



Report to the Colorado General Assembly

Young and Beginning Farmers Interim Study Committee

Prepared by

*The Colorado Legislative Council
Research Publication No. 694
December 2017*

This page intentionally left blank

Young and Beginning Farmers Interim Study Committee

Members of the Committee

Senator Jerry Sonnenberg, Chair
Representative Barbara McLachlan, Vice-Chair

Senator Larry Crowder
Senator Kerry Donovan

Representative Marc Catlin
Representative Dominique Jackson

Legislative Council Staff

Anna Gerstle, Fiscal Analyst
Amanda King, Senior Research Analyst
Meghan MacKillop, Research Analyst

Office of Legislative Legal Services

Kip Kolkmeier, Staff Attorney
Yelana Love, Staff Attorney
Jery Payne, Senior Attorney
Darren Thornberry, Legislative Editor

December 2017

This page intentionally left blank

COLORADO GENERAL ASSEMBLY

EXECUTIVE COMMITTEE

Sen. Kevin J. Grantham, Chair
Rep. Crisanta Duran, Vice Chair
Sen. Lucia Guzman
Sen. Chris Holbert
Rep. KC Becker
Rep. Patrick Neville

STAFF

Mike Mauer, Director
Cathy Eslinger, Research Manager
Manish Jani, IT Director



COMMITTEE

Sen. Leroy M. Garcia
Sen. Matt Jones
Sen. Andy Kerr
Sen. Vicki Marble
Sen. Ray Scott
Sen. Jerry Sonnenberg
Rep. Perry Buck
Rep. Susan Lontine
Rep. Jovan Melton
Rep. Dan Pabon
Rep. Lori Saine
Rep. Cole Wist

LEGISLATIVE COUNCIL

ROOM 029 STATE CAPITOL
DENVER, COLORADO 80203-1784

E-mail: lcs.ga@state.co.us

303-866-3521 FAX: 303-866-3855 TDD: 303-866-3472

December 2017

To Members of the Seventy-first General Assembly:

Submitted herewith is the final report of the Young and Beginning Farmers Interim Study Committee. This committee was created pursuant to the Legislative Council approval of Interim Committee Letter 2017-06. The purpose of this committee is to study issues related to how state and local policies can better assist aspiring farmers and ranchers in the early stages of their careers.

At its meeting on November 15, 2017, the Legislative Council reviewed the report of this committee. A motion to forward this report and the bill therein for consideration in the 2018 session was approved.

Sincerely,

/s/ Senator Kevin J. Grantham
Chairman

This page intentionally left blank

Table of Contents

Committee Charge	1
Committee Activities	1
National Young Farmer Survey	1
Land Access	2
Educational Resources and Training.....	2
Financial Assistance	3
Summary of Recommendations	5
Bill A — Agricultural Workforce Development Program	5
Text of Bill A	9
Resource Materials	7
Meeting Dates and Topics Discussed	7

This report is also available on line at:

*[http://leg.colorado.gov/committees/young-and-beginning-farmers-interim-study-
committee/2017-regular-session](http://leg.colorado.gov/committees/young-and-beginning-farmers-interim-study-committee/2017-regular-session)*

This page intentionally left blank

Committee Charge

The Young and Beginning Farmers Interim Study Committee was established pursuant to the Legislative Council approval of Interim Committee Letter 2017-06. The purpose of the committee was to study issues related to how state and local policies can better assist aspiring farmers and ranchers in the early stages of their careers, while also protecting working landscapes, enhancing climate resiliency, meeting growing demands for local food, promoting innovation, and sustaining rural communities and economies. The committee was charged with examining:

- the lack of land access for young and beginning farmers;
- increasing the availability of credit and financial training for beginning farmers;
- increasing business skill training for young farmers, which includes education on regulatory compliance, direct marketing of agriculture products, the establishment of institutional sales, and entrance into emerging markets; and
- increasing access to technical and financial resources to improve farm conservation measures.

Committee Activities

The committee met two times during the interim. Presentations were made concerning three main issues: land access; educational resources and training; and financial assistance. Presentation topics included: an overview of the National Young Farmer Survey Results; an overview of the Land Link program; access to education and training for farmers; and financial assistance.

Presenters included representatives from the National Young Farmers Coalition (NYFC), Guidestone Colorado, the Colorado Young Farmers Educational Association, Rocky Mountain Farmers Union, the Colorado Agricultural Development Authority (CADA), Colorado State University (CSU), Otero Junior College, Northeastern Junior College, and the Sedgwick County Economic Development Corporation. Additionally, experienced farmers and ranchers and a representative from the Colorado Farm Bureau spoke to their individual experiences in the industry.

National Young Farmer Survey

Representatives from the NYFC provided an overview of the 2017 NYFC National Survey, which was completed in collaboration with George Washington University. The survey examined the demographic of young farmers throughout the nation. Results of the survey showed that the biggest obstacles for young and beginning farmers are access to land and capital and the lack of succession planning by established farmers. In response to the survey, the representatives from NYFC recommended the establishment of a beginning farmer and rancher center at CSU to coordinate education and information services statewide for new farmers and ranchers and to provide succession planning assistance for established farmers. NYFC made several other recommendations to the committee, including:

- creating an internship grant program specifically for the agricultural industry;
- establishing a beginning farmer and rancher student loan repayment program;
- expanding the beginning farmer and rancher tax credit to include the sale of land and agricultural assets; and
- creating a state capital gains tax deferral or exclusion for farmland and agricultural assets sold to new and next generation farmers and ranchers.

Land Access

A representative from Guidestone Colorado, a part of the Hutchinson Homestead and Learning Center, provided the committee with an overview of the Land Link Program, which helps retiring farmers and ranchers find strategies for succession plans and matches landowners with young and beginning farmers seeking land. Land Link was established and developed within the center out of a need in Chaffee County for land access for young and beginning farmers. The representative discussed general challenges within the agricultural industry, including population growth, an aging farmer population, and a lack of next generation farmers.

Committee recommendations. The committee considered, but did not recommend, a bill to allow counties to create agricultural protection districts to promote the viability of the state's agricultural sector.

Educational Resources and Training

Colorado Building Farmers program. A representative from CSU Extension provided the committee with an overview of the Colorado Building Farmers Program, which provides students with business planning training and hands-on learning opportunities. The representative discussed the program's strengths, specifically the program's low cost, the ability to assist farmers in establishing a network, and mentorships. He also discussed weaknesses of program, which include challenges in teaching production skills, difficulties following up with graduates of the program, the lack of a statewide administration for the program, and limited staff time. He stated that the creation of a network for beginning farmers and ranchers would help give existing programs like the Colorado Building Farmers Program administrative assistance and provide a support system for young and beginning farmers.

Beginning farmers network. A representative from the Colorado Young Farmers Educational Association (CYFEA) spoke to the committee about the association and how it acts as a network for young and beginning farmers. CYFEA was founded in 1970 as a statewide nonprofit and nonpolitical organization of men and women who were directly involved or interested in agriculture. There are 12 local CYFEA chapters that provide leadership opportunities, including local and regional community resource and communication networking links. Programs within CYFEA include the Call to Action Program, which is an agricultural advocacy program, and Annie's Project, which provides women farmers with resource information and tools to be successful in agri-business.

Local educational programs. A representative from Otero Junior College provided information about Otero Junior College's Agriculture Business Management Program. This program also exists at Northeastern Junior College and Morgan Community College. The program provides certification in specialties such as records and business planning; financial analytics; profit maximization; and others. Each certificate can be obtained through online

courses, and students enrolling in the program must be actively operating a farm, ranch, or agricultural-related business, or in the process of developing an agricultural business plan.

A representative from Northeastern Junior College discussed the Production Agriculture Program at Northeastern Junior College. The program is a way for students to specialize in production agriculture and offers classes that teach students the basics of production of livestock and crops, as well as business management skills. The program, and other programs at Northeastern Junior College, provide students the option to participate in an internship. The representative discussed the lack of internship opportunities throughout the state.

A representative from the Sedgwick County Economic Development (SCED) briefed the committee on the Northeastern Colorado Student to Career Opportunity Initiative. The initiative is led by SCED and includes Logan, Morgan, Phillips, Sedgwick, Washington, and Yuma Counties. The program partners with area high schools, colleges, and employers, as well as with regional and state resource partners, to provide students with employment. The initiative addresses student retention, high school graduation, college enrollment and completion, and academic achievement disparities due to demographic, geographic, and economic factors.

Committee recommendations. As a result of these discussions, the committee recommended Bill A, which requires the Colorado Department of Agriculture to create an agriculture workforce development program to incentivize agricultural businesses to hire interns. The committee considered, but did not recommend, a similar bill that would have added agricultural businesses to the Innovative Industries Workforce Development Program.

The committee also considered, but did not recommend, two bills concerning educational resources for young farmers. One bill would have created a Colorado farmers and ranchers network. The other bill would have created a grant program within the Department of Agriculture to provide young and beginning farmers with financial assistance to pay for an agricultural business management course.

Financial Assistance

Representatives from the Rocky Mountain Farmers Union and Colorado Agricultural Development Authority (CADA) provided the committee with background on the Beginning Farmer Loan Program, which was created through House Bill 16-1234. The program involves a three-way transaction among a lender, a borrower, and CADA to purchase agricultural land, make improvements to structures or buildings on the land, or purchase farm machinery and irrigation equipment. Through the issuance of a tax-exempt bond by CADA to the lender, all interest paid by the borrower is tax-exempt, which provides an interest rate lower than a commercial interest rate. The borrower must be a Colorado resident and actively involved in agricultural production on the land which is being purchased with the loan, and must qualify with a lender. The committee did not recommend legislation concerning the Beginning Farmer Loan Program or other tax incentives.

This page intentionally left blank

Summary of Recommendations

As a result of the committee's activities, the committee recommended one bill to the Legislative Council for consideration in the 2018 session. At its meeting on November 15, 2017, the Legislative Council approved the one recommended bill for introduction. The approved bill is described below.

Bill A — Agricultural Workforce Development Program

Bill A requires the Commissioner of Agriculture to create by rule an agricultural workforce development program to incentivize agricultural businesses to hire interns. The program must be established by January 1, 2019. Eligible businesses may be reimbursed up to 50 percent of the costs to employ an intern, including wages, fixed expenses, and other costs. The internships must provide an intern with at least 130 hours of work experience over no more than six months.

The commissioner must establish rules for the program, including eligibility requirements for agricultural businesses and prospective interns, and determine the number of internships to be approved, reimbursement amount per internship, and whether a business may be reimbursed for more than one intern, but no more than three interns, per fiscal year. The program is repealed July 1, 2024.

This page intentionally left blank

Resource Materials

Meeting summaries are prepared for each meeting of the committee and contain all handouts provided to the committee. The summaries of meetings and attachments are available at the Division of Archives, 1313 Sherman Street, Denver (303-866-2055). The listing below contains the dates of committee meetings and the topics discussed at those meetings. Meeting summaries are also available on our website at:

<https://leg.colorado.gov/content/committees>

Meeting Dates and Topics Discussed

August 10, 2017

- ◆ Overview of bill request process
- ◆ Overview of the National Young Farmer Survey results
- ◆ Experience as a young and beginning farmer
- ◆ Overview of Land Link Program
- ◆ Establishment of a beginning farmers network
- ◆ Expansion of tax credit for sale of land or equipment
- ◆ Overview of Building Farmers Program Extension in Colorado State University
- ◆ Access to education and training for farmers
- ◆ Requests for draft bills

October 6, 2017

- ◆ Final action on draft bills

This page intentionally left blank

**Second Regular Session
Seventy-first General Assembly
STATE OF COLORADO**

BILL A

LLS NO. 18-0132.02 Kip Kolkmeier x4510

SENATE BILL

SENATE SPONSORSHIP

Donovan and Crowder, Sonnenberg

HOUSE SPONSORSHIP

Catlin and McLachlan, McKean, Jackson, Arndt

Senate Committees

House Committees

A BILL FOR AN ACT

101 **CONCERNING THE CREATION OF THE AGRICULTURAL WORKFORCE**
102 **DEVELOPMENT PROGRAM.**

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov/>.)

Young and Beginning Farmers Interim Study Committee. The bill requires the commissioner of agriculture to create, by rule, the agricultural workforce development program to provide incentives to agricultural businesses to hire interns. Qualified agricultural businesses

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.

may be reimbursed an amount not to exceed 50% of the actual cost of hiring a qualified intern. The rules must include specified criteria for qualifying businesses and interns participating in the program. Qualified internships must include at least 130 hours of work experience and cannot exceed 6 months in duration. The program is repealed on July 1, 2024.

1 *Be it enacted by the General Assembly of the State of Colorado:*

2 **SECTION 1.** In Colorado Revised Statutes, **add** 35-1-104.5 as
3 follows:

4 **35-1-104.5. Agricultural workforce development program -**
5 **legislative declaration - creation - rules - repeal.** (1) THE GENERAL
6 ASSEMBLY FINDS AND DECLARES THAT:

7 (a) FINDING QUALIFIED AND TRAINED AGRICULTURAL EMPLOYEES
8 IS A SIGNIFICANT CHALLENGE FOR AGRICULTURAL BUSINESSES. IT IS
9 ESPECIALLY DIFFICULT TO PROVIDE TRAINING AND EXPERIENCE TO YOUNG
10 AND BEGINNING FARMERS AND RANCHERS.

11 (b) THE BARRIERS TO ENTRY FOR YOUNG AND BEGINNING FARMERS
12 AND RANCHERS ARE SIGNIFICANT. AMONG THESE BARRIERS ARE ACCESS
13 TO TRAINING PROGRAMS THAT PROVIDE REAL-WORLD WORK EXPERIENCE.

14 (c) INTERNSHIPS ARE A RECOGNIZED WAY TO BUILD A TALENT
15 PIPELINE AND CAREER PATHWAY TO ALIGN EDUCATION, TRAINING, AND
16 WORK-BASED LEARNING; AND

17 (d) BY OFFERING INCENTIVES TO AGRICULTURAL BUSINESSES TO
18 CREATE INTERNSHIPS, THERE WILL BE MORE OPPORTUNITIES FOR STUDENTS
19 TO OBTAIN WORK EXPERIENCE IN AGRICULTURE.

20 (2) THE COMMISSIONER SHALL PROMULGATE RULES BY JANUARY
21 1, 2019, CREATING THE AGRICULTURAL WORKFORCE DEVELOPMENT
22 PROGRAM TO PROVIDE INCENTIVES TO AGRICULTURAL BUSINESSES TO HIRE
23 INTERNS THROUGH PARTIAL REIMBURSEMENT OF INTERNSHIP COSTS. THE
24 RULES MUST SPECIFY, AT A MINIMUM:

25 (a) THE CRITERIA FOR SELECTING AN AGRICULTURAL BUSINESS FOR

1 PARTICIPATION IN THE PROGRAM, INCLUDING THE ABILITY OF THE
2 BUSINESS TO EFFECTIVELY SUPERVISE AN INTERN AND THE OPPORTUNITY
3 FOR AN INTERN TO GET MEANINGFUL WORK EXPERIENCE:

4 (b) THE CRITERIA FOR AN INTERNSHIP TO QUALIFY UNDER THE
5 PROGRAM, INCLUDING THE FOLLOWING:

6 (I) THE INTERNSHIP MUST PROVIDE AN INTERN AT LEAST ONE
7 HUNDRED THIRTY HOURS OF WORK EXPERIENCE; AND

8 (II) THE INTERNSHIP CANNOT EXCEED SIX MONTHS IN DURATION
9 PER INTERN.

10 (c) THE CRITERIA FOR AN AGRICULTURAL BUSINESS TO USE IN
11 SELECTING QUALIFIED INTERNS, INCLUDING THE REQUIRED EDUCATIONAL
12 EXPERIENCE FOR AN INTERN AND THE ABILITY OF THE INTERN TO PERFORM
13 MEANINGFUL WORK FOR THE BUSINESS;

14 (d) THE PROCESS AND TIMETABLE FOR SELECTING QUALIFIED
15 BUSINESSES AND QUALIFIED INTERNS;

16 (e) THE ACCOUNTING REQUIREMENTS FOR TRACKING INTERNSHIP
17 COSTS; AND

18 (f) THE PROCESS FOR A BUSINESS TO SEEK REIMBURSEMENT.

19 (3) SUBJECT TO APPROPRIATION, THE DEPARTMENT MAY
20 REIMBURSE A QUALIFIED BUSINESS AN AMOUNT NOT TO EXCEED FIFTY
21 PERCENT OF THE ACTUAL COST TO THE BUSINESS TO EMPLOY THE INTERN.
22 ACTUAL COST INCLUDES THE WAGES PAID TO THE INTERN, A REASONABLE
23 ALLOCATION OF FIXED OVERHEAD EXPENSES, AND ALL INCIDENTAL COSTS
24 DIRECTLY RELATED TO THE INTERNSHIP. BASED ON THE ANNUAL
25 APPROPRIATION FOR THE PROGRAM, THE COMMISSIONER SHALL
26 DETERMINE HOW MANY INTERNSHIPS MAY BE APPROVED, THE AMOUNT OF
27 REIMBURSEMENT PER INTERNSHIP, AND WHETHER A BUSINESS MAY BE
28 REIMBURSED FOR MORE THAN ONE INTERN IN THE SAME FISCAL YEAR.
29 HOWEVER, NO BUSINESS MAY BE REIMBURSED FOR MORE THAN THREE

1 INTERNSHIPS IN THE SAME FISCAL YEAR.

2 (4) THIS SECTION IS REPEALED, EFFECTIVE JULY 1, 2024.

3 **SECTION 2. Act subject to petition - effective date.** This act
4 takes effect at 12:01 a.m. on the day following the expiration of the
5 ninety-day period after final adjournment of the general assembly (August
6 8, 2018, if adjournment sine die is on May 9, 2018); except that, if a
7 referendum petition is filed pursuant to section 1 (3) of article V of the
8 state constitution against this act or an item, section, or part of this act
9 within such period, then the act, item, section, or part will not take effect
10 unless approved by the people at the general election to be held in
11 November 2019 and, in such case, will take effect on the date of the
12 official declaration of the vote thereon by the governor.