

TO: Ways & Means, Transportation & Economic Development Subcommittee  
Sen. Betsy Johnson, co-chair  
Rep. David Gomberg, co-chair  
Sen. Bill Hansell  
Sen. Rod Monroe  
Rep. Mike Nearman  
Rep. Tobias Read  
Rep. Gail Whitsett  
Rep. Brad Witt

FROM: Sean Robbins, Business Oregon director

RE: Beginning Farmer Definition

DATE: Wednesday, March 18, 2015

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You asked for more information about the definition of a “beginning farmer.” That description is in OAR 123-520-1300 and is enclosed below. If you have any further questions, please let me know.

#### **Requirements for Beginning Farmers**

(1) As required by federal law, a Beginning Farmer must:

- (a) Be a “first-time farmer” within the meaning of Section 147(c)(2) of the Code. That section of the Code generally provides that a first-time farmer is an individual who has not at any time had any direct or indirect ownership interest in Substantial Farmland in the operation of which the individual has materially participated. However, in certain cases land that was disposed of while the individual was insolvent may be disregarded for this purpose. Dispositions of land while the individual was insolvent should be listed in the Application for Program financing.
- (b) Be the principal user of the Financed Property.
- (c) Materially and substantially participate in the operation of the farm of which the Financed Property is a part.
- (d) Not have received Tax-exempt financing under Section 147(c)(2) of the Code in an aggregate amount that, when added to the amount financed through the Program, exceeds the Federal Maximum.

(2) A Beginning Farmer must be a resident of the State of Oregon.

(3) Any property owned by an individual’s spouse or minor children will be treated as owned by the individual. Any material participation in the operation of a farm by an individual’s spouse or minor children will be treated as operation of that farm by the individual. Any receipt of Tax-exempt financing by an individual’s spouse or minor children will be treated as receipt by the individual.

(4) A Beginning Farmer and Applicant’s spouse must have total combined personal net worth of no more than \$750,000, as evidenced by a signed, dated personal financial statement on a form satisfactory to the Department.