



South Dakota Fact Sheet

Limited Resource and Beginning Farmer or Rancher

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The 2002 Farm Bill recognized the unique challenges of farmers and ranchers who are just beginning their agricultural operations and those with limited financial resources. The Natural Resources Conservation Service (NRCS) is committed to ensuring technical and financial assistance reaches Limited Resource and Beginning Farmers or Ranchers in a manner that enables an individual to maintain and develop economic viability of the farm or ranch operation.

What is a Limited Resource Farmer or Rancher?

A Limited Resource Farmer or Rancher is a person with:

- Direct or indirect gross farm sales not more than \$113,600 per year in each of the previous 2 years, **and**
- Total household income at or below the national poverty level for a family of four or less than 50 percent of the county median household income in each of the previous 2 years.

What is a Beginning Farmer or Rancher?

A Beginning Farmer or Rancher is an individual or entity who:

- Has not operated a farm or ranch, or has operated a farm or ranch for not more than ten consecutive years, **and**
- Will materially and substantially participate in the operation of the farm or ranch.

All members of the entity must also materially and substantially participate in the daily operations (labor and/or management) of the farm or ranch.

How to Determine Eligibility?

Determining eligibility as a Limited Resource or Beginning Farmer or Rancher is a self-certification process. The applicant must indicate on the Conservation Program Application (NRCS-CPA-1200) whether the appropriate criteria is met.

A website is available to determine eligibility as a Limited Resource Farmer or Rancher <http://www.lrftool.sc.egov.usda.gov/tool.asp>. Based on your response to two questions, the website will identify “eligible” or “not eligible.” The website provides clear instructions and is state and county

specific. If an applicant does not have access to the internet, a hard copy can be provided for manual completion.

Beginning Farmer or Rancher eligibility is ultimately a self-certification based on the definitions outlined in this fact sheet.

NOTE: All individuals with an entity (i.e. partnerships or corporation) must meet the criteria for Limited Resource or Beginning Farmer or Rancher.

Cost-Share Assistance

Limited Resource and Beginning Farmers or Ranchers are eligible to receive up to 90 percent cost-share for conservation practices through the Environmental Quality Incentives Program (EQIP) and the Conservation Security Program (CSP). Refer to the appropriate conservation program for specific rates by conservation practice.

Spot Check Procedure

Applicants that certify eligibility as a Limited Resource or Beginning Farmer or Rancher are required to provide, upon request, all records necessary to justify the claim. Failure to provide the requested records will result in ineligibility for participation.

The records that would document eligibility as a Limited Resource Farmer or Rancher, if requested, are a copy of IRS Form 1040 and IRS Form 1040, Schedule F for the past two years. Upon request, to document Beginning Farmer or Rancher certification at least one IRS Form 1040 from the past 10 years that shows an IRS Form 1040, Schedule F was not filed would need to be provided.

For More Information

Contact your local NRCS office for more information specific to your county. The Small, Limited Resource, and Beginning Farmer or Rancher website (<http://www.lrftool.sc.egov.usda.gov>) provides access to fact sheets, definitions, and other tools.