



-2017-

NCOSAFP Policy Agenda

Policy Area 1:

Support Farming Communities through Improved Capital Access

Farming is an integral component of the rural economy and a source of pride for the rural community. America's farmers not only provide a sustainable source of food to American citizens, but also to many lesser-developed countries around the world. Unfortunately for many aspiring young farmers, the startup costs of a farm are so great that they're forced to incur massive amounts of debt just to enter the industry. To strengthen farming communities, and American agriculture as a whole, policymakers must work to make affordable capital more accessible to first-time farmers. NCOSAFP specifically recommends:

- **Reform Aggie Bonds** – NCOSAFP proposes three changes to the existing Agricultural Bond language contained in the Internal Revenue Code. The three simple reforms that make up "***The Facilitating Farmers' Access to Resources and Machinery Act***" (***FFARM Act***) would drastically improve one of the most beneficial tools provided by the federal government. The FFARM Act would increase from \$450,000 to \$524,200 the amount of bond proceeds that may be used by a first time farmer to acquire land for farming purposes, repeal the separate dollar limitation on the use of bond proceeds for used farm equipment and breeding livestock, and modify the definition of "substantial farmland" to determine farm size by reference to the average (instead of median) size of a farm in the county in which the farm is located. The FFARM Act was introduced in the U.S. House of Representatives in 2016 where it received significant bipartisan support. NCOSAFP stands ready to build on this momentum in the 115th Congress to see this important piece of legislation through to enactment.

Policy Area 2:

Streamline Federal Rural Development Programs

The federal government has over 170 authorized programs that address myriad development finance issues. Unfortunately the programming provided by these agencies is increasingly burdened by bureaucracy, regulations, and overreaching programmatic requirements. America's rural communities are facing an unprecedented need for investments in infrastructure, community facilities, small business development, and agricultural advancement. Streamlining federal bureaucracy and federal regulations would dramatically improve the federal government's ability to invest in rural communities. NCOSAFP specifically recommends

- **Reform the USDA Community Facilities (CF) Program** – The USDA Community Facilities (CF) Program is one of the most creative and efficient rural development finance programs available. The CF program provides low cost, flexible, long-term financing to rural communities for critical infrastructure (healthcare, education, energy) and is paired with capital options like tax-exempt bonds and traditional bank lending. Despite the program's clear benefits, the USDA has struggled to deploy nearly \$2 billion in available financing. The overly burdensome process and regulatory requirements delays project delivery, often taking over one year for approval and disbursement of project funding. Such delays are far too long for private sector participants and simply does not align with feasible traditional financing practices. The success of the CF program is vital to the improvement of rural infrastructure, and it desperately needs to be reformed. The next Administration should immediately convene a panel of program experts to recommend program reforms to unlock capital for rural communities.