

## Office of Small Farms Establishment Act of 2023

S. 1809 / H.R. 3877

Small acreage farms—those with fewer than 180 acres—represent 70% of all farms in the U.S. but only receive 12% of government payments.<sup>1</sup> These small farms support rural economic vitality, food security, and community resilience, while bolstering local and regional food supply chains. Small farms also contribute a disproportionate amount of value to the U.S. economy despite receiving a relatively small share of taxpayer support. **Although they only cover 8% of agricultural land, they are responsible for 20% of all agricultural sales.**<sup>2</sup>

Regardless of farm size or production system, a wide variety of producers should be able to access and benefit from USDA programs. While small farms are not expressly ineligible, many USDA programs have been designed with a one-size-fits-all approach that can disadvantage participation by smaller-acreage operations.<sup>3</sup> For instance:

- Only 7% of small farms use crop insurance, showing that the program does not work particularly well for the majority of these operations.
- Some programs, including the initial rollout of the Coronavirus Food Assistance Program (CFAP), offer payments based on commodity market rates, and do not factor in the higher prices that many small farms receive for selling directly to consumers and/or for producing value-added, or other specialized products.
- It is hard for smaller operations to participate in programs that provide financial assistance for conservation practice adoption (e.g., EQIP, CSP), since scale is not factored into payment rates, and many small farms cannot buy wholesale or spread costs across numerous acres.
- It can be easier for USDA staff with limited capacity to efficiently expend funding by working with several large operations rather than many smaller-scale ones.
- Small farms are more likely to face barriers such as lack of resources to cover match requirements and limited time, making program applications more challenging.
- Much of USDA's research and applied technology is focused on the needs of large farms.

USDA, under Congress's direction, provides essential support to help producers succeed. Though many USDA agencies are working to ensure all producers can access these essential services (e.g., NRCS's Office of Urban Agriculture, RMA's Micro Farms Program), these efforts would benefit from greater coordination. More systemic review is also needed to ensure smaller-acreage operations can access USDA support and are fully considered as part of the Department's rulemaking and regulations. These steps are critical to their viability.

**The "Office of Small Farms Establishment Act of 2023" would help ensure that small farms, ranches, and forest operations have full access to USDA programs.** This focus would be a win-win-win: it would help the Department better accomplish its mission of serving farmers of all types and scales, ensure that small-scale farmers can benefit from the full suite of USDA programs, and help secure a more resilient food system for all Americans. This legislation would create an Office of Small Farms, located within the Farm Production and Conservation (FPAC) Mission Area to include liaisons in FSA, NRCS, RMA, RD, NASS, NIFA, and AMS. The office would be tasked with:

- Assessing the needs of small operations, evaluating the Department's current ability to serve them, and recommending improvements to USDA program policies, design, and delivery.
- Providing, or coordinating through cooperative agreements, direct technical assistance and/or grants of up to \$25,000 to small operations for equipment, uninsured losses, business planning assistance, conservation practice adoption, down payments for land, and more.
- Operating an anonymous hotline for small scale operations to report challenges accessing USDA assistance.

This bill proposes \$25 million annually to carry out these functions, with \$15 million going toward the Office and \$10 million for technical assistance and grants to small-scale operations.

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<sup>1,2</sup> USDA, Census of Agriculture, "[Summary by Size of Farm](#)." 2017.

<sup>3</sup> USDA, "[Small and Mid-Sized Farmer Resources](#)."