Buying, renting, or repairing needed tools and equipment
        - Paying the operating expenses for the project
- **Eligibility:**
    - General Eligibility Requirements:
        - Be a United States citizen, non-citizen national, or qualified legal alien
        - Have no controlled substance convictions
        - Have no past due debt problems
        - Have not caused the Government a financial loss on previous loan assistance
        - Have not received debt forgiveness from FSA
    - Project Requirements:
        - The application requires a recommendation from the project/organization advisor who verifies he/she will sponsor the loan applicant and is qualified to advise efficiently/assist in any way
        - Must have parental consent
        - Young person alone is responsible for paying back the loan
            - Co-signer is required only if the project shows possible difficulty in repaying the loan
        - Be able to produce sufficient income to repay the loan amount plus accrued interest in full
        - Be related to agricultural
        - Be educational
        - Be part of an organized and supervised program
        - Must be an eligible enterprise. Funds cannot be used to finance:
            - Exotic animals, birds, or fish not normally associated with agricultural production

        - Non-farm animals, birds, or fish ordinarily used for pets, companionship, or pleasure
        - Market or process farm products, goods or services not produced by the youth loan applicant, even if it might be agriculturally related
- **Maximum Loan Limitations:**
    - The maximum loan amount is $5,000. There is no minimum loan amount requirement
- **Repayment Terms:**
    - Repayment periods vary from 1 to 7 years. The length of the loan depends upon the amount of the loan, the loan purpose, and the project
- **Further Information:**
    - Youth loans accrue at the same interest rate as the Direct Operating loan rate. Loan applicants receive the advantage of always being charged the lower rate in effect at the time of loan approval or loan closing. Interest rates are calculated and posted the 1st of each month
    - Beginning farmer definition is not as pertinent for this loan program seeing as how it is primarily for youth involved in agriculture
- **Actual Historical Funding and Utilization for the program:**
    - There are no special allotments for Youth Loans. The funding comes from the other loan program allotments. For instance, if someone qualifies for a Direct Farm Ownership Youth Loan; the funding for their loan comes from the Direct Farm Ownership Loan allotments. Due to this, the funding and utilization amounts are included in the allotments and utilizations of the other loan programs

Appendix G. MASBDA Beginning Farmer Loan Program

- **Federal/State:**
  - State of Missouri
- **Administering Agency:**
  - Missouri Agricultural and Small Business Development Authority (MASBDA)
- **Beginning Farmer Definition:**
  - One who has owned, either directly or indirectly, more than 30% of the median size farm in the county as determined by the most recent Census for Agriculture
- **Purpose:**
  - These types of loans are also known as "Aggie Bonds," and are authorized through the Internal Revenue Service (IRS)
  - Program enables lenders to receive federally tax-exempt interest on loans made to beginning farmers. In turn, beginning farmer is receiving lower interest rate.
    - Normal farm real estate loan between lender and applicant. The lenders receive a bond from MASBDA specifying their exemption to pay income tax on interest. Due to this, beginning farmers typically receive about 2% reduction on interest rates
  - Loan can only be used to buy agricultural land, farm buildings, farm equipment, and breeding livestock
    - Loans cannot be used for operating expenses, or to purchase inventory, supplies, or livestock other than breeding livestock
- **Eligibility:**
  - Borrowers must be legal Missouri residents at least 18 years old
  - Borrower must be able to provide proof of citizenship, identity and legal Missouri residence. If the borrower employs laborers, he/she must also provide proof of enrollment and participation in the federal work authorization program
  - The project must be located within Missouri
  - The beginning farmer is one who has not owned, either directly or indirectly, more than 30 percent of the median size of a farm in the county
  - Borrower must have adequate working capital and experience in the type of farming operation for which the loan is sought
    - Adequate working capital typically determined by the lender and not MASBDA
  - After loan closing, the borrower's chief occupation must be farming or ranching. Gross farm income must exceed off-farm income (spouse's off-farm income does not add into this requirement)
  - Individuals in partnerships are eligible for loans if all partners meet the eligibility requirements
- **Program Fees:**
  - A non-refundable $300 fee must be submitted with the application, a loan participation fee equal to one-and-one-half (1½) percent of the loan amount but not less than $500, and a bond issuance fee equal to .05% of the bond amount must be paid at closing. The participation fee and issuance fee may be financed as a part of the loan, not to exceed 2% of the bond amount
    - MASBDA must purchase bonds from the Department of Economic Development. The bonds used to cost $50, but now cost $250. Majority

of application fee goes directly towards the Department of Economic Development

- **Maximum Loan Limitations:**
  - The maximum loan amount is $524,200
  - Of this amount, depreciable agricultural property may not exceed $250,000
  - Limit of $62,500 for used depreciable property
    - Loan limitations are derived from an IRS formula that is updated each year on January 1st
    - $524,000 limit is tied to inflation and is under IRS Code Section 147(c)(2)
    - $250,000 for depreciable property is not tied to inflation and is under IRS Code Section 144(a)(11)
    - $62,500 for used depreciable property is not tied to inflation and is under IRS Code Section 147(c)(2)(F)
  - On average, loans awarded are around $300,000
- **Further Information:**
  - The loan offered by the lender can have a fixed interest rate or a variable rate. If it is a variable rate the lender must provide MASBDA their interest formula.
  - The Internal Revenue Service specifies:
    - Loans cannot be used to refinance existing debt
    - Loans cannot be used for operating expenses, or to purchase inventory, supplies, or livestock other than breeding livestock
    - Loans cannot be used to purchase property from a related person unless the acquisition price is for fair market value and, after acquisition, the related person will have no financial interest in the property financed with the loan proceeds
    - Not more than five percent of the tax-exempt loan proceeds can be used to finance a house and the costs of issuance. Any down payment may apply toward payment on the house
    - The borrower should not enter into a binding contract for any type of property until the application is approved by MDA
- **Actual Historical Funding and Utilization for the Program:**

MASBDA Beginning Farmer Loan Program		
Fiscal Year	**Number of Loans Made**	**Total Amounts Loaned**
2014	11	$ 2,099,170
2015	5	$ 623,094
2016	8	$ 1,778,340
2017	11	$ 1,931,768

Appendix H. Missouri Linked Deposit Beginning Farmer Program

- **Federal/State:**
  - State of Missouri
- **Administering Agency:**
  - Missouri State's Treasurer's Office
- **Beginning Farmer Definition:**
  - Is a Missouri resident at least 18 years of age
  - Seeking to operate a farm located in the state of Missouri
  - In previous five years, has not owned acreage in excess of 50% of the median size farm in the county they are farming in or own farmland with an appraised value over $450,000
    - Note that it is the "median" size farm and not the "average" size farm
    - Median size farm determined by the most recent Census for Agriculture
- **Purpose:**
  - Provide loans to purchase agricultural land, farm buildings, new and used farm equipment, livestock, and working capital
  - These loans are renewable for up to five years if funds are available
  - Linked deposit programs encourage lending to historically underutilized businesses (such as agriculture) by providing lenders and borrowers a lower cost of capital. The lender charges the borrowers less than the normal rate of interest and the lender is reimbursed for this loss of interest by receiving a reduction in interest charged on a deposit in the amount of the loan
- **Eligibility:**
  - The proposed project is located in Missouri
  - Borrower must have adequate working capital and experience in the type of farming operation for which the loan is sought
  - Project is to be used only for farming by the borrower or by the borrower's immediate family
  - Projected gross farm income (not including spouse's income) must be greater than non-farm income
- **Further Information:**
  - A qualified Beginning Farmer may qualify for deposits; there is no limit on the amount of the deposit
  - In a phone interview conducted on August 4th, 2017 with Samantha Koeppen, Investment and Deposit Coordinator for the Missouri State Treasurer's Office, she said the biggest challenge this program faces in her opinion is program awareness
- **Actual Historical Funding and Utilization for the Program:**
  - When speaking with Samantha Koeppen she said, "By statue, $720 million is allocated to this program."
  - According to Samantha Koeppen in August of 2017, "There are currently 418 active linked deposits within this program, which is just shy of $200 million being utilized."
    - Around $520 million
  - Samantha Koeppen also said, "During this program's absolute peak utilization there were over 1,200 active accounts amounting to about $382 million."
    - Around $338 million not utilized during its absolute peak

Appendix I. Conservation Reserve Program (CRP): Transition Incentive Program (TIP)

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Farm Service Agency
- **Beginning Farm Definition:**
  - Beginning farmer or rancher: a person or entity who has not been a farm or ranch operator for more than 10 years
- **Purpose:**
  - Provides retired/retiring land owners with two additional annual rental payments on land enrolled in expiring Conservation Reserve Program (CRP) contracts, on the condition they sell or rent this land to a beginning farmer or rancher or a socially disadvantaged group.
  - New land owners or renters must return the land to productions using sustainable grazing or farming methods
- **Eligibility:**
  - Only land enrolled in an expiring CRP contract is eligible
  - TIP enrollment is on a continuous basis, and may occur up to one year before a contract is set to expire.
  - Retiring land owner must either sell or lease ground on a long-term basis (at least five years) to a qualified beginning or socially disadvantaged farmer or rancher
- **Actual Historical Funding and Utilization for the Program:**
  - 2008 Farm Bill authorized $25 million
  - 2014 Farm Bill authorized $33 million available until expended during the 2014-2018 years
  - 2018 Farm Bill authorized $50 million available until expended during 2018-2022 years
  - $22.7 million was allocated under the 2008 Farm Act's provisions
  - 1,719 contracts enrolled or pending enrollment, covering 275,608 acres of land in 26 states under the 2008 Farm Act's provisions

Appendix J. Minnesota Beginning Farmer Tax Credit

- **Federal/State:**
  - State of Minnesota
- **Administering Agency:**
  - Minnesota Department of Revenue
- **Beginning Farm Definition:**
  - Is a resident of Minnesota
  - Seeking entry, or has entered within the last ten years, into farming
  - Does not have a total net worth (including assets and liabilities of borrower's spouse and dependents) of $350,000
- **Purpose:**
  - Landowners are to receive state income tax credit when they sell or rent land, or agricultural assets, to a beginning farmer
    - Credit equals 5% of the sale price, 10% of the cash rent, or 15% for a cash share agreement
- **Eligibility:**
  - Operator intends to farm land located within the state borders of Minnesota
  - Family or spouse's family cannot be the owner of agricultural assets being bought or rented
  - Beginning farmer must have adequate farming experience or ability to demonstrate knowledge in the type of operation they intend to implement
  - Farmer will have to prove that farming will be a significant source of income
    - Not yet determined if this will say, "gross farm income must exceed off-farm sources of income"
- **Further Information:**
  - Beginning farmer is required to take a farm management course and is eligible for a tax credit to cover the training cost
- **Actual Historical Funding and Utilization for the Program:**
  - $5 million is available for FY 2018 and FY 2019. The funding should increase in years to come
  - $300,000 for beginning farmer training reimbursement. The funding should also increase in years to come
  - This program goes into effect starting 2018 and has a sunset for December 31, 2023

Appendix K. Iowa Beginning Farmer Tax Credit Program

- **Federal/State:**
  - State of Iowa
- **Administering Agency:**
  - Iowa Agricultural Development Division
- **Beginning Farm Definition:**
  - Maximum net worth of $645,284 (changes each year)
    - An eligible beginning farmer will continue to be eligible for the term of the lease even if the beginning farmer's net worth increases to exceed the maximum net worth
  - Sufficient education, training, and experience for the anticipated farm operations
  - Must have access to the following as needed; adequate working capital, farm machinery, livestock, and agricultural land
- **Purpose:**
  - An incentive to keep land in production agriculture, by allowing agricultural asset owners to earn tax credit for leasing their agricultural assets to beginning farmers
    - Credit equals 5% of cash rent, 15% of crop share, or 7% of flex lease calculated on a base cash rent
    - $50,000 worth of tax credit is maximum allowed
- **Eligibility:**
  - Eligible assets include:
    - Agricultural land
    - Agricultural buildings
    - Depreciable machinery or equipment
    - Breeding livestock
  - Assets must be in state of Iowa
  - Beginning farmer must be a resident of the state of Iowa
  - If beginning famer is part of a partnership, corporation, or LLC, a financial statement for that entity is required. It must also be signed by all parties or by a legal representative. A list of all owners of the entity and their percentage of ownership must be included with the application
  - The name(s) of the Operator/Other Producers listed on the FSA 156 Farm Record form must match the name(s) of beginning farmer(s) on this application and on the lease
  - If beginning farmer is a veteran, include the DD 214 with the application
  - Beginning farmer must complete the Beginning Farmer Background Form
  - Beginning famer must perform the duties required to operate the asset according to the lease. The beginning famer cannot sub-lease to any other person or entity
  - If the agriculture asset owner is a partnership, LLC, corporation, estate, or trust:
    - One tax credit certificate will be issued to the federal tax identification number of that entity
    - The beginning farmer cannot have more than a 10% ownership interest in the leased asset
    - Asset owner must provide written documentation demonstrating that the signer of the application has the authorization to enter into the lease and submit application

    - Asset owner cannot:
        - Be at fault for terminating a prior lease to a beginning famer
        - Be a party to a pending administrative action, judicial action, or a contest case related to an alleged violation involving an animal feeding operation regulated by the Iowa Department of Natural Resources
        - Be classified as a habitual violator for a violation of state law involving an animal feeding operation as regulated by the Iowa Department of Natural Resources
        - Terminate the lease if the beginning farmer has complied with all lease terms
- **Further Information:**
    - Application fee for crop share applications will be increased to $200 for the application and $100 for each year of the lease to be collected at time of application
    - Application fee for cash rent and flex lease applications will remain unchanged at $200 for the application and $50 for each year of the lease to be collected at time of application
- **Actual Historical Funding and Utilization for the Program:**
    - The Iowa legislature made some changes to the program starting in 2018 to include:
        - The allocation for Beginning Farmer Tax Credits is being reduced from $12 million to $6 million in 2018
        - There are currently more than $6 million in tax credits approved to carry over into 2018
        - Therefore, no new applications will be accepted in 2018

Appendix L. Nebraska Beginning Farmer Tax Credit

- **Federal/State:**
  - State of Nebraska
- **Administering Agency:**
  - Nebraska Department of Agriculture
- **Beginning Farm Definition:**
  - Nebraska resident
  - Farmed or ranched less than 10 of the past 15 years
  - Net worth is less than $200,000 (adjusted for inflation/deflation)
- **Purpose:**
  - Agricultural asset owners receive an income tax credit to lease to a beginning farmer
    - Tax credit equal to 10% of the cash rent or 15% of the value of the share crop rent received each year for three years
  - Beginning farmer qualifies for a Personal Property Tax Exemption (PPTE)
    - Personal property used in production agriculture or horticulture, valued up to $100,000, may be exempted from state personal property taxes each year for three years
- **Eligibility:**
  - Beginning Farmer Requirements:
    - Beginning farmer must attend a financial management class but will be reimbursed the cost up to $500
    - Will provide majority of daily physical labor and management of the farm or ranch
    - Plans to farm or ranch full time
    - Has farming or ranching experience or education
  - Asset Owner Requirements:
    - Must be an individual, trustee, partnership, corporation, LLC, or other business entity having an ownership interest in an agricultural asset
    - Asset must be located in state of Nebraska
    - Must rent to a beginning farmer or rancher who meets above eligibility requirements
    - Must be willing to enter into a minimum of a three-year lease with beginning farmer or rancher
    - Close relatives are eligible to receive a tax credit if the parties attend a training session on succession planning and the asset is included in a written succession plan
  - Eligible Assets Include:
    - Land
    - Crops
    - Cattle
    - Farm equipment and machinery
    - Grain storage
    - Irrigation equipment
    - Livestock facilities
- **Further Information:**

- Also known as the "Next Gen Program"
- Minimum of a three-year lease agreement on a farm or ranch

- **Actual Historical Funding and Utilization for the Program:**

Nebraska Beginning Farmer Tax Credit Program				
Tax Year	**Number of Owners Receiving Tax Credit**	**Total Tax Credit Paid to Owners**	**Number of Beginning Farmers Paying Rent**	**Total Rent Paid by Beginning Farmers**
2012	187	$ 926,031	137	$ 6,991,484
2013	159	$ 842,864	126	$ 6,551,624
2014	164	$ 945,659	134	$ 7,641,412
2015	178	$ 947,904	145	$ 7,871,791
2016	233	$ 1,140,155	172	$ 9,835,160

Appendix M. Beginning Farmer and Rancher Benefits for Federal Crop Insurance

- **Federal/State:**
    - Federal Program
- **Administering Agency:**
    - United States Department of Agriculture: Risk Management Agency
- **Beginning Farmer Definition:**
    - Operator must not have actively operated and managed a farm or ranch anywhere, with an insurable interest in any crop or livestock for more than five crop years
        - They can exclude a crop year's insurable interest if they were under the age of 18, enrolled in post-secondary studies (not to exceed five crop years), or on active duty in the U.S. military
    - Only individuals qualify. Business entities may receive benefits only if all of the substantial interest holders (ten percent or more) of the business entity qualify as a beginning farmer or rancher
- **Purpose:**
    - Beginning farmers who qualify for this crop insurance provision are:
        - Exempted from paying the administrative fee of $300 for catastrophic and additional coverage policies
        - Will receive an additional ten percentage points of premium subsidy for additional coverage policies that have premium subsidy
            - In essence, a qualified beginning farmer is getting subsidized 10% more on any crop insurance policy than other farmers. For instance, if a farmer who is not a qualified beginning farmer opts to get the basic crop insurance for corn at 70%, the farmer will be subsidized 59% of the cost of the premium. If a qualified beginning farmer opts to get the same exact package, they will be subsidized 69% of the cost of the premium.
        - Can use the production history of farming operation that they were previously involved in the decision making or physical activities
            - For crop insurance an individual must have at least four years of Actual Production History (APH) and can use up to ten years
        - Can replace a low yield due to an insured cause of loss with 80% of the applicable transitional yield (T-Yield)
            - If someone suffers a poor yield due to an insurable cause of loss, thus affecting their future APH, they may replace the poor yield with 80% of the county average, also known as the T-Yield
- **Eligibility:**
    - Must qualify for crop insurance and meet the beginning farmer definition specified above
- **Further Information:**
    - To apply for benefits an operator must apply for Beginning Farmer and Rancher benefits by their Federal crop insurance policy's sales closing date
    - They are required to identify any previous farming or ranching experience and any exclusionary time periods they were under the age of 18, in post-secondary education, or active duty military

- The budget for crop insurance is authorized and funded through the Farm Bill. Since it is mandatory funding, there are no annual appropriations

Appendix N. Beginning Farmer and Rancher Benefits for Noninsured Crop Disaster Assistance Program (NAP)

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Farm Service Agency
- **Beginning Farmer Definition:**
  - Has not operated a farm or ranch for more than 10 years
  - Materially and substantially participates in the operation
- **Purpose:**
  - To provide financial assistance to producers of noninsurable crops to protect against natural disasters that result in lower yields or crop losses, or prevents crop planting
  - Beginning farmers or ranchers who qualify for this program are eligible for a waiver of the service fee and a 50% premium reduction
- **Eligibility:**
  - An eligible producer is a landowner, tenant, or sharecropper who shares in the risk of producing an eligible crop and is entitled to an ownership share of that crop
  - Eligible crops include:
    - Crops grown for food
    - Crops planted and grown for livestock consumption, such as grain and forage crops, including native forage
    - Crops grown for fiber, such as cotton and flax
    - Crops grown in a controlled environment, such as mushrooms and floriculture
    - Specialty crops, such as honey and maple syrup
    - Sea oats and sea grass
    - Sweet sorghum and biomass sorghum
    - Industrial crops, including crops used in manufacturing or grown as a feedstock for renewable biofuel, renewable electricity, or biobased products
    - Value loss crops, such as aquaculture, Christmas trees, ginseng, ornamental nursery, and turf-grass sod
    - Seed crops where the propagation stock is produced for sale as seed stock for other eligible NAP crop production
  - Eligible causes of loss include:
    - Damaging weather, such as drought, freeze, hail, excessive moisture, excessive wind, or hurricanes
    - Adverse natural occurrences, such as earthquake or flood
    - Conditions related to damaging weather or adverse natural occurrences, such as excessive heat, plant disease, volcanic smog, or insect infestation
- **Further Information:**
  - NAP provides basic coverage equivalent to the catastrophic level risk protection plan of insurance coverage, which is based on the amount of loss that exceeds 50% of expected production at 55% of the average market price for the crop

- Those not meeting definitions of beginning, limited resource, or targeted underserved farmers or ranchers must pay the NAP service fee of the lesser of $250 per crop or $750 per producer per administrative county, not to exceed a total of $1,875 for a producer with farming interests in multiple counties.
- Producers who elect higher levels of coverage must also pay premium rates

Appendix O. Environmental Quality Incentives Programs (EQIP)

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Natural Resources Conservation Service
- **Beginning Farm Definition:**
  - Has not operated a farm or ranch for more than 10 consecutive years. This requirement applies to all members of an entity
  - Will materially and substantially participate in the operation of the farm or ranch
- **Purpose:**
  - Voluntary program that provides financial and technical assistance to agricultural producers to plan and implement conservation practices that improve natural resources on agricultural land and non-industrial private forestland
- **Eligibility:**
  - Eligible lands include;
    - Cropland
    - Rangeland
    - Pastureland
    - Non-industrial private forestland
    - Other farm or ranch lands
  - Eligible applicants must;
    - Be agricultural producer (person, legal entity, or joint operation who has an interest in the agricultural operation, or who is engaged in agricultural production or forestry management)
    - Control or own the land
    - Comply with adjusted gross income (AGI) for less than $900,000
    - Be in compliance with the highly erodible land and wetland conservation requirement
    - Develop an NRCS EQIP plan of operations that addresses at least one natural resource concern
- **Further Information:**
  - Qualified beginning farmers receive extra benefits to include;
    - Increased payment rates up to 90% of costs associated with conservation planning and implementation
    - Advance payments up to 50% to purchase materials and services needed to implement conservation practices included in their EQIP contract
    - May elect to be evaluated in special EQIP funding pools
      - Missouri beginning farmers will compete on a statewide basis with other beginning farmers and socially disadvantaged farmers for funds in high priority funding pools
  - Financial and technical assistance provided through contracts
  - Maximum term of ten years in length
  - Payments are made on completed practices or activities identified in an EQIP contract that meet NRCS standards
  - Missouri's EQIP application deadline was November 17th in 2017
- **Actual Historical Funding and Utilization for the Program:**

- **NOTE:** The first table are beginning farmers who competed for the special funding pool. The second table are beginning farmers who competed for the at large funding pool. Those applications not funded from the special funding pool could have subsequently applied for the at large funding pool and potentially been approved

EQIP Beginning Farmers Special Funding Pool				
Fiscal Year	**Number of Applications**	**Number Funded**	**Amount Requested**	**Amount Funded**
2014	375	66	$ 3,302,572.01	$ 739,035.80
2015	296	53	$ 4,364,062.00	$ 1,633,810.00
2016	309	51	$ 5,592,916.00	$ 1,123,414.00
2017	317	55	$ 6,136,415.00	$ 1,616,427.00

EQIP Beginning Farmers At Large Funding Pool			
Fiscal Year	**Total Funds Obligated to Beginning Farmers**	**Total Contracts to Beginning Farmers**	**Percent of Total Funds to Beginning Farmers**
2014	$ 3,082,987.01	190	16.80%
2015	$ 4,327,909.57	207	15.90%
2016	$ 6,192,171.24	315	26.00%
2017	$ 6,764,704.31	329	24.70%

Appendix P. Conservation Stewardship Program (CSP)

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: Natural Resources Conservation Service
- **Beginning Farm Definition:**
  - Has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity
  - Will materially and substantially participate in the operation of the farm or ranch
- **Purpose:**
  - Helps farmers and ranchers maintain/improve existing conservation systems and adopt additional conservation activities. Participants earn CSP payments for conservation performance
- **Eligibility:**
  - Eligible lands include;
    - Cropland
    - Grassland
    - Pastureland and Rangeland
    - Nonindustrial Private Forestland
  - Eligible applicants must;
    - Have control of lands enrolled during 5 year contract
    - Establish farm records with the Farm Service Agency to allow evaluation of Highly Erodible Lands and Wetland Conservation requirements
    - Provide maps of land for NRCS representative to reference
    - Be actively engaged in the day-to-day management of the agricultural operation and share in the risks associated with agricultural production
- **Further Information:**
  - Preference to beginning farmers
    - They are eligible for high priority funding pools.
  - 5% of available CSP acres are set aside for beginning farmers and ranchers
  - Beginning farmers can receive increased payment rates up to 90% of cost-share
  - Voluntary program
  - Entire operation is enrolled under a 5-year contract with the option for renewal
  - Farmer can receive higher payments if they opt for enhancement bundles
- **Actual Historical Funding and Utilization for the Program:**
  - **NOTE:** The first table are beginning farmers who competed for the special funding pool. The second table are beginning farmers who competed for the at large funding pool. Those applications not funded from the special funding pool could have subsequently applied for the at large funding pool and potentially been approved

CSP Beginning Farmers Special Funding Pool				
Fiscal Year	Number of Applications	Number Funded	Amount Requested	Amount Funded
2014	51	51	$ 123,046.00	$ 123,046.00
2015	44	44	$ 84,908.50	$ 84,908.50
2016	84	84	$ 268,230.00	$ 268,230.00
2017	51	51	$ 312,603.78	$ 312,603.78

CSP Beginning Farmers At Large Funding Pool			
Fiscal Year	Total Funds Obligated to Beginning Farmers	Total Contracts to Beginning Farmers	Percent of Total Funds to Beginning Farmers
2014	$ 612,275.00	53	18.40%
2015	$ 339,634.00	44	5.20%
2016	$ 804,690.00	84	9.60%
2017	$ 625,207.55	51	8.40%

Appendix Q. The Beginning Farmer and Rancher Development Program

- **Federal/State:**
  - Federal Program
- **Administering Agency:**
  - United States Department of Agriculture: National Institute of Food and Agriculture (NIFA)
- **Beginning Farm Definition:**
  - Beginning farmers and ranchers not defined for this specific program
  - Individual projects being implemented may specify what qualifies as beginning
- **Purpose:**
  - Program is designed to provide federally-funded grants for organizations to apply for in the development and implementation of projects aimed at assisting beginning farmers and ranchers
  - Approved projects typically offer education, mentoring, training, and hands-on workshops/events in order to increase beginning farmer knowledge and experience
  - <u>Grants are not awarded to individual farmers looking to start a farm</u>
- **Eligibility:**
  - 1862, 1890, and 1994 Land-Grant Institutions
  - Hispanic-Serving Institutions
  - Private Institutions of Higher Education
  - Recipient must be a collaborative, state, tribal, local, or regionally-based network or partnership of public or private entities which may include:
    - State cooperative extension services
    - Federal, State, or tribal agencies
    - Community-based and nongovernmental organizations
    - Junior and four-year colleges/universities or foundations maintained by a college/university
    - Private for-profit organizations
- **Further Information:**
  - Grants fund projects up to $250,000 per year for up to three years
  - The development program is an annual competitive grant program, which requires NIFA personnel to create a Request for Applications through the Federal Register. The requests for applications are different each year
  - BFRDP was established in 2002 and funded in 2008
- **Actual Historical Funding and Utilization for the Program:**
  - 2008 Farm Bill appropriated $75 million for FY 2009 to FY 2012
  - 2014 Farm Bill appropriated $100 million for FY 2014 to FY 2018
  - At least four projects have been funded in the state of Missouri. Over 250 other projects across the nation

Beginning Farmer & Rancher Development Program in State of Missouri				
Award Year	**Project Title**	**Investigator**	**Institution**	**Award Total**
2009	"A Comprehensive Financial and Risk Management Solution for Beginning Farmers and Ranchers - A Farm Level Approach	Westhoff, P.	Univ. of Missouri Columbia, MO	$541,239
2009	Agricultural Entrepreneurs Development Program	Westgren, R.E.	Univ. of Missouri Columbia, MO	$692,198
2009	Enhancing the Success of Missouri's Beginning Farmers	Nelson, C.J.	Thomas Jefferson Agricultural Institute Columbia, MO	$730,722
2012	Financial and Community Capacity-Building Among Latino Farmers and Ranchers in Missouri and Nebraska	Jeanetta, S.	Univ. of Missouri Extension Columbia, MO	$389,670