

ADVANCING EQUITY IN AGRICULTURE THROUGH THE 2023 FARM BILL

97% of U.S. farmland is held by non-Hispanic, white landowners. Decades of disproportionate investment in white, wealthy producers and the land-grant institutions and other entities that serve them has perpetuated the marginalization of producers of color. It is time for Congress to mitigate years of discrimination in agriculture and re-invest federal dollars into the futures of marginalized producers.



ISSUE



SOLUTION

ADVANCE EQUITY AT USDA

Addressing historical discrimination at USDA requires intentional, comprehensive, and well-resourced actions across USDA's programmatic offerings and governance structures.

To advance equity at the USDA, Congress should:

- Extend the USDA Equity Commission charter and create a permanent body for promoting racial equity at USDA.
- Require USDA to set out processes for guaranteeing meaningful engagement with a diverse constituency of stakeholders.
- Streamline grant and program applications to promote accessibility of funding to groups with resource challenges.
- Establish citizen suit provisions to hold USDA accountable for implementing mandatory programs.

MITIGATE HEIR'S PROPERTY LOSS

Heirs' property, land that passes between generations without clear title, causes problems for heirs when partition actions force land sales or lack of clear title prevents economic development. 40-60% of Black owned land is heirs' property, and heirs' property also disproportionately affects rural Appalachian and Latinx communities.

To mitigate heirs' property harms, Congress should:

- Establish a grant program similar to the Heirs' Property Relending Program (HPRP), which provides loan funding to heirs to resolve title problems, to help those heirs for whom loans present practical challenges.
- Build USDA programmatic infrastructure to support heirs' property owners by creating a USDA Office of National Heirs' Property Coordinator, and fund existing Historically Black Colleges and Universities (HBCUs), minority-serving institutions, and Heirs' Property Centers in training experts on supporting heirs' property owners.

FACILITATE FARM AND RANCLAND TRANSITIONS

The share of farmland owned by farmers of color continues to shrink. As farmers retire and put their land on the open market, there is a growing opportunity to ensure that land goes to systematically marginalized producers and reorient the distribution of farm and ranchland ownership. However, current federal estate tax policies financially penalize landowners that sell their land during their lifetime, which often results in selling land upon death to developers.

To support the transition of land to producers of color, Congress should:

- Establish the Commission on Farm Transitions and require the Commission to emphasize supporting systematically marginalized producers and study the particular challenges faced by and opportunities available to beginning and systematically marginalized producers.
- Create a federal capital gains tax exclusion for the sale of land to beginning and systematically marginalized producers to incentivize land transition during the landowner's lifetime.
- Create a federal capital gains tax exclusion for the sale of agricultural conservation easements that protect farm and ranchland from development in perpetuity.
- Require USDA to develop guidance on legally permissible Buy-Protect-Sell transactions that fund the purchase of permanent agricultural conservation easements by non-governmental organizations, and state and local governments.



For full recommendations and supporting background information, please visit FarmBillLaw.org/2023FarmBill/ or [click here](#) for the full-length **Equity in Agricultural Production & Governance** report.



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INCREASE ACCESS TO AGRICULTURAL CREDIT

Beginning farmers, ranchers, and producers of color cite access to land and credit as one of their greatest challenges in running an agricultural business. Despite statutory mandates for the Farm Service Agency (FSA) and the Farm Credit System (FSC) to target support towards young, beginning, and smaller farmers and ranchers, these producers still struggle to find affordable and accessible financing opportunities.

To connect producers with accessible financing, Congress should:

- Offer loan pre-approval for FSA borrowers and adjust loan limit amounts each year to reflect regional inflation, to ensure FSA borrowers are competitive against commercial lending buyers.
- Eliminate FSA loan utilization term limits that cut off economically challenged producers from available credit.
- Provide FSA direct operating and farm ownership loans at no interest to systematically marginalized and beginning producers to redress the FSA's historically discriminatory lending practices.
- Require USDA to consider FSA loan debt forgiveness for borrowers with discrimination compliance against USDA.

REINVENT COUNTY COMMITTEES

County committees are comprised of farmers who are elected to oversee local implementation of USDA's crop insurance systems, conservation programs, and farm loans. However, these committees exclude and oppress Black farmers under the guise of authority, further perpetuating racial discrimination in USDA's programmatic offerings.

To reduce discrimination in local administration of USDA programming, Congress should:

- Transition away from the county committee system, starting with a study assessing the roles committees play and how those roles could be transferred to new and existing entities.
- While waiting on USDA's study, shift county committees to an interim appointed structure and ensure diverse committee appointments including non-owner/operator experts to mitigate electoral discrimination.

EMPOWER 1890 AND 1994 LAND-GRANT UNIVERSITIES

Land-grant universities serve as a valuable resource to farmers and farming communities through diverse research and extension programs. These include the 1890 Institutions (the Historically Black Colleges and Universities) and the 1994 Institutions (the Tribal Colleges and Universities). However, there are stark disparities in the resources provided to these minority-serving educational institutions as compared to the 1862 Institutions, which are predominately white land-grant institutions that benefitted from receiving stolen land and early capital injections.

To support minority-serving land-grant institutions, Congress should:

- Provide direct endowment funding to the 1890 and 1994 Institutions to mirror early investment in the 1862 Institutions.
- Encourage equitable funding between 1862, 1890, and 1994 Institutions in the state funding match requirement, for example, by requiring the institutions receive the same percentage of state funds before federal funds are allocated.
- Establish distinct and permanent grants for extension programs at minority-serving land-grant institutions, with a specific focus on helping systematically marginalized producers grow their operations and access federal programs.