

Building Resilience in a Changing World

AFT'S 2023 FARM BILL RECOMMENDATIONS

American Farmland Trust (AFT) has a **vision for the future of agriculture**: our best agricultural land remains available for production; farmers and ranchers operate thriving businesses that support vibrant rural communities; our food system is resilient to shocks and produces abundant, healthy, affordable food; agriculture reflects the diversity of our nation, with greater numbers of young, beginning, and historically marginalized farmers; and producers are recognized and rewarded not just for the food, feed, fiber, and fuel they produce, but also for the environmental benefits they provide. This future is possible, but there are many challenges to overcome.

Farmland loss threatens the future of American agriculture. From 2001–2016, 11 million acres of agricultural land were paved over, fragmented, or converted to uses that jeopardize agriculture. New AFT research indicates that the U.S. is projected to lose an additional 18.4 million acres by 2040. Once this finite resource is developed, it *never* returns to farming.



With agricultural land at record prices—and steep competition from developers, investors, and established farmers—many young, beginning, and historically marginalized producers struggle with **land access**, whether purchased or rented. At the same time, many senior farmers and farmland owners have no successor. Some may need to sell land to finance their retirement; others will pass land to heirs who are not interested in farming in order to avoid tax liabilities. With the current generation of farmers nearing

retirement, our food system depends upon a new generation taking the reins.

Many farms and ranches, especially small and mid-sized, struggle with **profitability**. With thin margins, supply chain and pandemic-related disruptions, and other issues, farmers must continually fine-tune their business models to develop resilient operations.

Climate change is bringing higher temperatures, unpredictable seasons, flooding, drought, and wildfires, and is causing farmland loss due to sea level rise and other factors. This is making the weather-dependent business of farming more difficult, and is expected to worsen without immediate action to reduce emissions and sequester carbon. Currently, the conservation practices needed to address climate change, while also improving water quality and soil health, are only used on a small portion of farms. For example, only 5% of cropland acres were planted with cover crops in 2017.



The 2023 Farm Bill is our best chance to help more farmers and ranchers permanently protect their land, establish secure land tenure, create viable businesses, and adopt climate-smart practices. AFT has four decades of experience shaping federal policy, and the following Farm Bill recommendations—developed with input from over 300 farmers, ranchers, non-profit leaders, and other stakeholders through 16 workshops held across the nation—will help us realize the vision of a resilient, just, and sustainable future.

Protect Our Threatened Agricultural Land Base

Federal policy should be harnessed to enable more landowners to voluntarily protect their land in perpetuity and to reduce development of America's most productive agricultural land. USDA's Agricultural Conservation Easement Program (ACEP) permanently protects agricultural land from development with its Agricultural Land Easements (ACEP-ALE) component. ALE easements ensure land remains available for future food production and offer landowners an alternative to selling off property as a way to finance farm expansion, family needs, retirement, or to pay down debt. In addition, easements can help to make land more affordable for the next generation. The federal government can also do more to reduce the footprint of infrastructure projects it funds on productive agricultural land. In the 2023 Farm Bill, AFT recommends that Congress:

Increase the Pace of Agricultural Land Protection Through ACEP-ALE

- ▶ Increase ACEP funding to meet demand from landowners seeking an alternative to development. In FY 2021, just \$104.9 million in financial assistance was obligated for the purchase of agricultural conservation easements.
- ▶ Increase federal cost share and cover project transaction costs to reduce barriers to landowner participation, especially for historically marginalized landowners.
- ▶ Modify the Buy-Protect-Sell language established in the 2018 Farm Bill to enable land trusts and state and local governments to better help young and historically marginalized producers purchase protected land.
- ▶ Reduce administrative burdens on experienced land trusts and public Purchase of Agricultural Conservation Easement (PACE) programs through a more robust certification process that recognizes their capacity to safeguard the federal investment.
- ▶ Provide additional clarity and flexibility around easement administrative actions to reduce the time landowners wait for required approvals and to avoid costly litigation.
- ▶ Eliminate the Adjusted Gross Income requirement to ensure high value land is not excluded from protection.
- ▶ Give NRCS flexibility to allow alternative valuation approaches.



ACEP AND PRIOR PROGRAMS HAVE PROTECTED

1.7 million acres

OF AG LAND SINCE 1996

Prioritize Conservation Planning and Cost Share on Protected Land

- ▶ Allow NRCS state offices and State Technical Committees to prioritize permanently protected agricultural land for NRCS conservation planning and cost share assistance.



Nearly 70%

OF FEDERAL AG LAND PROTECTION PARTICIPANTS HAVE A CONSERVATION PLAN

Support Farmland Protection and Agriculture Planning by State and Local Governments

- ▶ Authorize funding for state and local farmland protection plans and planning for agriculture efforts through the Farmland Protection Policy Act and the AMS Regional Food System Partnership Program.

Reduce Conversion of Agricultural Land from Federally Funded Projects

- ▶ Amend the Farmland Protection Policy Act to: define permanent conversion (including conversion of federally owned agricultural land); require agencies to report on actual conversion; and prohibit conversion of permanently protected agricultural land unless there is no feasible alternative.



FROM 2001 TO 2016,

1.3 million acres

WERE PROPOSED FOR CONVERSION BY PROJECTS USING FEDERAL FUNDING

Create Consistency Between ACEP-ALE and RCPP

- ▶ Expand ACEP's entity certification program to RCPP.
- ▶ Streamline easement deed approvals by allowing templates approved under ACEP to be used for RCPP.

Increase Adoption of Conservation Practices

Supporting innovative farmers and ranchers in adopting conservation practices is key to adapting to and mitigating climate change while also improving water and air quality, soil health, and even profitability. Farm Bill conservation programs provide cost share and technical assistance (TA) to help producers implement these practices, but these programs often need more funding and staff to address service gaps and fulfill demand. More must be done to equitably scale up long-term adoption of conservation and climate-smart practices by farmer-leaders, and to set up systems of support to help others build the same resilience. In the 2023 Farm Bill, AFT recommends that Congress:

Increase Conservation Program Funding

- ▶ Increase funding to meet demand for financial support and TA, especially for practices that improve soil health, contribute to climate and water resilience, and reduce GHG emissions.
- ▶ Expand funding set asides for historically marginalized producers.



Support Producers in Long-Term Adoption of Soil Health and Climate-Smart Practices

- ▶ Increase funding for the EQIP Conservation Incentive Contracts program and focus these longer 5-10 year contracts on soil health practices to mitigate transition risks.
- ▶ Direct NRCS to continue to increase TA capacity, fill service gaps, and streamline programs to address bottlenecks, reduce producer wait times, and improve implementation.
- ▶ Improve the Technical Service Provider program to enable additional qualified experts to provide TA.
- ▶ Establish a peer-to-peer program that offers CSP awardees and experienced EQIP awardees training and financial incentives to mentor other producers interested in trying out conservation practices.
- ▶ Increase funding for Conservation Innovation Grants and Trials and soil health demonstrations. Prioritize applications that measure soil health improvements and carbon sequestration.

Help Small-Scale and Historically Marginalized Producers Access USDA Programs

- ▶ Increase support for small-scale farms by creating an Office of Small Farms, by piloting a tiered payment rate system that increases EQIP and CSP payments for small farms, and by tailoring application processes to small-scale growers' needs.
- ▶ Fund Community-Based Navigators to help historically marginalized producers apply for NRCS programs.
- ▶ Support NRCS in continuing its examination of potential inequities that may disadvantage producer participation based on farm size, race, income, or gender through the current application process, program ranking criteria, or payment rate-setting process.



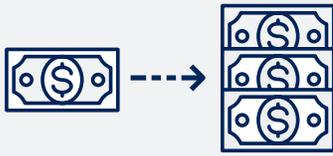
Improve NRCS Program Application Processes and Increase Transparency

- ▶ Direct NRCS to streamline the application process for practices that address multiple resource concerns, especially practices that help farmers adapt to and/or mitigate climate change.
- ▶ Direct NRCS to regularly share additional aggregated information on program applicants and awardees based on race, gender, farm size, income level, and funded practices.
- ▶ Direct USDA to regularly share additional information on program outcomes, including GHG reductions, carbon sequestration, water quality, and soil health.



Enable More States to Advance Innovative Soil Health Programs

- ▶ Provide federal matching grants to enable existing state soil health programs to expand while encouraging other states to start their own innovative programs.



ADOPTING SOIL HEALTH PRACTICES CAN INCREASE YIELD AND REDUCE INPUT COSTS, LEADING TO A RETURN ON INVESTMENT OF

\$3 for every \$1 spent

Make Crop Insurance More Compatible with Conservation Practices

- ▶ Continue providing crop insurance premium discounts to farmers planting cover crops and offer new endorsement options for risk-mitigating soil health practices.
- ▶ Help farmers meet conservation compliance requirements by better connecting them with NRCS conservation programs and resources.



DUE TO OVERWHELMING DEMAND, ILLINOIS

only awarded 1 in 4

PREMIUM DISCOUNT APPLICATIONS FOR COVER CROPS IN 2021

Support a Diverse New Generation in Accessing Land and Launching Successful Businesses

As we face an unprecedented transfer of land from one generation to the next, we need bold investments in programs that directly support both retiring and aspiring farmers in succession and estate planning, farm transfer, and farmland access and ownership. USDA is a key partner in scaling up successful state and local models that can facilitate land transition and open the door for next generation farmers. In the 2023 Farm Bill, AFT recommends that Congress:

Expand Support for Business Technical Assistance

- ▶ Establish a dedicated source of multi-year grant funding for service providers of individualized business technical assistance (BTA) to support farmers and landowners, including through business planning, land access, and farm transfer and succession planning. This support could be combined with a grant program for business plan implementation, or other creative farmland financing options.



ONE STATE FOUND THAT 2 YEARS OF BTA RESULTED IN A

62% increase

IN NET INCOME AND ANNUAL GROWTH IN JOB CREATION

Make Financing Farmland More Accessible and Affordable

- ▶ Expand land ownership opportunities through new financing mechanisms, such as state revolving loan funds that provide flexible capital, investments for alternative lenders to provide more affordable financing options, and forgivable First-Time Farmer Loans.
- ▶ Scale up existing programs to expand support for “wrap around capital” to both help farmers access affordable financing, and to support the start-up of their new farm business.

Invest in Land Transition Infrastructure and Incentives

- ▶ Expand support for land transfer infrastructure, including Farm Link programs, professional development, regional networking and resource-sharing, and education and training resources by providing explicit authority for these uses within the Beginning Farmer and Rancher Development Program (BFRDP) or similar funding mechanism.
- ▶ Create a dedicated Land Access Coordinator to focus and coordinate USDA resources related to land access and farmland transition.

- ▶ Scale up and reform existing transition incentives (e.g., the CRP Transition Incentives Program) to better encourage participation and transfer of farmland to new and historically marginalized farmers and consider new pilot incentive programs.



LAND ACCESS IS THE

#1 barrier

FOR YOUNG AND BEGINNING FARMERS

Monitor Farmland Ownership Trends through Improved Data Collection & Research

- ▶ Expand the Tenure, Ownership and Transition of Agricultural Land (TOTAL) survey to include nationwide data on farmland concentration, consolidation, and foreign ownership, as well as farmland ownership trends and barriers facing historically marginalized producers.
- ▶ Prioritize USDA-NIFA research on land ownership and tenure barriers and trends.
- ▶ Amend and fund the Commission on Farm Transitions established in the 2018 Farm Bill.

American Farmland Trust is the only national organization that takes a holistic approach to agriculture, focusing on the land itself, the agricultural practices used on that land, and the farmers and ranchers who do the work. We look forward to serving as a resource to Congress and other stakeholders. For more information about these and other recommendations, please contact:

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