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## Participation in Selected USDA Programs by Socially Disadvantaged Farmers in Selected Black Belt Counties in Georgia

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## Participation in Selected USDA Programs by Socially Disadvantaged Farmers in Selected Black Belt Counties in Georgia

### Cover Page Footnote

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**PARTICIPATION IN SELECTED USDA PROGRAMS BY SOCIALLY  
DISADVANTAGED FARMERS IN SELECTED BLACK BELT  
COUNTIES OF GEORGIA \***

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ABSTRACT

This study examines the characteristics of African American Farmers (AAFs), a significant subgroup of socially disadvantaged farmers (SDFs) in the U.S. South, and their overall awareness of USDA programs. Specifically, these programs include the Farm Ownership Loan (FOL) and Operating Loan (OL) programs, the Environmental Quality Incentive Program (EQIP) and the Value-Added Producer Grant (VAPG) program. It also investigates the main reasons for participation and non-participation in these programs, assesses the relationship between program application and the rate of approval, and examines the relationship between USDA program outreach to SDFs and program implementation. Using convenience sampling, data collected from respondents in South West Georgia were analyzed and presented descriptively in tables and graphs. Results indicate that awareness was high with the FOL/OL programs but applications and approvals were low for FOL. Equally, awareness was high for EQIP but not the VAPG program, while participation was low for both. Reasons for non-participation were AAFs thinking they did not qualify for all programs, lack of collateral, complicated reporting requirements and incomplete applications.

The United States Department of Agriculture (USDA), provides a variety of programs where farmers can borrow money, improve land and environmental impacts, contribute to asset and wealth-building in rural communities and increase income (Gilbert, Sharp and Felin 2001; Leval et al. 2006). Some of these USDA programs, including the Direct Farm Ownership Loan (FOL) Program, Direct Operating Loan (OL) Program, the Environmental Quality Incentive Program (EQIP) and the Value-Added Producer Grant (VAPG) Program target socially disadvantaged farmers (SDFs).

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The 1990 Farm Bill first defined SDFs as farmers who belong to a socially disadvantaged group “whose members have been subjected to racial and ethnic prejudice because of their identity as members of a group without regard to their individual qualities” (USDA 1990:4064). According to Ahearn and Effland (2009), SDFs constitute 7% of U.S. farms while 14% participate in USDA programs; and consistent with their smaller farm structure, SDFs have lower farm income, are more likely to experience a farm loss, and have nearly 40% lower net worth than their counterparts. Hoppe et al. (2007) reported that most U.S. farms, roughly 98% in 2007, were family operations, varying widely in size and program participation. In the state of Georgia however, these groups of farmers constitute 6% of farms and 86% of Black farms are family farms (NASS 2012). Kleiner and Green (2008) add that, on average, SDFs are often smaller in acreage and have lower sales than those operated by their white counterparts, which affects benefits or payments from program participation (Oxfam America 2007). According to Vergara et al. (2004), the decision of such farmers to seek off-farm employment is likely to be a response to overall low farm income; hence, the more farm size decreases the more off-farm work increases (Fernandez-Cornejo 2007).

Furthermore, Doherty and McKissick (2002) reported that SDFs, specifically African American farmers (AAFs), are located in counties classified as Black Belt, a term originating from Booker T. Washington (1900), and are likely to have low farm output value per acre, which makes them lag behind the rest of the U.S. (Wimberley 2010). AAFs have witnessed their farms and lands disappear at an alarming rate, due, in part, because farm programs have not reached them via research, teaching, and Extension from the federal to the local levels (Zabawa 1989, 1991). Also, Zabawa, Siaway, and Baharanyi (1990) reported that AAFs are categorized based on their limited access to land resources, mechanical and credit facilities.

Gilbert et al. (2001) added that though the federal agricultural policies have played a vital role since the New Deal, issues differentiate SDFs by subregion, state, farm size, tenure, and crops raised due to socioeconomic conditions. Hargrove and Jones (2004) further explained that racial discrimination in the discharge of agricultural programs, lack of awareness of existing programs, and the inability to fully comprehend rules and regulations, are some factors that limit SDFs from participating in government programs. Ackerman, Bustos, and Muller (2012) and Oxfam America (2007) pointed out that farm policy works far better for some producers than others, and access to federal resources is far from equitable, and that

historically-based unfair distribution of land for SDFs has intensified their economic challenges that further exacerbate participation in farm programs.

The Farm and Food Policy Diversity Initiative (2008) team reported that USDA programs have underserved SDFs for years because they are rarely afforded the information, resources and opportunities necessary to allow participation in these programs. Consequently, Tubene, White, and Rose (2006) suggested that leveraging both internal and external resources can be crucial to the survival of not only the very institutions serving underserved populations, but also the underserved audiences themselves. For them, innovative and creative strategies such as farm visits, one-on-one technical assistance, farmer focus groups, hands-on workshops, and seminars could be used to reach out to these farmers. Ghimire (2009) added that since weak participation in various programs by farmers could be linked to the lack of strong interaction and communication, stakeholders, such as the various USDA agencies, must work to address the issue. Therefore, achieving enhanced farmer participation in USDA programs depends on building relationships and trust between these farmers and the respective agencies (Franz et al. 2010).

To address some of these issues, the 2008 Farm Bill included changes to enhance SDFs and, in particular, AFFs' participation in USDA programs including set aside funds, advanced payments and increased lending limits. This current study seeks to determine the participation of AAFs in USDA programs in selected Black Belt Counties in Georgia. The objectives of this study are to: (1) examine the overall awareness of AAFs to selected USDA programs promoted by USDA agencies namely Rural Development, Farm Service Agency (FSA), and Natural Resource Conservation Service (NRCS); (2) investigate the main reasons for participation and non-participation in FOL, OL, EQIP and VAPG programs by AAFs; (3) assess the relationship between program application and the rate of approval by AAFs; and (4) examine the relationship between USDA program outreach to AAFs and their implementation.

Several issues surrounding USDA programs and who qualifies to be a beneficiary highlight the importance of investigating AAFs and their rate of program participation. The next section of this paper targets other relevant studies carried out on similar USDA programs. It further looks into the ramifications of program discrimination and remedies advocated through policies to promote AFFs' interest in program participation. The last two sections explain methods used in data collection with a focus on selected counties in Georgia. The findings from this study will provide an in-depth insight into reasons why USDA programs are

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underutilized by AAFs. Results will help ascertain if these programs serve their purpose. Finally, it is anticipated that the information gathered from this study will enable other researchers, institutions, advocacy groups, and policymakers to direct their efforts to enhancing USDA program usage by AAFs specifically and SDFs overall.

### LITERATURE REVIEW

#### *Discrimination and Participation in USDA Programs*

Underlying the fact that SDFs and AAFs have not participated in USDA programs to the same degree as majority producers, is the fact that, for generations, they have been denied access to these programs. As documented by Browne (1973), the United States Commission on Civil Rights (1965, 1967, 1982), the USDA (1997), and culminating in the *Pigford et al. v. Glickman* class action lawsuit (1997, 1998, 1999), the resources of the USDA for financial assistance have been systematically and overtly denied AAFs. It was only through the efforts of community-based organizations such as the Federation of Southern Cooperatives/Land Assistance Fund, the Arkansas Farm and Land Development Corporation, the Black Farmers and Agriculturalists Association, and institutions such as Tuskegee University and the 1890 Land Grant Universities, that progress has been made to open USDA programs through the Farm Bill and other local discretionary efforts (see Hargrove et al. 2012 and Tackie et al. 2014).

#### *USDA Remedies*

To address the issue of discrimination, the USDA, through task force actions, recommended that the Farmers Home Administration (then the agency charged with the USDA farm loan program) “to review existing programs of the Department [of Agriculture] for effectiveness in addressing the special problems of black farmers....and recommend ways policies and programs can be improved or changed to better assist black farmers” (USDA 1983:1–2), partner with the 1890 land grant institutions, and “provide special, intensive management assistance to help black farm borrowers to both adequately plan their farming operations and to carry out their planned operations on a sound basis” (USDA 1983:82). These recommendations were, in turn, codified into the creation of the “small farmer training and technical assistance program,” and that later became part of the Farm Ownership Outreach Program to Socially Disadvantaged Individuals in the Agricultural Credit Act of 1987, and finally as Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers in section 2501 of the 1990 Farm Bill. The

goal of what is now commonly called the “2501 Program” was and continues to be “to provide outreach and technical assistance to encourage and assist socially disadvantaged farmers and ranchers to own and operate farms and ranches and to participate in agricultural programs. This assistance should include information on application and bidding procedures, farm management, and other essential information to participate in agricultural programs” (USDA 1990: 4064).

#### *SDFs Participation in FOL and OL Programs*

Despite efforts such as the 2501 Program, SDFs participation in USDA programs was limited. Therefore, to increase program participation, the Food, Conservation and Energy act, or 2008 Farm Bill, prioritized and subsidized FSA lending for SDFs, and increased lending limits per individual from \$200,000 to \$300,000 for the FOL and OL programs (Johnson 2008). The goal of both programs was to provide credit to eligible SDFs whose financial circumstances made it difficult for them to get credit from traditional sources such as private banks and other lending institutions (Nwoha et al. 2005). Analyzing factors influencing county-level variation in the use of the FOL and OL programs, Dodson and Koenig (2001) found that counties with more farmers participating in these programs often had a Farm Credit System office, had fewer racial and ethnic minorities, as well as a dependence on farming. Dodson and Koenig (2006) also reported that for fiscal years 2000–2004, about 77% of all direct FOLs and 50% of all OLs were obligated to either SDFs or beginning farmer groups. They indicated that for loan requests to be effectively processed both farmers and lenders needed to be equipped with the same amount of information, otherwise, some groups of farmers could either be underserved or creditworthy operators deemed less eligible.

A USDA General Accounting Office (GAO) (1997) report covering five districts offices in the States of Alabama, Georgia, Mississippi, Montana and Texas showed that, though most all applicants for direct loans had their applications approved, the disapproval rate for SDFs (16%) was higher than for non-SDFs (10%). Differences in SDFs disapproval rates were as follows: 20% for African American farmers, 16% for Hispanic American farmers, 11% for Native American farmers, and 7% for Asian American farmers. The report also revealed that of 22 of the 115 applications from SDFs disapproved, twenty were disapproved because the applicants had poor credit ratings or inadequate cash flow, and one was disapproved because the applicant was overqualified and was referred to a commercial lender.

The USDA Office of Inspector General (OIG) (2005) similarly reported on SDFs participation in FSA programs within five States: Alabama, Arkansas,

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Mississippi, Oklahoma and Texas. From a total of 5,127 applications submitted for FOLs and OLs in 1996, 642 applications (13%) were submitted by SDFs and 403 (63%) were approved; 4,485 (77%) were submitted by non-SDFs and 3,016 (67%) were approved. The report further explained that by 2003, the number of loan applicants from SDFs had risen from 13% in 1996 to 25% in 2003, though the approval rates were slightly down. Thus, from a total of 5,607 applications submitted in 2003, SDFs submitted 1,424 applications (25%) and non-SDFs submitted 3,949 applications (70%). The remaining applications (5%) were received from those who did not indicate a race on the application and, therefore, were not included in the analysis. Of the 1,424 applications from SDFs, 803 (56%) were approved. Of the 3,949 applications from non-SDFs, 2,544 (64%) were approved.

As for farm size and location of applicants, a study by Nwoha et al. (2005) revealed that FSA direct farm loan programs were primarily serving family-sized farms and an estimated 78–92% of direct loan recipients in fiscal years 2000–2003 were from farms with annual gross sales less than \$250,000. Their report also showed that SDFs were geographically clustered in the southwestern and southeastern states; and that the FSA could reach out more to SDF borrowers in states where they were more clustered. Reporting on the financial characteristics of these targeted group Nwoha et al. (2005) emphasized the difficulty of SDFs obtaining loans elsewhere due to their weak financial abilities of which AAFs had the lowest share of FSA eligible farms for all regions.

However, Escalante et al. (2006) analyzed the nature of credit risk assessment and the basis of loan approval decisions by FSA. Their study did not come across persuasive proof of racial discrimination against nonwhite borrowers. Data used for this study were obtained from the FSA Georgia State office and consisted of loan applications filed with the agency from 1999 to 2002. Out of 348 loan applications filed, 222 were filed under the direct lending program, while 126 applied for guaranteed loans. Most of the loan applicants were white farmers, comprising 85% (297 observations) of the total number of loan applications. This dataset had a loan approval rate of 55% (191 applications). The results from their study showed that nonwhite borrowers appeared to have been able to successfully obtain loans in spite of their relatively smaller farm operations compared with their white counterparts.

### *Participation in EQIP and VAPG by SDFs*

The goal of the Environmental Quality Incentives Program, or EQIP, is to help farmers reduce soil erosion, enhance water supply and quality, as well as increase wildlife habitat, through financial and technical assistance (Stubbs 2009). It is a



program with deep roots, starting with the conservation of erodible land and the improvement of soil and water in the 1985 Farm Bill; to the creation of an Office of Environmental Quality at USDA in the 1990 Farm Bill; to a full stand-alone program in the 1996 Farm Bill.

However, despite this increasing emphasis on farm level environmental factors, McCann and Núñez (2005) found that a significant barrier to the adoption of EQIP was lack of awareness, only 42% of respondents from Iowa and Missouri were aware of the program. According to Onianwa et al. (2004), other significant factors affecting participation in EQIP included college education, age, gross sales, and ratio of owned acres to total acres, and rented acres, as well as membership in conservation associations.

Nickerson and Hand (2009) and Cattaneo et al. (2005), added an economic dimension, finding that farmers' decisions on program participation depended on whether financial benefits exceeded costs. Ma et al. (2010) arrived at a similar conclusion while investigating reasons for participation and non-participation in a similar program, Payment for Environmental Services (PES). Their findings revealed that the decision to enroll relies more on farm benefit-cost factors, such as program payment, total land area and current farming practice, as well as environmental attitudes, soil traits, current government program enrollment or commitment to organic farming.

Therefore, to increase SDFs participation in EQIP, the 2008 Farm Bill provided economic incentives. These incentives included a 5% set aside for SDFs as well as an increase in payments with a provision for cost share rates up to 90%, and an advanced payment up to 30% for SDFs (Stubbs 2009; Nickerson and Hand 2009).

The Value-Added Agricultural Product Market Development Grant Program, or VAPG, was started in 2002 to add value to agricultural products and to develop business plans to market those products. By the 2008 Farm Bill, priority status was given to "beginning farmers and ranchers, socially disadvantaged farmers and ranchers, and operators of small- and medium-sized family farms" by the Secretary of Agriculture for their applications. Veteran farmers and ranchers were added to this priority list in the 2014 Farm Bill.

According to Boland, Crespi, and Oswald (2009), success with VAPG is associated with knowledge, size of operation and a combination of size and knowledge. Knowledge is based, for example, on the number of USDA Rural Business and Cooperatives employees in a state to answer questions, the number of Cooperative Extension Agents trained in business, and a relationship with the department of agricultural economics at the state land grant university. As for size,

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larger operations are better able to successfully add on a value-added related enterprise as opposed to a business that is starting its value-added enterprise from the beginning. Finally, larger businesses, through longevity and experience, have better access to market intelligence needed to break into a value-added enterprise.

The information aspect of success with VAPG was reinforced by Holz-Clause (2009) who found that applicants preferred word of mouth interactions and developing relationships with those “who knew more than they did” from both industry and universities. To Tackie, Findlay, and Baharanyi (1998), for any farm operation to be successful, the operators’ ability to market farm produce is important, most importantly when value will be added to strengthen the profitability and competitiveness of these farms (NSAC 2012).

As with EQIP, the 2008 Farm Bill reauthorized a set aside for SDFs, this time at 10%, to develop business plans and feasibility studies, or acquire working capital to operate value-added business ventures (Johnson 2008; USDA 2008). Yet NASS (2012) data show, that despite this incentive, only 2.7% of farms produced and sold value-added commodities in the state of Georgia.

## METHODOLOGY

### *Instrumentation*

To better understand the reasons behind the low levels of participation in these programs by AAFs, as representation of SDFs in the Georgia Black Belt, a three-part questionnaire with focus on farm/farmer characteristics, program participation and relationships with USDA agencies was designed and used to collect data for the study. The instrument measured AAF participation in the EQIP, FOL, OL and VAPG programs in selected Black Belt Counties in Georgia. The surveys contained socioeconomic items such as age, gender, type of organization, off-farm work, internet use, income and educational background. Also, to assess AAF participation with FOLs, OLs, EQIP and VAPG, questions on AAF awareness of the programs, application, approval and their relationship with various agencies were included in the survey. The instrument contained open-ended and close-ended questions as well as questions in which AAFs were asked to rate selected items on a Likert-type scale of 1-5.

### *Data Collection and Analysis*

Data were collected between summers of 2011 and 2012 from eighteen selected Black Belt counties in Georgia. These counties contain an African American population of 46%, compared with the state average of 31%. Also, 25% of AAFs’

farms are found within these counties. The specific counties were: Baker, Brooks, Calhoun, Clay, Crisp, Dooly, Dougherty, Early, Grady, Lee, Macon, Marion, Mitchell, Seminole, Sumter, Terrell, Thomas, and Worth. Figure 1 shows Georgia Black Belt counties participating in the survey.

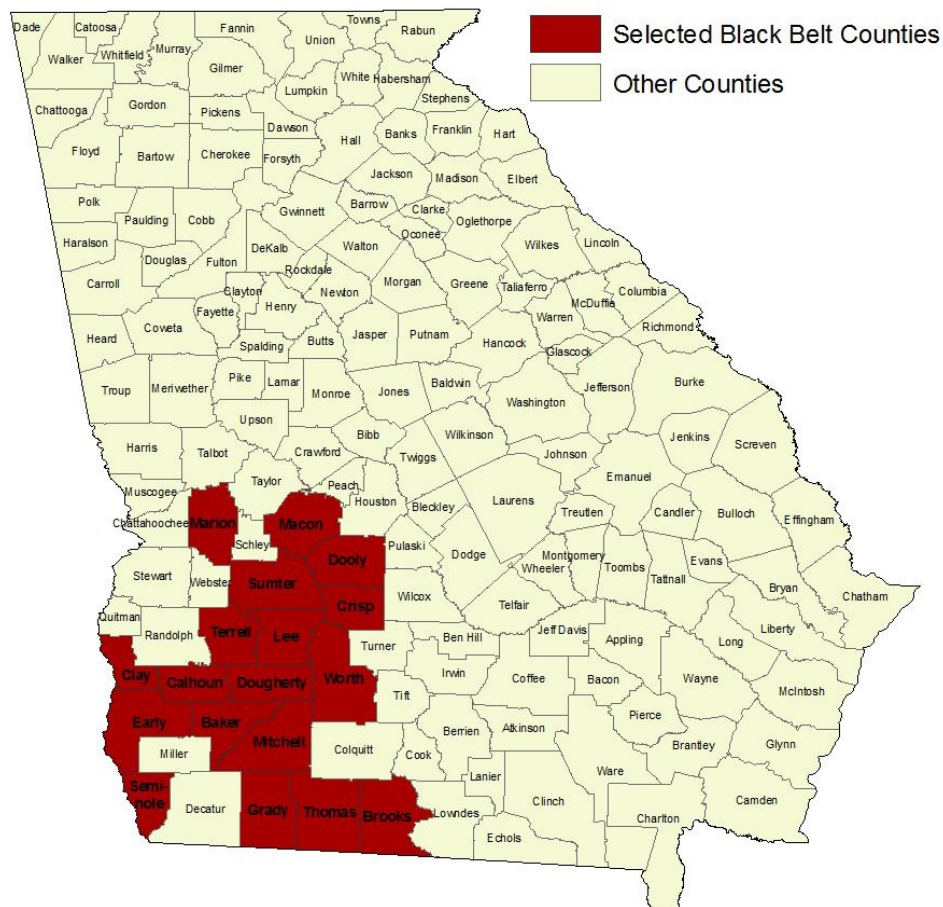


FIGURE 1. SELECTED BLACK BELT COUNTIES IN SOUTH WEST OF GEORGIA

Surveys were administered to AAFs participating in farm program information meetings sponsored by the Federation of Southern Cooperatives using convenience sampling procedures (Patten 2009). Out of the 150 surveys administered, a total of 110 survey instruments (73%) were completed and returned immediately by AAFs. Of the returned surveys, 14 had missing information resulting in a final total of 96 workable surveys for the study sample and data analysis.

The Statistical Package for Social Sciences (SPSS) IBM for Windows version 22.0 was used to analyze the data. The main statistics used were means, frequencies,

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percentages, and comparative graphs. Narrative description was used to summarize answers to open-ended questions gathered from respondents and to identify themes.

## RESULTS AND DISCUSSIONS

*Socioeconomic Characteristics of Respondents*

Table 1 shows the socioeconomic characteristics of the respondents in this study. As with farmers overall, most are older in age, 85% are more than 40 years old and over, one-third are 60 years or older. The older age categories are emphasized by way of comparison where 83.1% of the sample farmers are between the ages of 40 to 79, while 75.3% of all AAFs in Georgia are between the ages of 45 to 74 (NASS 2012). The table also reveals that the respondents have a higher degree than average of education, only 2.1% of AAFs had less than high school education while more than one half had either some college or an associate's degree or higher. With respect to income, almost 70% of the respondents rely more on their farms for their livelihood than from other sources, which differs from the 2012 USDA Georgia census data that shows 87.0% of AAFs derive less than 25% income from their farms. Concerning organizational type, 82.8% were individual family

TABLE 1. SOCIOECONOMIC CHARACTERISTICS OF SAMPLE AND GEORGIA DATA.

FARM/FARMER CHARACTERISTICS	PERCENT OF AAFs	
	GEORGIA DATA	SAMPLE DATA
Age range		
18 to 24 years . . . . .		3.2
25 to 39 years . . . . .		11.6
40 to 59 years . . . . .		48.4
60 to 79 years . . . . .		34.7
80 or above . . . . .		2.1
Education level		
Less than high school . . . . .		2.1
Some high school . . . . .		18.1
High school diploma . . . . .		27.7
Some college . . . . .		31.9
Associate degree or higher . . . . .		20.2

TABLE 1. SOCIOECONOMIC CHARACTERISTICS OF SAMPLE AND GEORGIA DATA  
(CONTINUED).

FARM/FARMER CHARACTERISTICS	PERCENT OF AAFs	
	GEORGIA DATA	SAMPLE DATA
Percent of income from farming		
Less than 25 percent . . . . .	86.7	17.9
25 to 49 percent . . . . .	5.0	13.0
50 to 74 percent . . . . .	3.9	16.7
75 to 99 percent . . . . .	2.3	22.6
100 percent . . . . .	1.8	29.8
Farm organization		
Family farm . . . . .	85.8	82.8
Partnership . . . . .	9.8	10.8
Corporation . . . . .	2.1	2.1
Limited liability . . . . .	2.3	4.3
Farmer consideration		
Full-time . . . . .	40.5	57.3
Part-time . . . . .	59.5	42.7
Practice off-farming		
Yes . . . . .	34.7	27.2
Part-time . . . . .		22.8
No . . . . .	65.3	50.0

farmers, very similar to USDA Georgia census results (85.8%). While over half the study sample (57.3%) consider themselves full-time farmers, a similar proportion (50%) have some form of off-farm work.

Figures 2, 3, and 4 describe the acreage of land and tenure on which the respondent AAFs operate. Land – its size and ownership – is an important component of a farm business' long-run opportunities, growth and success (Zabawa et al. 1990), including market experience and core competencies (Tackie et al. 1998),

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and participation in farm programs (Ahearn and Effland 2009; Kleiner and Green 2008). Farms with larger acreage have competitive advantage over smaller farms when accessing financial capital and equipment, as well as participating in some farm programs (Boland et al. 2009). Figure 2 shows that most of AAFs, 75.5% for the responding farmers, and 84.5% for AAFs in Georgia, operate often on smaller acreages (less than 179 acres).

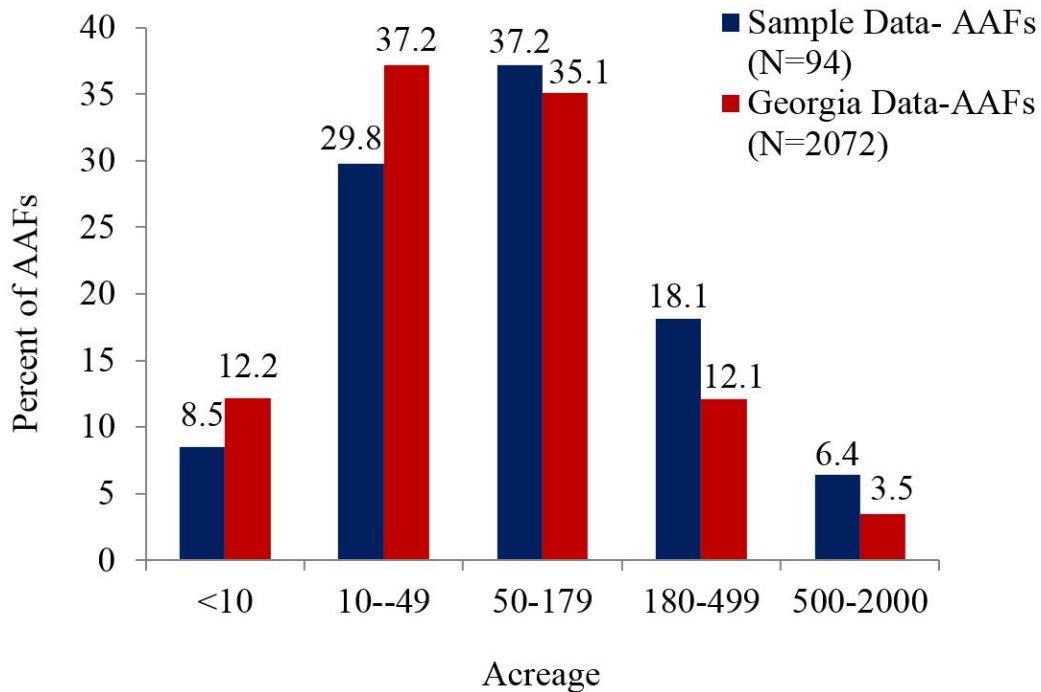


FIGURE 2. FARMS BY SIZE IN ACRES - COMPARISON OF SAMPLE AND GEORGIA DATA

Tenure status (full-ownership, part-ownership, and non-ownership/tenancy) reflects growth opportunities and strategies, and is a reflection of life-cycle, experience and economic considerations and often called the “agricultural ladder” (Bennett 1969). For example, a full-owner can increase production more easily by renting land and thus becoming a part-owner. Similarly, a tenant can increase production by adding more rented land, as opposed to increasing debt and purchasing land. Therefore, younger farmers who are planning to expand will find themselves in the part- and nonowner categories and with larger farms, whereas, older farmers are found in the full-owner category with smaller farms. Figure 3

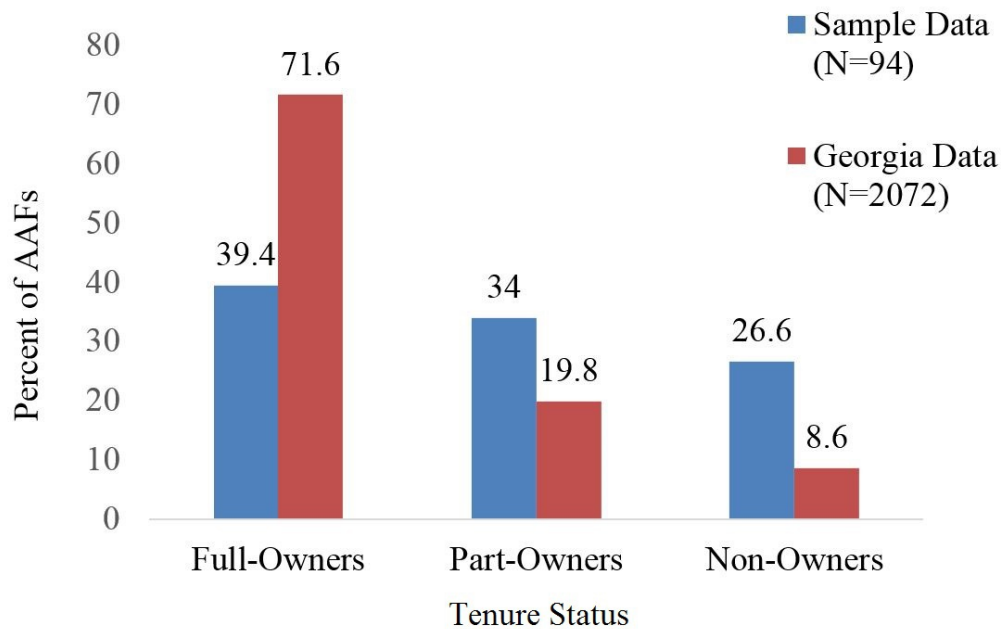


FIGURE 3: FARMS BY TENURE - COMPARISON OF SAMPLE AND GEORGIA DATA

compares the tenure status of the respondent farmers with that of Georgia AAFs overall.

Figure 3 further highlights that AAFs in the sample are fairly evenly distributed among full-owners (39.4%), part-owners (34%) and nonowners (26.6%). This is in contrast to Georgia farmers overall with a land tenure distribution more heavily weighted toward full owners (71.6%) as oppose to part-owners (19.8%) and nonowners (8.6%). According to Nickerson and Hand (2009), USDA offers targeted farmers, such as AAFs, more favorable payment and enrollment terms in conservation programs (e.g., EQIP) than are available to other farmers. However, ownership of land ranking about one-third of sample data plays a vital role when choosing participation in USDA programs such as EQIP. Thus, Figure 4 illustrates how a higher percentage of full-owners (78.3%) are found operating in the smaller acreage categories ranging from 1 to 179 acres, while the part- and nonowners are generally found in the larger acre categories. These findings confirm Ahearn and Effland (2009) studies, stating that due to the smaller farm structure of SDFs, more specifically AAFs, only 14% of these farmers participate in USDA programs.

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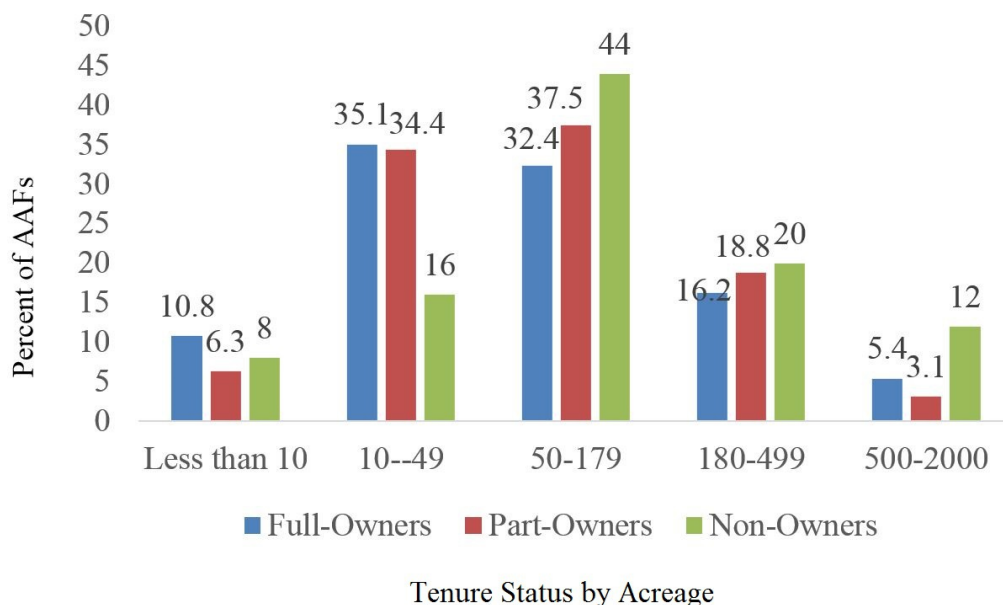


FIGURE 4. FARMS BY SIZE BY TENURE

*AAFs' Participation in the FOL and OL Programs*

Figure 5 compares the responses of AAFs with the USDA FOL and OL programs. Out of 96 farmers, 68 (70.8%) had heard of the FOL program. Of those 68, who had heard, 20 (29.4%) applied. Of those 20, who applied, 11 (55%) were approved. Put another way, of the 96 farmers surveyed, 70.8% heard of FOL program, 20.8% applied to the FOL program, and 11.5% were approved for FO Loans. With respect to OLs, 74 (78.7%) had heard of the OL program, of these 74, 46 (62.2%) applied, and 36 of those applying (78.3%) were approved. Put another way, of the 96 farmers surveyed, 78.7% heard of the OL program, 48.9% applied to the program and 38.3% were approved to the OL program. These results highlight the continuing gap between program awareness, loan application, and application acceptance by AAFs toward the USDA. This is further supported by USDA (2004) that found that between the years 1996–2003, of the 25% of direct loan applications received from SDFs, 57% were approved. For both FOL and OL programs, approval to application rate was higher than the awareness to application rate. Finally, it should be noted that while a farmer may apply for an OL annually, applications for FOLs occur less frequently. Secondly, OLs, on average, are considerably less than FOLs. Simultaneously, despite the differences between the programs, the results indicate that success comes from applying.



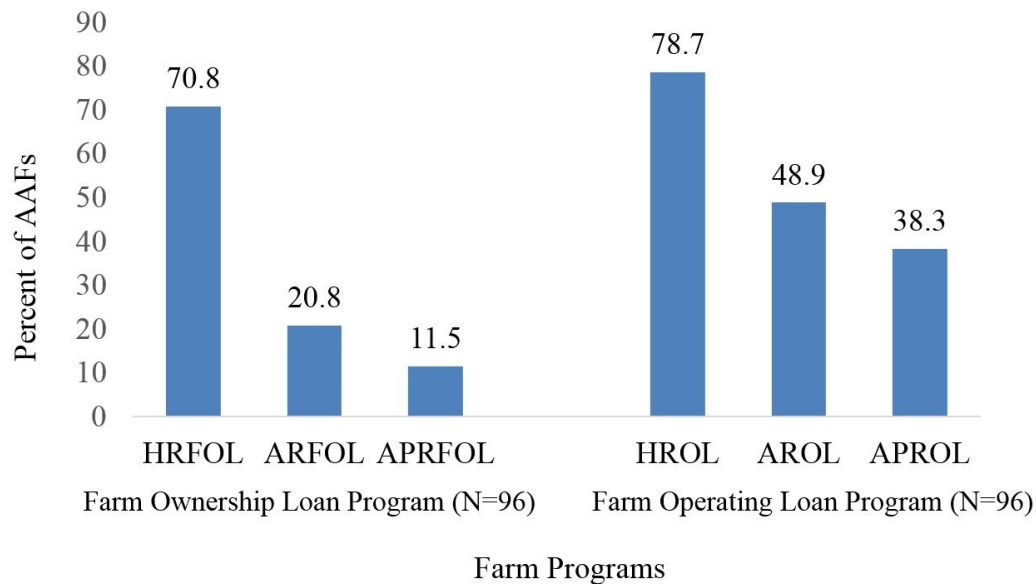


FIGURE 5. AWARENESS (HR), APPLICATION (AR) AND APPROVAL (AP) OF FOL AND OL PROGRAMS BY AAFs (N=96)

Table 2 shows the reasons AAFs had for not applying for FOLs and OLs. The study finds that 40.0 and 44.0% of applicants for FOLs and OLs, respectively, indicated “I do not think I qualify.” Notably, 11.1 and 20.0% of AAFs indicated “requirements are too complicated” for FOLs and OLs, respectively. Approximately, 31.1% of AAFs did not apply for the FOL program because they were either turned down in the past or have knowledge of someone who had been previously turned down.

Major reasons for non-approval for FOLs and OLs by USDA offices, as shown in Table 2, were lack of collateral (40.0% and 18.2%) and applications past deadline (10% and 27.3%) or incomplete (20% and 9.1%), respectively. Some of these reasons conform to previous USDA studies which revealed insufficient collateral, eligibility issues, inadequate cash flow or poor credit rating (USDA GAO 1997).

#### *AAFs' Awareness and Participation in EQIP and VAPG Program*

Figure 6 compares the percentage of AAFs who have heard of EQIP and VAPG to those who enrolled to participate in the programs. Out of the 96 AAFs surveyed, 68 respondents (70.8%) were aware of the EQIP program. Of these 68 AAFs who heard of EQIP, only 21 (30.9%) became participants of the program. McCann and Núñez (2005) reported an even lower rate of 53% and 14% on awareness and

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TABLE 2. REASONS FOR NON-APPLICATION AND NON-APPROVAL OF LOANS FOR FOL AND OL PROGRAMS

REASONS	PROGRAMS	
	FOL (%)	OL (%)
Non-application	n=45	n=25
I do not think I qualify. . . . .	40.0	44.0
Requirements too complicated . . . . .	11.1	20.0
I have been turned down in the past . . . . .	13.3	4.0
Others have been turned down in the past . . . . .	17.8	16.0
Other . . . . .	17.8	16.0
Non-approval	n=10	n=11
Lack of collateral . . . . .	40.0	18.2
Application past deadline . . . . .	10.0	27.3
Application incomplete . . . . .	20.0	9.1
Low credit score . . . . .	10.0	9.1
Did not qualify . . . . .	10.0	9.1
Application in progress . . . . .	10.0	9.1
Lack of experience . . . . .	0.0	9.1
Not feasible . . . . .	0.0	9.1

participation, respectively. Notably, Figure 2 depicts land size and ownership and shows that most AAFs own farms of less than 180 acres, based on data from this study at 78.3% and from the Georgia agricultural census at 78.2%. Though the 2008 and 2012 Farm Bills provided economic incentives with set-aside funds and payments for SDFs (Nickerson and Hand 2009; Stubbs 2009); participation in EQIP by AAFs is limited due to their small size (Ma et al. 2010) and therefore will find participating more challenging, while remaining economically viable.

The figure further describes AFFs’ participation in the VAPG program. It shows the lowest percentages comparatively to all the reported programs,

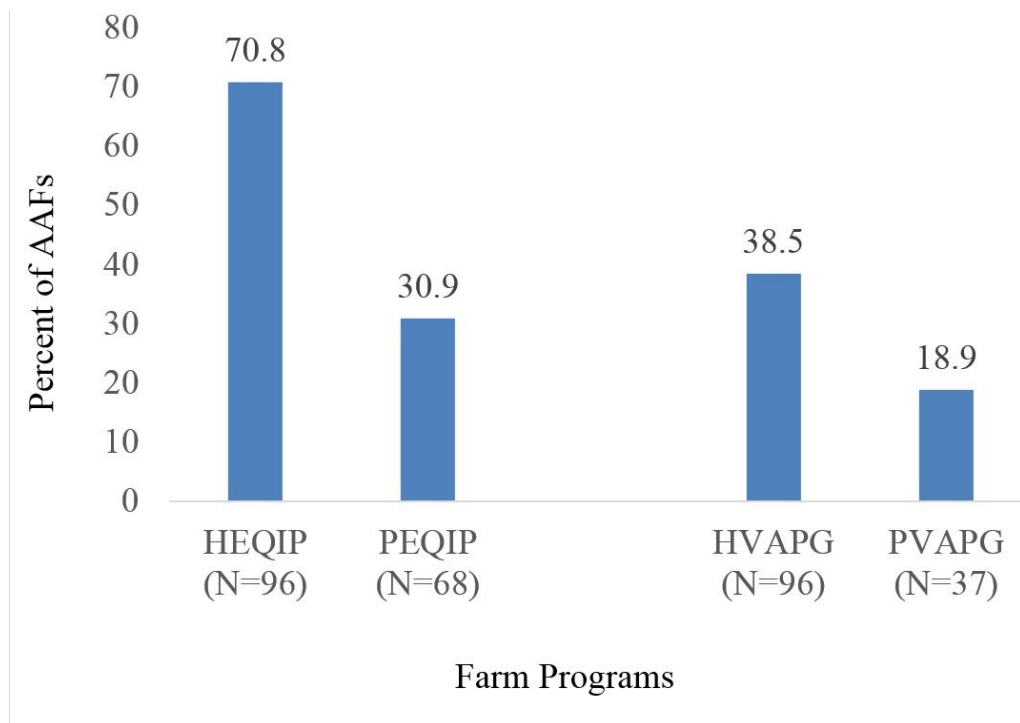


FIGURE 6. COMPARISON BETWEEN HEARD OF (H) AND PARTICIPATION IN (P) EQIP AND VAPG BY AAFs

indicating that only 38.5% of AAFs have heard of the VAPG program. Out of this number ( $n=37$ ), only seven (18.9%) are participants. Compared with the other three programs under study, the VAPG program is new and it is plausible that since the program entails adding value to output, much managerial expertise is required for a successful outcome. This confirms Boland et al.'s (2009) study that indicated that for farmers to consider adding value to farm produce, key elements such as information dissemination, farm size, commercialization of products, market share among others, play vital roles. Kleiner and Green (2008) found that for minority farmers to thrive in their farming businesses, knowledge in some marketing strategies, such as niche marketing, value-added production opportunities, and direct marketing techniques to target customers, must be imparted. Moreover, Hargrove and Jones (2004) reported that encouraging AAFs to focus on nontraditional crops versus traditional crops is one way to easily add value to produce, improve income and remain sustainable.

Table 3 presents reasons for non-participation in the EQIP and VAPG programs by respondent AAFs. It shows that 37.5% of AAFs did not think they qualified for the EQIP program, while 25.0% indicated non-availability of program

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funds. For the VAPG program, 46.2% of AAFs did not think they qualified for the program, while 19.2% thought that program requirements were too complicated.

TABLE 3. REASONS FOR NON PARTICIPATION IN THE EQIP AND VAPG PROGRAMS

REASONS	PROGRAMS	
	EQIP (%) N=40	VAPG (%) N=26
I do not think I qualify . . . . .	37.5	46.2
Program money got finished . . . . .	25.0	–
Requirements too complicated . . . . .	12.5	19.2
I do not need it . . . . .	–	11.5
Been turned down in the past . . . . .	7.5	3.8
Other . . . . .	17.5	19.2

Finally, for farmer characteristics, while the vast majority of farmers who have heard of VAPG do not participate (n=37), for those who do (n=7), they are evenly distributed among the owned acreage categories, they often have at least a high school education, and they are almost all are more than 40 years of age. A similar trend is seen with the participation in EQIP. Farmers have at least 10 acres of owned land, they have at least a high school diploma, and the majority are 40 years or older.

*BEST WAYS to ASSIST AAFs with FOL, OL, EQIP and VAPG PROGRAMS*

Table 4 describes how the respondent AAFs prefer assistance with the FOL, OL, EQIP and VAPG programs. To reach out to farmers or ranchers effectively, there needs to be an appropriate way of disseminating information concerning the various programs to increase participation (Franz et al. 2010). Responses from AAFs also show that some will equally prefer either to be reached through group meetings or one-on-one contact on their farms, a similar finding by Franz et al. (2010). Notably higher scores were registered for all the programs if the mode is a combination of many kinds of education reinforcing each other: group meetings, one-on-one contact, newsletters and bulletins, with the combination of all three modes of information preferred, confirming Tubene et al. (2006).

TABLE 4. AFFS' RESPONSE TO PREFERABLE MODE OF PROGRAM DISSEMINATION

PREFERENCE	PROGRAMS		
	FOL/OL (%) N=78	EQIP (%) N=64	VAPG (%) N=32
Group meetings . . . . .	15.4	21.9	12.5
One-on-one farm meetings . . . . .	17.9	17.2	12.5
Newsletters/bulletins . . . . .	3.8	1.6	3.1
Group/one-on-one/news/bulletins	44.9	42.2	53.1
Group/one-on-one meetings. . . . .	10.3	9.4	15.6
Other . . . . .	7.7	7.8	3.1

## CONCLUSION

All participants surveyed were AAFs, who were often older, with mid-level education, full-time operators, on family farms on less than 180 acres, with over half of respondents relying on farm income. Agreeing with Wimberley (2010), operating on such smaller farms results in low farm outputs causing these farmers to lag behind their counterparts. Consistent with Nwoha et al. (2005) more AAFs applied for OLs than FOL with approval rates greater than 50.0%, an indication that if AAFs only hear and apply in these programs a greater proportion might be approved. However, this study does not rule out the assumption that more applications might equally result in fewer approvals if there are insufficient program funds. For EQIP, awareness was high (73.9%), but less than one-third (30.9%) participated. On the other hand, the awareness (41.1%) and participation (18.9%) was low for VAPG. Reasons for non-application as well as non-participation for all the programs reveal lack of knowledge, some level of negative perception, complications with requirements and financial issues.

Therefore, increasing their outreach programs that address learning is critically important for assistance providers, coupled with more workshops and seminars aiming toward giving financial training for collateral and asset building. Also, it is recommended that land-grant institutions, particularly the 1890 universities, and their cooperative extension programs give AAFs training and technical assistance, especially for EQIP and VAPG. In addition, the USDA NRCS and the FSA must increase training and technical assistance, as well as program application assistance, to help avoid not meeting deadlines and enrich AAFs' mode of managing their

respective farms, especially when most of these farms are operated entirely by family members. Finally, while all service providers can improve on their relationships with AAFs, it is critically important that USDA agencies and Cooperative Extension increase their efforts, and partner with CBOs and educational institutions that have long-standing relationships with AAFs to improve the application and success rate for USDA programs in the Black Belt counties of Georgia and beyond.

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