Beginning Farmer and Rancher (BFR) and Veteran Farmer and Rancher (VFR)

Beginning farmers and ranchers and veteran farmers and ranchers are fundamental and growing parts of the American and global agricultural marketplace. USDA continues to support beginning farmers and ranchers and veteran farmers and ranchers as they look to access capital and risk management tools, acquire land, and develop financially sustainable operations.

The primary goal of the Beginning Farmer and Rancher (BFR) program is to help beginning farmers and ranchers successfully start farming and ranching by providing support for the education, mentoring, and technical assistance projects that give beginning farmers and ranchers the knowledge, skills, and tools they need to make the best possible informed decisions for their operations.

The primary goal of the Veteran Farmer and Rancher (VFR) program is to ensure that veterans looking to return home and start a new career on a farm or ranch have the tools and opportunity needed to succeed.

The role of the Risk Management Agency (RMA) is to issue the policy and procedures needed to administer the BFR and VFR provisions that are unique to the Federal crop insurance program and to ensure that BFR and VFR benefits are made available to those the legislation is intended to assist. For additional information on the BFR and VFR resources visit the RMA website at www.rma.usda.gov/about-crop-insurance/basics-beginners.

The BFR and VFR have similar benefits such as administrative fee being waived, use of another person’s production history, and receiving additional premium subsidy. However, the BFR premium subsidy is higher in the initial years and benefits last longer than those for a VFR (10 years versus five years). The qualifications for BFR and VFR are different. You may qualify for both BFR and VFR, but you may not receive BFR and VFR benefits at the same time. If a VFR also qualifies as BFR, BFR benefits will apply since the BFR benefits are equivalent or higher than VFR benefits.

You may receive VFR benefits after receiving and exhausting BFR benefits if you subsequently meet the VFR qualifications.

CHANGES TO BFR DUE TO ONE BIG BEAUTIFUL BILL ACT (OBBBA), EFFECTIVE FOR THE 2026 CROP YEAR.

What changes did the OBBBA make to the BFR definition?

OBBBA changed the definition of BFR to allow an individual who has not actively operated and managed a farm or ranch in any state, with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years (previously 5 crop years) to qualify.

Did the OBBBA change the benefits for a BFR?

Yes. A BFR can now receive BFR benefits for up to 10 crop years. In addition, the BFR additional premium subsidy is higher for the first four crop years of BFR benefits.

When do the changes to BFR become effective?

The changes are effective for 2026 crop year policies with a sales closing date on or after July 1, 2025, and subsequent crop years.

Did the OBBBA change the definition, eligibility, or benefits of a VFR?

No. The OBBBA did not make changes to VFR.

I currently qualify as a BFR, but with the change in BFR definition I will now be eligible to receive five additional years

of benefits. Do I need to complete a new application?

No. Your benefits will automatically be extended without a new or amended BFR Application, provided you continue to meet the BFR eligibility requirements. Your existing BFR Application and subsequent years of policy information will be used to determine any remaining benefits.

I have been farming for seven years and previously received five years of BFR benefits. The increase of five to 10 years in BFR years of eligibility makes me now eligible for additional benefits. Do I need to complete a new BFR Application?

No. There is no need for a new BFR Application if the only thing that changed to make you eligible is the OBBBA change in the definition of BFR.

I have been farming for more than five crop years but less than 10 crop years and got a crop insurance policy on July 1, 2025. Can I receive BFR benefits for the 2026 crop year?

Yes. However, you must complete a BFR Application with your crop insurance agent or approved insurance provider (AIP) no later than November 30, 2025. If you meet the BFR eligibility requirements, you will receive BFR benefits for all policies with a sales closing date on or after July 1, 2025.

I started farming seven years ago and received five years of BFR benefits. With the change in the BFR definition from five to 10 years, I am now a BFR. Can I receive the remaining years of BFR benefits?

Yes, if you continue to meet the BFR eligibility requirements.

I previously qualified and exhausted all five years of BFR benefits in crop years 2020 through crop year 2024 and continued farming after my benefits were exhausted for a total of six years. With the change in the BFR definition, I am now eligible for the remaining years of BFR benefits. Can I get BFR benefits for crop year 2025?

No. BFR benefits cannot be retroactively applied to crop year 2025. The change in BFR benefits only applies to crops and livestock endorsements for the 2026 crop year with a sales closing date of July 1, 2025, or later and subsequent years.

I qualified as a BFR and received BFR benefits for crop year 2015 and crop year 2016 (two years). I subsequently stopped farming and served in active military duty in the United States Navy, was discharged, and then received VFR benefits for crop year 2021 through crop year 2025 (five years). Since I have farmed for a total of seven crop years, am I eligible for three remaining years of BFR benefits starting with crop year 2026?

Yes, if you qualify for BFR status you can receive three remaining years of BFR benefits. Since crop year 2026 is the third year of BFR benefits, you will receive an additional 13 percent premium subsidy. In crop year 2027, the fourth year of BFR benefits, you will receive an additional 11 percent premium subsidy. For crop year 2028, the fifth year of BFR benefits and final year of BFR eligibility due to farming 10 years, you will receive an additional 10 percent premium subsidy.

I am now eligible to receive additional BFR benefits, but I have changed my AIP since I last received BFR benefits. Do I need to complete a new BFR Application?

If you have a previously completed BFR Application you can provide a copy to the new AIP. If your application is not available, then you must complete a new BFR

Application.

I am now eligible to receive additional BFR benefits for crop year 2026; however, I would like to exclude another crop year of insurable interest due to attending college in crop year 2025. Do I need to amend my BFR Application?

Yes, an amended application is needed if you want to exclude additional crop years of insurable interest.

I am currently a BFR for crop year 2026; however, I have added acreage to my operation. Do I need to complete a new application?

No, a new or amended application is not needed for adding land to your farming operation.

For crop year 2026, if a new or amended BFR Application is needed when does it need to be completed?

A new or amended BFR Application must be submitted on or before November 30, 2025, for BFR benefits to apply for 2026 crop year policies with a sales closing date on or after July 1, 2025, and on or before November 30, 2025, including any livestock endorsements purchased on or after July 1, 2025, and on or before November 30, 2025. For any 2026 crop year policies with a sales closing date after November 30, 2025, the BFR Application must be submitted on or before the sales closing date for BFR benefits to apply for the 2026 crop year.

Can I receive both VFR and BFR benefits if I qualify for both?

No, you cannot receive both benefits at the same time. If you qualify as a VFR and also qualify as BFR, BFR benefits will apply since the BFR benefits are equivalent or

higher than VFR benefits. The BFR premium subsidy is higher in the initial years and benefits last longer than VFR. However, you may receive VFR benefits after receiving and exhausting BFR benefits if you subsequently meet the VFR qualifications.

NEW: How do the BFR changes impact producers with livestock policies?

The OBBBA changes to BFR rules and benefits apply to any livestock endorsements purchased on or after July 1, 2025. Producers need to work with their agents to make sure a new or amended BFR application is submitted by November 30, 2025, to make sure the benefits are applied.

BFR/VFR BENEFITS

What are the benefits of being a BFR or VFR?

The BFR and VFR benefits are the same with the exception of the additional premium subsidy and the number of years of benefits:

- Exemption from paying the administrative fee for catastrophic (CAT) and additional coverage (buy up) level policies;
- Use of the previous producer’s production history, with permission, for the specific acreage transferred to you if you were previously involved in the decision making or physical activities on any farm that produced the crop or livestock; and
- An increase in the substituted yield for Yield Adjustment, which allows a replacement of a low yield due to an insured cause of loss, from 60 to 80 percent of the applicable transitional yield (T-Yield) for the crop in the county.
- VFRs will receive an additional 10 percentage points of premium subsidy for additional coverage policies (buy-up) that have premium subsidy;
- BFRs will receive an additional 10 percentage points of premium subsidy for additional coverage policies (buy-up) that have premium subsidy plus additional percentage points the first four crop years as follows:
    - first and second year total of 15 percentage points
    - third year total of 13 percentage points

    - fourth year total of 11 percentage points
    - fifth through tenth year 10 percentage points.
- VFRs may receive benefits up to five crop years.
- BFRs may receive benefits up to 10 crop years.

BFR/VFR QUALIFICATIONS

What is a BFR and how do you qualify?

A BFR is an individual who has not actively operated and managed a farm or ranch with an insurable interest in a crop or livestock as an owner-operator, landlord, tenant, or sharecropper for more than 10 crop years. The 10 crop years:

- Includes an insurable interest as an individual or as a substantial beneficial interest holder (10 percent or more) in another person who has an insurable interest in any crop or livestock; and
- Excludes crop years when the BFR was under the age of 18, enrolled in post-secondary studies (not to exceed 10 crop years), or on active duty in the U.S. military.

What is a VFR and how do you qualify?

A VFR is an individual who has served on active duty in the United States Armed Forces, including Air Force, Army, Coast Guard, Marine Corps, Navy, or Space Force, and their reserve components, was discharged or released under conditions other than dishonorable, and qualifies under any of the following:

- Has not operated a farm or ranch;
- Has operated a farm or ranch for not more than five years; or
- Is a veteran who has first obtained status as a veteran during the most recent five-year period, even if that veteran has previously operated a farm or ranch for more than five years.

A person, other than an individual, may be eligible for VFR benefits if all substantial beneficial interest holders qualify individually as a VFR. A spouse’s veteran status

does not impact whether a person (comprised only of the veteran and their spouse) is considered a VFR.

Can entities other than an individual qualify to be a BFR?

Business entities may receive BFR benefits only if all of the substantial beneficial interest holders of the business entity qualify as a BFR.

For example, a son moves home to take over the family farm and incorporates with his spouse and neither have previous farming experience. Their corporation would qualify for BFR benefits.

However, if a son moves home and forms a corporation with his father, who has had an insurable interest in crops or livestock for more than 10 crop years, the corporation cannot receive BFR benefits. Although the son qualifies as a BFR, the father does not, so their corporation would not qualify for BFR benefits.

Can entities other than an individual qualify to be a VFR?

Business entities may receive VFR benefits only if all of the substantial beneficial interest holders of the business entity qualify as VFR.

For example, a veteran moves home to take over the family farm and incorporates with his/her spouse. Their corporation would qualify for VFR benefits even though the spouse is not a veteran. A spouse’s veteran status does not impact whether a person (comprised only of the veteran and their spouse) is considered a veteran farmer or rancher.

However, if a veteran moves home and forms a corporation with a parent, who has had an insurable interest in crops or livestock for more than five crop years, the corporation cannot receive VFR benefits. Although the veteran qualifies as a VFR, the parent does not, therefore their corporation would not qualify for VFR benefits.

Can an Irrevocable Trust qualify to be a BFR or VFR?

Irrevocable Trust do not have substantial beneficial interest holders (beneficiaries of Irrevocable Trusts are not considered substantial beneficial interest holders), therefore do not qualify as BFR or VFR.

BFR QUALIFICATIONS: DETERMINING A CROP YEAR AND YEAR(S) FOR EXCLUSION

What is considered a crop year?

To determine what is a crop year in which you have an insurable interest in crop or livestock in a crop year:

1. The crop year is when the individual had a financial interest in a crop or livestock and is based on the actual crop or livestock produced, for:

   a. For insurable crops and livestock, the crop year is from the sales closing date to the end of insurance date;
   b. For uninsurable crops the crop year is from the planting date to the harvest date; and
   c. For uninsurable livestock the crop year is from July 1 to June 30.

How do I determine which crop year(s) can be excludable for BFR qualifications?

To determine whether the crop year can be excluded the exclusion must:

1. Meet procedural criteria, such as military, education, and 18 years old or younger exclusions.
2. Meet the criteria in number 1 above and the exclusionary time overlaps the established crop year, the crop year may be excluded.

If an individual has actively operated or managed the planting and harvesting of an uninsurable crop or owned and raised uninsurable livestock in a county, is that considered an insurable interest in a crop or livestock? For example, an individual has 100 percent share in the planting and harvesting of carrots in Iowa where carrots are not insurable and owned and raised uninsurable chickens.

In determining BFR status, an insurable interest does not mean that the crop or livestock must be insurable, just that the individual must have an interest that is at financial risk in the crop or livestock. In the example provided, the individual has a financial risk that is considered an insurable interest for the purpose of determining BFR benefits.

For perennials, what constitutes a crop year - when it is planted, when any of the crop is produced, or when the crop reaches production minimums or insurable age?

A crop year, for BFR benefits purposes, for perennials is when the tree, vine, or bush produces a crop that is of such a value to be commonly harvested and marketed for the area. For insurable crops, it is when the crop has reached production minimums or insurable age and for uninsurable crops, as determined by local agricultural experts.

Is an interest in Conservation Reserve Program acreage considered an insurable interest in a crop or livestock for determining eligibility for BFR benefits?

No, an interest in Conservation Reserve Program acreage is not considered an insurable interest in a crop or livestock because there is no crop or livestock for the acreage.

Are there a minimum number of months in a calendar year in which interest in a crop or livestock must have been in place to consider it a year of having interest?

No, a crop or livestock crop year is counted if the person had a financial risk during the crop year.

Does there need to be a relationship between being in college and when the interest in the crop or livestock took place, does it need to occur in the same months?

Yes. Any allowable exclusions must overlap the crop year when you had an insurable interest in a crop or livestock.

When does the crop year start for exclusion purposes? If I attended college January through May 2025 and planted soybeans in June 2025 and the sales closing date for the policy is March 15, would just two months of college (April and May) be considered when determining whether the crop year can be excluded?

The crop year begins with the sales closing date and ends with the end of insurance date. You attended a semester for four months, which overlapped the crop year, meeting the procedural criteria for exclusion. Since you met one of the exclusion criteria during the crop year, the crop year may be excluded.

If I was enrolled in college from September 2023 to June 2024 and produced corn in crop years 2023 and 2024, is this considered one or two years of college for exclusions of a crop year?

In this example, the corn crop year begins on March 15 (the sales closing date) and ends December 15 (the end of insurance). The four-month college exemption is met and the college time overlapped both the 2023 and 2024 crop years for corn. Therefore, both crop years may be excluded.

If I had an interest in uninsurable livestock from December 2024 through January 2025, is this considered one or two crop years? What if the insurable interest was March 2025 through August 2025?

The livestock crop year is July 1, 2024, to June 30, 2025, and July 1, 2025, to June 30, 2026. An interest between December 2024 and January 2025 is one crop year. An interest between March 2025 and August 2025 is two crop years.

If I was in college from September 2024 through June 2025 and during that time had a herd of beef cattle, would this be considered two crop years for a crop like corn but one crop year for livestock?

Yes. You met the four-month college exclusion and the crop years are excluded. See the table below.

Commodity/Crop Year	Crop Year	College Exclusion	Overlap
Corn CY 2024	March 2024 to December 2024	September 2024 to June 2025	Yes
Corn CY 2025	March 2025 to December 2025	September 2024 to June 2025	Yes
Livestock CY 2025	June 2024 to June 2025	September 2024 to June 2025	Yes

BFR/VFR APPLICATION

How do I apply for BFR or VFR benefits?

Contact your crop insurance agent. You will need to complete a BFR/VFR Application and:

- For BFR, provide acceptable documentation for any crop years you wish to exclude from consideration of BFR status for when you were under the age of 18, enrolled in post-secondary studies (not to exceed 10 crop years), or on active duty in the U.S. military.
- For VFR, provide acceptable documentation for military records to substantiate active military service and discharge.

You will be notified if you qualify.

Can a VFR exclude crop year(s) like a BFR can?

No, this is only applicable to BFR qualifications.

If I change my AIP can I keep my BFR or VFR benefits? Do I have to complete a new BFR/VFR Application?

Yes, you can keep your BFR or VFR benefits as long as you remain eligible. Changing an AIP does not impact your BFR or VFR eligibility.

When you change AIPs you do not need to complete a new BFR/VFR Application but you must provide your new AIP a copy of your previously completed BFR/VFR Application and notice of approval.

BFR/VFR USE OF PREVIOUS PRODUCER’S PRODUCTION HISTORY

Is a BFR or VFR required to have a signed statement from the other person granting permission for the BFR or VFR to use their production history when using another person’s history?

Consent from the other person whose production history is being used is required. The BFR or VFR is also required to have supporting records, upon request.

Are the years of production history transferred from the previous producer to a BFR or VFR considered when determining the number of years of an insurable interest in a crop or livestock for BFR or VFR eligibility purposes?

The years of history transferred do not count as crop years of insurable interest unless the BFR or VFR had an insurable interest in the crop, such as a substantial beneficial interest. However, if that was the case, it would likely fall under Crop Insurance Handbook, Paragraph 1509 or 1510, and the BFR or VFR would not transfer another person’s history as provided in Paragraph 1508.

Are the number of years of production history transferred from the previous producer to a BFR or VFR limited to the number of years that the BFR or VFR was previously involved in a farming or ranching operation?

Unlike the Transfer of actual production history data in the Crop Insurance Handbook, Paragraph 1507, the number of years of production history that may be transferred is not limited by the number of years the BFR or VFR was previously involved in any farming or ranching operation. However, a BFR or VFR can only use another person’s production history for a crop that the BFR or VFR was previously involved in. The involvement in the crop can be from any farming or ranching operation, not just the previous producer’s operation. If the BFR or VFR was involved with a crop, they can use the previous producer’s crop production records for new acreage, provided all of the requirements in Paragraph 1508 are met. Only the production history of the specific acreage being transferred may be transferred to

the BFR or VFR.

A BFR that has been involved in the decision making of his father’s corn and soybean operation wants to rent 100 acres from their neighbor and plant corn. The neighbor has a history of planting corn and provides consent to the BFR to use the history. Whose production history can be used for the 100 acres of corn to be planted?

Since the BFR was involved in the decision making on his father’s operation that grew corn, the BFR may use the neighbor’s corn production history on the 100 acres.

A VFR that was previously involved with the physical activities for his father’s wheat operation. The VFR purchases 100 acres from his neighbor and wants to plant sunflowers. Will the VFR be able to use the neighbor’s sunflower production history?

No, the VFR had no previous involvement in the decision making or physical activities in growing sunflowers, therefore they will not be able to use the neighbor’s production history for sunflowers.

A BFR that has been involved in the physical activities growing corn on his family’s farm wants to rent 100 acres from his neighbor and grow corn. The previous renter of the land that grew corn will not consent to the BFR using their production history. Whose production history can be used for the 100 acres of corn to be planted?

Since the previous producer did not provide consent to the BFR, there is no other history applicable to transfer to the BFR. The BFR would establish their corn APH database on the 100 acres with T-Yields.

Why did my yield substitution go to 60 percent of the transitional yield (T-Yield) when it was 80 percent of the T-Yield before?

When you no longer qualify for BFR or VFR benefits, you will receive the same yield substitution as all other producers who are not BFRs or VFRs. You will also no longer be exempted from paying the administrative fees for your policies and you will no longer receive additional percentage points of premium subsidy.

BFR/VFR DURATION OF BENEFITS

How long can I be a BFR and have BFR benefits?

Once you have 10 crop years of insurable interest in a crop or livestock, including having a substantial beneficial interest (10 percent or more) in another person who has an insurable interest in a crop or livestock, you are no longer entitled to BFR status. Once you elect and qualify for BFR status, it is continuous until the earlier of:

- You have had an insurable interest in a crop or livestock for more than 10 crop years;
- 10 crop years of BFR benefits are exhausted; or
- You cancel your BFR Application.

How long can I be a VFR and have VFR benefits?

VFR status is dependent on how you qualified for VFR status. Once you elect and qualify for VFR status, it is continuous unless you cancel your application or either of the following conditions exist:

- If you qualified for VFR status based on having operated a farm or ranch for not more than five years, then once you have operated a farm or ranch for five years, you are no longer entitled to VFR status.

- If you qualified for VFR status based on first obtaining status as a veteran during the most recent five-year period, then once five years has elapsed from first obtaining status as a veteran, you are no longer entitled to VFR status.

Can I receive VFR benefits if I previously received BFR benefits?

Yes, if you qualify for VFR status based on first obtaining status as a veteran during the most recent five-year period after receiving BFR benefits, even if you previously operated a farm or ranch for more than five years.

I am in night college classes yet want BFR premium subsidies now, do I have to wait until I complete my degree to deduct those years from experience?

No, you can receive BFR benefits while attending college or university. However, these years will count towards the maximum 10 crop years that a producer can qualify for BFR benefits.

What if I change my farming operation? For example, if I form a corporation or other business entity, can I retain my BFR status?

A business entity may receive BFR benefits if all of the substantial beneficial interest holders of the business entity qualify as a BFR. If you qualify as a BFR and you form a corporation, your corporation maybe eligible for BFR benefits. For example, a husband and wife form a corporation and neither spouse had previous farming experience or an insurable interest in a crop or livestock. The corporation would be eligible for BFR benefits. However, if a son moves home and forms a corporation with his father, who has had an insurable interest in crops or livestock for more than 10 crop years, the corporation cannot receive BFR benefits. Although the son may qualify as a BFR, the father does not and as such the corporation cannot receive BFR benefits.

On January 10, 2023, I was honorably discharged from the military and now I want to start farming. How many years of VFR benefits do I qualify for?

Years of benefits are based on the VFR status you qualify for:

VFR status is based on not operating a farm for not more than five years.

- Since you have never farmed, you would qualify for five years of VFR benefits.

VFR status is based on first obtaining veteran status during the most recent five-year period.

- Since you have first obtained veteran status within the most recent five-year period, you would qualify for VFR benefits through January 9, 2028.

Note: When completing the VFR Application, you must choose one of the two VFR qualifiers.

I was honorably discharged from the military on January 15, 2023. However, I have previously operated a farm for seven years, do I qualify for VFR benefits?

You can qualify based on either:

VFR status is based on not operating a farm for not more than five years.

- Since you have operated a farm for more than five years, you would not qualify under this condition.

VFR status is based on first obtaining veteran status during the most recent five-year period.

- Since you have first obtained veteran status within the most recent five-year period, you would qualify for VFR benefits through January 14, 2028.

I was honorably discharged January 1, 2020, from the military and have never operated a farm. I will start farming March 1, 2026. Can I receive VFR benefits?

You can receive benefits based on either:

VFR status is based on not operating a farm for not more than five years.

- Since you have never farmed, you would qualify for five years of VFR Benefits.

VFR status is based on first obtaining veteran status during the most recent five-year period.

- Since you have first obtained veteran status outside of the most recent five-year period, you would not qualify under this condition.

On January 15, 2025, I was honorably discharged from the military. Previously I had a small farming operation in 2018 and 2019. Do I qualify for VFR benefits?

You can receive benefits based on either:

VFR status is based on not operating a farm for not more than five years.

- Since you have operated a farm or ranch for two years, you would qualify for three years of VFR Benefits under this condition.

VFR status is based on first obtaining veteran status during the most recent five-year period.

- Since you have first obtained veteran status within the most recent five-year period, you would qualify for VFR benefits through January 14, 2030.

Note: When completing the VFR Application, you must choose one of the two VFR qualifiers.

I had operated a farm from 2015 to 2021 then entered the Army on active duty. I was honorably discharged from the Army on July 19, 2025, and subsequently joined the Army National Guard. Do I qualify for VFR benefits?

You can receive benefits based on either:

VFR is status based on not operating a farm for not more than five years:

- Since you have operated a farm for more than five years you would not qualify under this condition.

VFR status is based on first obtaining veteran status during the most recent five-year period.

- Since you have first obtained veteran status within the most recent five-year period, you would qualify for VFR benefits through July 18, 2030.

Additionally, this would be the only period of VFR benefits based on date of discharge. Once you are discharged from the Army National Guard you will not receive another five years of benefits as they are based on when you first obtained veteran status.

I qualified and received BFR benefits from 2016 to 2021 then entered the Navy on active duty. I was honorably discharged from the Navy on July 1, 2025. Do I qualify for VFR benefits?

You can receive benefits based on VFR status of first obtaining veteran status during the most recent five-year period. Since you have first obtained veteran status within the most recent five-year period, you would qualify for VFR benefits through June 30, 2030, even if you had previously operated a farm or ranch for more than five-year period.