

113TH CONGRESS  
1ST SESSION

# H. R. 1727

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

---

## IN THE HOUSE OF REPRESENTATIVES

APRIL 25, 2013

Mr. WALZ (for himself, Mr. FORTENBERRY, Mr. GIBSON, and Mr. PETERSON) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on the Budget, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

---

## A BILL

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

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

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

4 (a) SHORT TITLE.—This Act may be cited as the  
5 “Beginning Farmer and Rancher Opportunity Act of  
6 2013”.

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

Sec. 1. Short title; table of contents.

## TITLE I—CONSERVATION

### Subtitle A—Conservation Reserve Program

Sec. 101. Extension of conservation reserve program.

Sec. 102. Contracts.

### Subtitle B—Farmland Protection Program

Sec. 111. Farmland protection program.

### Subtitle C—Environmental Quality Incentives Program

Sec. 121. Establishment and administration of environmental quality incentives program.

Sec. 122. Conservation innovation grants and payments.

### Subtitle D—Funding and Administration

Sec. 131. Funding of conservation programs under Food Security Act of 1985.

Sec. 132. Assistance to certain farmers or ranchers for conservation access.

Sec. 133. Comprehensive conservation planning.

## TITLE II—CREDIT

### Subtitle A—Farm Ownership Loans

Sec. 201. Direct farm ownership experience requirement.

Sec. 202. Conservation loan and loan guarantee program.

Sec. 203. Indexing of direct farm ownership loans.

Sec. 204. Joint financing arrangement.

Sec. 205. Loan terms for down payment loan program.

Sec. 206. Limited resource loan rate.

Sec. 207. Definition of qualified beginning farmer or rancher.

### Subtitle B—Operating Loans

Sec. 211. Young beginning farmer or rancher microloans.

### Subtitle C—Administrative Provisions

Sec. 221. Beginning farmer and rancher individual development accounts pilot program.

Sec. 222. Transition to private commercial or other sources of credit.

Sec. 223. Direct loans for beginning farmers and ranchers.

## TITLE III—RURAL DEVELOPMENT

Sec. 301. Value-added producer grants.

## TITLE IV—RESEARCH, EDUCATION, AND EXTENSION

Sec. 401. Beginning farmer and rancher development program.

Sec. 402. Agriculture and Food Research Initiative.

## TITLE V—CROP INSURANCE

Sec. 501. Risk management partnership programs.

## TITLE VI—MISCELLANEOUS

Sec. 601. Military Veterans Agricultural Liaison.

Sec. 602. Budgetary effects.

Sec. 603. Effective date.

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

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

6           (a) IN GENERAL.—Section 1231(a) of the Food Se-  
7       curity Act of 1985 (16 U.S.C. 3831(a)) is amended by  
8       striking “2012” and inserting “2018”.

9           (b) LAND ELIGIBLE FOR ENROLLMENT IN CON-  
10       SERVATION RESERVE.—Section 1231(b)(1)(B) of the  
11       Food Security Act of 1985 (16 U.S.C. 3831(b)(1)(B)) is  
12       amended by striking “Food, Conservation, and Energy  
13       Act of 2008” and inserting “Beginning Farmer and  
14       Rancher Opportunity Act of 2013”.

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

18               (1) by striking the first sentence; and

19               (2) in the second sentence, by striking “2010,  
20       2011, and 2012” and inserting “2010 through  
21       2018”.

22          (d) PILOT PROGRAM FOR ENROLLMENT OF WET-  
23       LAND AND BUFFER ACREAGE IN CONSERVATION RE-

1 SERVE.—Section 1231B of the Food Security Act of 1985  
2 (16 U.S.C. 3831b) is amended—

3 (1) in subsection (a)(1), by striking “2012” and  
4 inserting “2018”; and

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

7 **SEC. 102. CONTRACTS.**

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

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

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

1                   for erosion, soil quality, water quality, and  
2                   fish and wildlife; or”; and

3           (2) in subsection (f)(1)—

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

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

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

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

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

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

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

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

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

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

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

9                     (2) in subsection (g)(4)—

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

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

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

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

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

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

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

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

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

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

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

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

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

1 (1) in subsection (a), by striking “2014” and  
2 inserting “2018”;

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

5 (3) in subsection (f), by striking “2012” and  
6 inserting “2018”.

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

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

11 (1) in subsection (a)(2)—

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

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

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

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

22 (2) in subsection (b)(2), by striking “2012”  
23 and inserting “2018”.

## **Subtitle D—Funding and Administration**

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

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

(1) in the matter preceding paragraph (1), by  
inserting “and through fiscal year 2018 in the case  
of the program described in paragraph (1)(B)” after  
“(7)”; and

(2) in paragraph (1), by striking subparagraph  
(B) and inserting the following:

“(B) \$50,000,000 for the period of fiscal  
years 2014 through 2018 to carry out section  
1235(f) to facilitate the transfer of land subject  
to contracts from retired or retiring owners and  
operators to beginning farmers or ranchers, so-  
cially disadvantaged farmers or ranchers, or  
limited resource farmers or ranchers.”.

### **SEC. 132. ASSISTANCE TO CERTAIN FARMERS OR RANCH- ERS FOR CONSERVATION ACCESS.**

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

(1) in paragraph (1), by striking “2012” and  
inserting “2018”; and

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

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

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

10          “(4) PARTICIPATION BY BEGINNING AND SO-  
11       cially disadvantaged farmers and ranch-  
12       ers.—Nothing in this subsection prohibits beginning  
13       or socially disadvantaged farmers or ranchers from  
14       participating in programs and receiving funding  
15       available under this title that is not reserved under  
16       paragraph (1).

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

1 farmers or ranchers to establish conservation  
2 plans.”.

3 **SEC. 133. COMPREHENSIVE CONSERVATION PLANNING.**

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

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

19 **TITLE II—CREDIT**

20 **Subtitle A—Farm Ownership Loans**

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

23 Section 302(b)(1) of the Consolidated Farm and  
24 Rural Development Act (7 U.S.C. 1922(b)(1)) is amended  
25 in the matter preceding subparagraph (A) by inserting “or

1 has other acceptable experience for a period of time, as  
 2 determined by the Secretary,” after “3 years”.

3 **SEC. 202. CONSERVATION LOAN AND LOAN GUARANTEE**  
 4 **PROGRAM.**

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

7 (1) in subsection (c)(2)—

8 (A) by striking “shall meet” and inserting  
 9 “shall—

10 “(A) meet”;

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

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

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

17 (2) in subsection (e)—

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

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

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

23 “(2) BEGINNING AND SOCIALLY DISADVAN-  
 24 TAGED FARMERS AND RANCHERS.—In the case of  
 25 beginning farmers or ranchers and socially disadvan-

1       taged farmers or ranchers, the portion of the loan  
2       the Secretary may guarantee under this section shall  
3       be 95 percent of the principal amount of the loan.”;  
4       and

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

7       “(h) FUNDING.—

8               “(1) IN GENERAL.—The Secretary may make  
9       or guarantee loans under this section for not more  
10      than \$250,000,000 for each of fiscal years 2013  
11      through 2018, of which, for each fiscal year, not  
12      more than ½ shall be used for direct loans and not  
13      more than ½ shall be used for guaranteed loans.

14              “(2) QUALIFIED BEGINNING FARMERS AND  
15      RANCHERS.—

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

22              “(B) GUARANTEED LOANS.—Of the  
23      amount made available for guaranteed loans for  
24      a fiscal year under paragraph (1), the Secretary  
25      shall reserve for qualified beginning farmers

1           and ranchers until April 1 of the fiscal year not  
2           less than 50 percent of the amount.”.

3 **SEC. 203. INDEXING OF DIRECT FARM OWNERSHIP LOANS.**

4           Section 305(a) of the Consolidated Farm and Rural  
5 Development Act (7 U.S.C. 1925(a)) is amended by in-  
6 serting “(increased, beginning with fiscal year 2014, by  
7 the inflation percentage, as determined by the Secretary,  
8 applicable to the fiscal year in which the loan is made)”  
9 after “\$300,000”.

10 **SEC. 204. JOINT FINANCING ARRANGEMENT.**

11          Section 307(a)(3)(D) of the Consolidated Farm and  
12 Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is  
13 amended by striking “4” and inserting “1.5”.

14 **SEC. 205. LOAN TERMS FOR DOWN PAYMENT LOAN PRO-**  
15 **GRAM.**

16          Section 310E(b)(1)(C) of the Consolidated Farm and  
17 Rural Development Act (7 U.S.C. 1935(b)(1)(C)) is  
18 amended by striking “\$500,000” and inserting  
19 “\$667,000”.

20 **SEC. 206. LIMITED RESOURCE LOAN RATE.**

21          Section 316(a)(2)(B) of the Consolidated Farm and  
22 Rural Development Act (7 U.S.C. 1946(a)(2)(B)) is  
23 amended by striking “5” and inserting “1.5”.

1 **SEC. 207. DEFINITION OF QUALIFIED BEGINNING FARMER**  
 2 **OR RANCHER.**

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

6 **Subtitle B—Operating Loans**

7 **SEC. 211. YOUNG BEGINNING FARMER OR RANCHER**  
 8 **MICROLOANS.**

9 (a) IN GENERAL.—Section 311 of the Consolidated  
 10 Farm and Rural Development Act (7 U.S.C. 1941) is  
 11 amended by adding at the end the following:

12 “(d) MICROLOANS.—

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

16 “(2) LIMITATION.—The Secretary shall not  
 17 make or guarantee a microloan under this sub-  
 18 section that—

19 “(A) exceeds \$35,000; or

20 “(B) would cause the total principal in-  
 21 debtedness outstanding at any time for  
 22 microloans under this subsection to any 1 bor-  
 23 rower to exceed \$70,000.

24 “(3) APPLICATIONS.—To the maximum extent  
 25 practicable, the Secretary shall limit the administra-

1       tive burdens and streamline the application and ap-  
2       proval process for microloans under this subsection.

3               “(4) COOPERATIVE LENDING PROJECTS.—

4                       “(A) IN GENERAL.—Subject to subpara-  
5       graph (B), the Secretary may enter into a con-  
6       tract with one or more community-based and  
7       nongovernmental organizations, State entities,  
8       or other intermediaries, as the Secretary deter-  
9       mines appropriate—

10                      “(i) to make or guarantee a microloan  
11                      under this subsection; and

12                      “(ii) to provide business, financial,  
13                      marketing, and credit management services  
14                      to borrowers.

15               “(B) REQUIREMENTS.—Before entering  
16       into a contract with an entity described in sub-  
17       paragraph (A), the Secretary—

18                      “(i) shall review and approve—

19                               “(I) the loan loss reserve fund  
20                               for microloans established by the enti-  
21                               ty; and

22                               “(II) the underwriting standards  
23                               for microloans of the entity; and

1 “(ii) establish such other requirements  
 2 for contracting with the entity as the Sec-  
 3 retary determines to be necessary.

4 “(C) REVOLVING FUND.—Under such con-  
 5 ditions as the Secretary may require, an entity  
 6 described in subparagraph (A) that enters into  
 7 a contract with the Secretary under this para-  
 8 graph may elect to convert the loan loss reserve  
 9 fund for microloans established by the entity  
 10 into a revolving loan fund to carry out the pur-  
 11 poses of this paragraph.”.

12 (b) EXCEPTIONS FOR DIRECT LOANS.—Section  
 13 311(c) of the Consolidated Farm and Rural Development  
 14 Act (7 U.S.C. 1941(c)) is amended by striking paragraph  
 15 (2) and inserting the following:

16 “(2) EXCEPTIONS.—In this subsection, the  
 17 term ‘direct operating loan’ shall not include—

18 “(A) a loan made to a youth under sub-  
 19 section (b); or

20 “(B) a microloan made to a young begin-  
 21 ning farmer or rancher or a military veteran  
 22 farmer or rancher, as defined by the Sec-  
 23 retary.”.

24 (c) PURPOSES OF LOANS.—Section 312(a) of the  
 25 Consolidated Farm and Rural Development Act (7 U.S.C.

1 1942(a)) is amended in the matter preceding paragraph  
 2 (1) by inserting “(including a microloan, as defined by the  
 3 Secretary)” after “A direct loan”.

4 (d) DETERMINATION OF INTEREST RATES.—Section  
 5 316(a)(2) of the Consolidated Farm and Rural Develop-  
 6 ment Act (7 U.S.C. 1946(a)(2)) is amended in the matter  
 7 preceding subparagraph (A) by inserting “a microloan to  
 8 a beginning farmer or rancher or military veteran farmer  
 9 or rancher or” after “The interest rate on”.

## 10 **Subtitle C—Administrative** 11 **Provisions**

### 12 **SEC. 221. BEGINNING FARMER AND RANCHER INDIVIDUAL** 13 **DEVELOPMENT ACCOUNTS PILOT PROGRAM.**

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

17 “(h) FUNDING.—On October 1, 2013, and on each  
 18 October 1 thereafter through October 1, 2017, of the  
 19 funds of the Commodity Credit Corporation, the Secretary  
 20 shall use to carry out this section \$5,000,000, to remain  
 21 available until expended.”.

1 **SEC. 222. TRANSITION TO PRIVATE COMMERCIAL OR**  
 2 **OTHER SOURCES OF CREDIT.**

3 (a) CONDITIONS FOR DIRECT LOANS.—Section  
 4 311(c) of the Consolidated Farm and Rural Development  
 5 Act (7 U.S.C. 1941(c)) is amended—

6 (1) in paragraph (1)—

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

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

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

12 (2) by striking paragraphs (3) and (4) and in-  
 13 serting the following:

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

20 “(4) WAIVERS FOR FARM AND RANCH OPER-  
 21 ATIONS ON TRIBAL LAND.—The Secretary shall  
 22 waive the limitation under paragraph (3) for a direct  
 23 loan made under this subtitle to a farmer or rancher  
 24 whose farm or ranch land is subject to the jurisdic-  
 25 tion of an Indian tribe and whose loan is secured by  
 26 one or more security instruments that are subject to

1 the jurisdiction of an Indian tribe if the Secretary  
 2 determines that commercial credit is not generally  
 3 available for the farm or ranch operations.”.

4 (b) LIMITATION ON PERIOD BORROWERS ARE ELIGI-  
 5 BLE FOR GUARANTEED ASSISTANCE.—Section 319 of the  
 6 Consolidated Farm and Rural Development Act (7 U.S.C.  
 7 1949) is amended by striking subsection (b) and inserting  
 8 the following:

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

14 **SEC. 223. DIRECT LOANS FOR BEGINNING FARMERS AND**  
 15 **RANCHERS.**

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

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

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

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

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

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

## 16 **TITLE III—RURAL** 17 **DEVELOPMENT**

### 18 **SEC. 301. VALUE-ADDED PRODUCER GRANTS.**

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

21 (1) by striking paragraph (6) and inserting the  
 22 following:

23 “(6) **PRIORITY.**—In awarding grants under this  
 24 subsection, the Secretary shall—

1 “(A) in the case of grants awarded under  
2 paragraph (1)(A), give priority to—

3 “(i) operators of small- and medium-  
4 sized farms and ranches that are struc-  
5 tured as family farms; or

6 “(ii) beginning farmers or ranchers or  
7 socially disadvantaged farmers or ranchers;  
8 and

9 “(B) in the case of grants awarded under  
10 paragraph (1)(B), give priority to projects that,  
11 as determined through peer review, best con-  
12 tribute—

13 “(i) to increasing opportunities for op-  
14 erators of small- and medium-sized farms  
15 and ranches that are structured as family  
16 farms; or

17 “(ii) to creating opportunities for be-  
18 ginning farmers and ranchers or socially  
19 disadvantaged farmers and ranchers.”; and

20 (2) by redesignating paragraph (7) as para-  
21 graph (8);

22 (3) by inserting after paragraph (6) the fol-  
23 lowing:

24 “(7) OUTREACH AND TECHNICAL ASSIST-  
25 ANCE.—The Secretary shall develop and implement

1 an outreach and technical assistance strategy to as-  
2 sist recipients of a grant under this subsection reach  
3 and serve underserved States and communities (as  
4 determined by the Secretary).”; and

5 (4) in paragraph (8) (as redesignated by para-  
6 graph (3))—

7 (A) in subparagraph (A)—

8 (i) by striking “October 1, 2008” and  
9 inserting “October 1, 2012, and each Octo-  
10 ber 1 thereafter through October 1, 2017”;  
11 and

12 (ii) by striking “\$15,000,000” and in-  
13 serting “\$20,000,000”;

14 (B) in subparagraph (B), by striking  
15 “2012” and inserting “2018”; and

16 (C) by striking subparagraph (C) and in-  
17 serting the following:

18 “(C) PRIORITY FUNDING.—

19 “(i) IN GENERAL.—In accordance  
20 with clause (ii), the Secretary shall, to the  
21 maximum extent practicable, reserve not  
22 less than  $\frac{2}{3}$  of the amounts made available  
23 for each fiscal year under this paragraph  
24 to award grants with respect to which pri-  
25 ority is given under paragraph (6).

1 “(ii) RESERVATION OF FUNDS.—

2 “(I) IN GENERAL.—Of the  
3 amounts reserved under clause (i) for  
4 each fiscal year, the Secretary shall  
5 reserve a total of 10 percent to award  
6 grants to recipients described in sub-  
7 paragraphs (A)(ii) and (B)(ii) of  
8 paragraph (6).

9 “(II) MID-TIER VALUE  
10 CHAINS.—Of the total amount of  
11 funds made available for each fiscal  
12 year under this paragraph, the Sec-  
13 retary shall reserve 10 percent to fund  
14 applications of eligible recipients de-  
15 scribed in paragraph (1) that propose  
16 to develop mid-tier value chains.

17 “(III) UNOBLIGATED  
18 AMOUNTS.—Any amounts reserved for  
19 a fiscal year under subclause (I) or  
20 (II) that are not obligated by the date  
21 on which the Secretary completes the  
22 review process for applications sub-  
23 mitted under this section in that fiscal  
24 year shall be available to the Sec-  
25 retary to make grants under this sub-

1 section to eligible recipients in any  
2 State, as determined by the Sec-  
3 retary.”.

4 **TITLE IV—RESEARCH,**  
5 **EDUCATION, AND EXTENSION**

6 **SEC. 401. BEGINNING FARMER AND RANCHER DEVELOP-**  
7 **MENT PROGRAM.**

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

10 (1) in subsection (c)—

11 (A) in paragraph (1), by striking subpara-  
12 graphs (A) through (R) and inserting the fol-  
13 lowing;

14 “(A) basic livestock, forest management,  
15 and crop farming practices;

16 “(B) innovative farm, ranch, and private  
17 nonindustrial forest land transfer strategies;

18 “(C) entrepreneurship and business train-  
19 ing;

20 “(D) financial and risk management train-  
21 ing (including the acquisition and management  
22 of agricultural credit);

23 “(E) natural resource management and  
24 conservation planning;

1 “(F) diversification and marketing strate-  
2 gies;

3 “(G) curriculum development;

4 “(H) mentoring, apprenticeships, and in-  
5 ternships;

6 “(I) assisting beginning farmers or ranch-  
7 ers in acquiring land from retiring farmers and  
8 ranchers;

9 “(J) food safety training;

10 “(K) agricultural rehabilitation and voca-  
11 tional training for veterans; and

12 “(L) other similar subject areas of use to  
13 beginning farmers or ranchers.”;

14 (B) in paragraph (4)—

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

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

19 (ii) by adding at the end the fol-  
20 lowing:

21 “(B) EXCEPTIONS.—The Secretary may  
22 waive or modify the matching requirement in  
23 subparagraph (A) if the Secretary determines a  
24 waiver or modification is necessary to effectively  
25 reach an underserved area or population.”;

1 (C) in paragraph (8)—

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

4 (ii) in subparagraph (C), by striking  
5 the period at the end and inserting “;  
6 and”; and

7 (iii) by adding at the end the fol-  
8 lowing:

9 “(D) military veteran beginning farmers  
10 and ranchers.”; and

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

12 “(11) INDIRECT COSTS.—To help facilitate par-  
13 ticipation in the program under this subsection by  
14 nongovernmental and community-based nonprofit or-  
15 ganizations, the Secretary shall provide for an op-  
16 tional 10 percent indirect cost option in lieu of a  
17 higher negotiated rate.”; and

18 (2) in subsection (h)—

19 (A) in paragraph (1)—

20 (i) in the paragraph heading, by strik-  
21 ing “FOR FISCAL YEARS 2009  
22 THROUGH 2012”; and

23 (ii) by striking “section—” and all  
24 that follows through the period at the end

1 and inserting “section \$20,000,000 for  
2 each of fiscal years 2014 through 2018.”;  
3 (B) in paragraph (2)—  
4 (i) in the paragraph heading, by strik-  
5 ing “FOR FISCAL YEARS 2009  
6 THROUGH 2012”; and  
7 (ii) by striking “2008 through 2012”  
8 and inserting “2013 through 2018”; and  
9 (C) by striking paragraph (3).

10 **SEC. 402. AGRICULTURE AND FOOD RESEARCH INITIATIVE.**

11 Subsection (b) of the Competitive, Special, and Fa-  
12 cilities Research Grant Act (7 U.S.C. 450i(b)) is amend-  
13 ed—

14 (1) in paragraph (1), by striking “food and ag-  
15 ricultural sciences” and all that follows through the  
16 period at the end and inserting the following: “food  
17 and agricultural sciences (as defined in section 1404  
18 of the National Agricultural Research, Extension,  
19 and Teaching Policy Act of 1977 (7 U.S.C.  
20 3103))—

21 “(A) in the case of grant made under  
22 paragraph (6), to an entity described in sub-  
23 paragraphs (A), (B), (C), or (D) of that para-  
24 graph; and

“(B) in the case of any other grant made under this subsection, to any eligible entity described in paragraph (7), including a grant made for—

“(i) fundamental research (as defined in section 251(f)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6971(f)(1));

“(ii) applied research (as defined in that section);

“(iii) integrated research conducted pursuant to section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626); or

“(iv) integrated research described in clause (iii) that is applied or fundamental research.”;

(2) in paragraph (2)(F)—

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

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

“(iii) new farming opportunities, including young, beginning, socially dis-

1           advantaged, and immigrant issues and  
 2           farm transition, farm transfer, farm entry,  
 3           and beginning farmer profitability issues;”;

4           (3) in paragraph (7), in the matter preceding  
 5           subparagraph (A), by inserting “projects (including  
 6           integrated projects)” after “education”; and

7           (4) in paragraph (11)(A), in the matter pre-  
 8           ceding clause (i), by striking “2008 through 2012”  
 9           and inserting “2013 through 2018”.

## 10       **TITLE V—CROP INSURANCE**

### 11   **SEC. 501. RISK MANAGEMENT PARTNERSHIP PROGRAMS.**

12       Section 522(d) of the Federal Crop Insurance Act (7  
 13   U.S.C. 1522(d)) is amended—

14           (1) in paragraph (1)—

15               (A) by striking “priority given to risk” and  
 16               inserting “priority given to—

17                   “(A) risk”;

18               (B) by striking the period at the end and  
 19               inserting “; and”; and

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

21                   “(B) underserved producers, including be-  
 22                   ginning farmers and ranchers and socially dis-  
 23                   advantaged farmers and ranchers.”;

24           (2) in paragraph (2)—

1 (A) by striking “options for producers”  
2 and inserting “options for—

3 “(A) producers

4 “(B) by striking the period at the end and  
5 inserting”; and

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

7 “(B) underserved producers, including be-  
8 ginning farmers and ranchers and socially dis-  
9 advantaged farmers and ranchers.”; and

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

11 “(4) REQUIREMENTS.—In carrying out the pro-  
12 grams established under paragraphs (2) and (3), the  
13 Secretary shall place special emphasis on risk man-  
14 agement techniques, tools, and programs that are  
15 specifically targeted at—

16 “(A) beginning farmers or ranchers;

17 “(B) legal immigrant farmers or ranchers  
18 that are attempting to become established agri-  
19 cultural producers in the United States;

20 “(C) socially disadvantaged farmers or  
21 ranchers;

22 “(D) farmers or ranchers that—

23 “(i) are preparing to retire; and

1 “(ii) are using transition strategies to  
 2 help new farmers or ranchers get started;  
 3 and  
 4 “(E) new or established farmers or ranch-  
 5 ers that are converting production and mar-  
 6 keting systems to pursue new markets.”.

## 7 **TITLE VI—MISCELLANEOUS**

### 8 **SEC. 601. MILITARY VETERANS AGRICULTURAL LIAISON.**

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

#### 12 **“SEC. 219. MILITARY VETERANS AGRICULTURAL LIAISON.**

13 “(a) AUTHORIZATION.—The Secretary shall establish  
 14 in the Department the position of Military Veterans Agri-  
 15 cultural Liaison.

16 “(b) DUTIES.—The Military Veterans Agricultural  
 17 Liaison shall—

18 “(1) provide information to returning veterans  
 19 about, and connect returning veterans with, begin-  
 20 ning farmer training and agricultural vocational and  
 21 rehabilitation programs appropriate to the needs and  
 22 interests of returning veterans, including assisting  
 23 veterans in using Federal veterans educational bene-  
 24 fits for purposes relating to beginning a farming or  
 25 ranching career;

1           “(2) provide information to veterans concerning  
2           the availability of and eligibility requirements for  
3           participation in agricultural programs, with par-  
4           ticular emphasis on beginning farmer and rancher  
5           programs;

6           “(3) serving as a resource for assisting veteran  
7           farmers and ranchers, and potential farmers and  
8           ranchers, in applying for participation in agricul-  
9           tural programs; and

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

12           (b) CONFORMING AMENDMENTS.—Section 296(b) of  
13           the Department of Agriculture Reorganization Act of  
14           1994 (7 U.S.C. 7014(b)) is amended—

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

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

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

20           “(8) the authority of the Secretary to establish  
21           in the Department the position of Military Veterans  
22           Agricultural Liaison in accordance with section  
23           219.”.

1 **SEC. 602. BUDGETARY EFFECTS.**

2       The budgetary effects of this Act, for the purpose of  
3 complying with the Statutory Pay-As-You-Go Act of 2010,  
4 shall be determined by reference to the latest statement  
5 titled “Budgetary Effects of PAYGO Legislation” for this  
6 Act, submitted for printing in the Congressional Record  
7 by the Chairman of the House Budget Committee, pro-  
8 vided that such statement has been submitted prior to the  
9 vote on passage.

10 **SEC. 603. EFFECTIVE DATE.**

11       This Act and the amendments made by this Act take  
12 effect on October 1, 2013.

○