

Highlights of [GAO-07-1130](#), a report to the Chairman of the Committee on Agriculture, Nutrition, and Forestry, U.S. Senate

## Why GAO Did This Study

U.S. Department of Agriculture (USDA) programs have long supported beginning farmers. USDA generally defines a beginning farmer or rancher as one who has operated a farm or ranch for 10 years or less—without regard for age—and who materially and substantially participates in its operation. USDA's Farm Service Agency (FSA) makes and guarantees loans for farmers who cannot obtain commercial credit, including beginning farmers. FSA also reserves funds for beginning farmers within its loan programs. USDA's Natural Resources Conservation Service (NRCS) provides higher conservation payments for beginning farmers through two of its conservation programs. GAO reviewed the key steps USDA has taken to help beginning farmers and assessed the department's actions to measure the effectiveness of these steps.

## What GAO Recommends

GAO recommends that USDA adopt a crosscutting, departmental strategic beginning farmer goal that identifies the desired outcomes for its beginning farmer assistance and links to related agency performance goals. We also recommend that USDA track progress toward implementing these goals. In commenting on a draft of this report, USDA said it generally agreed with our report and recommendations.

To view the full product, including the scope and methodology, click on [GAO-07-1130](#). For more information, contact Lisa Shames, 202-512-3841, [shamesl@gao.gov](mailto:shamesl@gao.gov).

# BEGINNING FARMERS

## Additional Steps Needed to Demonstrate the Effectiveness of USDA Assistance

## What GAO Found

USDA's lending and conservation assistance to beginning farmers has been substantial and is growing. USDA supports beginning farmers primarily through its lending assistance. From fiscal years 2000 through 2006, FSA's lending to beginning farmers rose from \$716 million to \$1.1 billion annually—totaling more than \$6 billion. In addition, from fiscal years 2004 through 2006, the most recent years for which data are available, NRCS's annual financial assistance for beginning farmers through two key conservation programs nearly doubled from over \$47 million to nearly \$92 million, for a total of \$233 million.

However, USDA cannot demonstrate the effectiveness of its support for beginning farmers, because it has not developed a crosscutting, departmental strategic goal for its beginning farmer efforts and has only recently begun to analyze the characteristics of this group. Specifically:

- USDA has not developed a crosscutting, departmental strategic beginning farmer goal that demonstrates the outcomes it expects its beginning farmer efforts to achieve. Such a goal might address, for example, promoting demographic change, such as by decreasing the average age of farmers or changes to the structure of agriculture, such as by increasing the number of small and middle-sized farms. USDA has incorporated beginning farmers into its existing policy for maintaining the viability of small farms. Although this provides added recognition of the need to assist beginning farmers, USDA's policy does not establish a crosscutting, departmental strategic goal that provides a management and accountability focus for the department's several efforts. Furthermore, USDA tracks the numbers of farmers it assists and the dollars they receive, rather than its progress toward achieving a particular beginning farmer outcome. Having a crosscutting, departmental strategic goal could provide better insight into the desired outcomes and impact of USDA's beginning farmer efforts.
- USDA is just beginning to develop data about the characteristics of beginning farmers to supplement its existing analyses about the age of farmers and changes in the number of farms. For example, one recent analysis shows that beginning farmers are younger than established farmers, operate smaller farms, and are slightly more ethnically diverse and female than other farmers. Another indicates that roughly one-third of beginning farms in 2005 had no agricultural output and were likely operated by individuals interested in a rural residential lifestyle. Continued analysis of such characteristics and trends could provide better insight into who beginning farmers are, which ones USDA assists, and how beginning farmer operations change over time.