NATIONAL SUSTAINABLE AGRICULTURE COALITION

# 2023 FARM BILL PLATFORM

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## ABOUT NSAC

**The National Sustainable Agriculture Coalition (NSAC) is an alliance of grassroots organizations that advocates for federal policy reform to advance the sustainability of agriculture, food systems, natural resources, and rural communities.**

NSAC engages legislators and administrative agencies in Washington, DC and works to build the capacity of NSAC member organizations to carry out effective grassroots organizing and outreach work in their state or region. Together, we work to reform and construct policies and programs that:

- Create income opportunity and fairness for small and mid-sized family farms;
- Reward agricultural practices that conserve our soil, water, wildlife habitat, and energy resources;
- Facilitate the entry of beginning farmers into the profession of farming;
- Encourage new and existing farmers to transition to sustainable and organic production practices;
- Invest in cutting-edge research and extension for sustainable and organic agriculture;
- Expand small and mid-sized farm operator access to new local and regional food markets;
- Increase consumer access to sustainably produced foods; and
- Promote public health in the context of federal farm policy.

NSAC members are farm, food, conservation, and rural organizations that work with and support small and mid-sized farmers. This platform has been developed with extensive collaboration among our grassroots members and input from the farmers and ranchers they serve.

## NSAC REPRESENTED MEMBERS

- Agriculture and Land-Based Training Association- Salinas, CA
- CCOF - Santa Cruz, CA
- California FarmLink - Santa Cruz, CA
- C.A.S.A. del Llano (Communities Assuring a Sustainable Agriculture) - Hereford, TX
- Catholic Rural Life – St. Paul, MN
- Center for Rural Affairs - Lyons, NE
- Clagett Farm/Chesapeake Bay Foundation - Upper Marlboro, MD
- Community Alliance with Family Farmers - Davis, CA
- CISA: Community Involved in Sustaining Agriculture - South Deerfield, MA
- Dakota Rural Action - Brookings, SD
- Delta Land and Community, Inc. - Almyra, AR
- Ecological Farming Association - Soquel, CA
- Florida Organic Growers - Gainesville, FL
- FoodCorps - Portland, OR
- GrassWorks - New Holstein, WI
- Hmong National Development, Inc. – St. Paul, MN and Washington, DC
- Illinois Stewardship Alliance - Springfield, IL
- Savanna Institute - Champaign, IL
- Chicago Food Policy Action Council - Chicago, IL
- Institute for Agriculture and Trade Policy - Minneapolis, MN
- Interfaith Sustainable Food Collaborative - Sebastopol, CA
- Izaak Walton League of America - St. Paul, MN and Gaithersburg, MD
- Kansas Rural Center - Topeka, KS
- The Kerr Center for Sustainable Agriculture - Poteau, OK
- Land Stewardship Project - Minneapolis, MN
- MAFO - St. Cloud, MN
- Michael Fields Agricultural Institute - East Troy, WI
- Michigan Food & Farming Systems – MIFFS - East Lansing, MI
- Michigan Organic Food and Farm Alliance - Lansing, MI
- Marbleseed - Spring Valley, WI
- Missouri Coalition for the Environment - St. Louis, MO
- Montana Organic Association - Missoula, MT
- The National Center for Appropriate Technology - Butte, MT
- National Center for Frontier Communities - Silver City, NM
- National Hmong American Farmers - Fresno, CA
- Nebraska Sustainable Agriculture Society - Ceresco, NE
- Northeast Organic Dairy Producers Alliance - Deerfield, MA
- Northern Plains Sustainable Agriculture Society - LaMoure, ND
- Northwest Center for Alternatives to Pesticides - Eugene, OR
- Nourish Colorado - Denver, CO
- Ohio Ecological Food & Farm Association - Columbus, OH
- Oregon Tilth - Corvallis, OR
- Organic Farming Research Foundation - Santa Cruz, CA
- Organic Seed Alliance - Port Townsend, WA
- Pasa Sustainable Agriculture - Millheim, PA
- Rural Advancement Foundation International – USA - Pittsboro, NC
- Union of Concerned Scientists Food and Environment Program - Cambridge, MA
- Virginia Association for Biological Farming - Lexington, VA
- Wild Farm Alliance - Watsonville, CA
- Women, Food, and Agriculture Network - Ames, IA

# **INTRODUCTION:**
# AGRICULTURE IS AN ACT OF TRANSFORMATION

## PLANTING THE SEEDS FOR FOOD SYSTEMS TRANSFORMATION

**"We do want to change the world...and we say that sustainable agriculture is the way to do that."**
- Stephanie Dunn of Star Farm, a community-focused urban farm in the South Side of Chicago.

**The National Sustainable Agriculture Coalition, an alliance of 130+ grassroots agricultural organizations across the United States, advocates for solutions to pressing food and farm systems issues**. At NSAC, we work to address federal food and farming policy as part of a growing national movement of advocates, farmers, and organizations who are shaping a food system rooted in sustainability, equity, and stewardship. The Coalition exists at a critical nexus in this movement as we champion the emerging and established voices of our grassroots base through our direct work with legislators, federal agencies, and ally organizations. **The policy recommendations in this platform are grounded in the voices of farmers from across the country.**

**Agriculture has always been and continues to be an act of transformation.** Farmers, ranchers, and food system workers steward social and environmental regeneration through their direct relationship to the land. They feel the impacts of economic, climate, and environmental shifts the earliest and the hardest, and they are the best equipped to offer tangible solutions to the issues they face daily. Farmers plant the seeds for systemic transformation. Our policy recommendations stem from the deep well of knowledge and the transformative vision held across the Coalition. We believe that a food and agriculture system built on principles of sustainability, equity, and stewardship can support vibrant economies, strong urban and rural communities, and resilient landscapes. The recommendations made here help us achieve a vision in which policy reform leads to restorative solutions that contribute to broad-sweeping food systems resilience.

**"Everything comes back to having community access to a viable economy that supports living well without destroying the land. That is what the Farm Bill is supposed to do."** - Jared Phillips of Branch Mountain Farm in Lincoln, Arkansas

## A REFORMED FOOD SYSTEM

**We build our reform recommendations from a solutions-oriented approach.** Advocating for structural reform in federal food and farming policy requires that we acknowledge the harms currently and historically caused by the existing food and farming policy regime in the United States. Improving and expanding nutrition, rural development, and urban agriculture programs helps build resilient communities and ensure food security and food sovereignty for all. Restructuring commodity, crop insurance, and credit programs to dismantle racism, reverse consolidation, and remove barriers to farmer adoption of advanced soil and resource stewardship such as organic, agroecological, agroforestry, and Indigenous traditions can clear the way for a truly equitable and sustainable agriculture and food system. Strengthening and reforming USDA research and conservation programs provides farmers the knowledge, tools, and support they need to build and maintain the healthy soil, clean water, stable climate, and other resources on which their livelihoods - and indeed all life on Earth - depend.

**"As a woman, a single parent widowed farmer, and a person of color, these three things are not represented in my present community because our family situation doesn't fit the template designed,"**
- Margo Candelario of Young Female Farmers when asked about the needs of farmers in her community in Oconee County, GA.

# INTRODUCTION:
# AGRICULTURE IS AN ACT OF TRANSFORMATION

## A RESTORATIVE FOOD SYSTEM

**"We need to recognize our legacies of colonization and how our farming methods have destroyed the soil. We also need to engage with and support Indigenous farmers."** - Seth Watkins of Pinhook Farms in Clarinda, Iowa

**We can achieve a restorative food system through the implementation and wide utilization of programs intended to support communities while promoting agency within them.** The 2023 Farm Bill can help farmers reduce their climate impacts and build climate resilience, meet the needs of Black people, Indigenous people, and other people of color (BIPOC) and beginning farmers, address consolidation and fair competition, and strengthen local and regional food economies and livelihoods.

Local and regional food system investments support economic restoration. Developing our local and regional food system increases equity and benefits local communities and economies by sustaining livelihoods and strengthening local markets and supply chains. This investment in our food system can minimize food safety issues, improve nutrition through increasing access to fresh foods, and decrease carbon inputs. Climate-focused programs support environmental restoration: they incentivize the adoption of sustainable practices to prevent and reverse soil and water degradation while building new, resilient farming systems.

Similarly, community-driven and farmer-led education and research are essential for developing new, resilient practices. Often, methods highlighted as innovative, sustainable, or regenerative agricultural practices are ones Indigenous peoples have practiced for generations. In the face of climate change and the resulting hardships felt by communities across the United States, it is imperative to ensure that the traditional, scientific, and place-based knowledge held by all producers is incorporated into our policy solutions.

## A RESILIENT FOOD SYSTEM

**"We need to incentivize farmers – incentivizing transitions to regenerative agriculture, educating consumers on why we need a decentralized food chain and on why small and mid-sized farms are important to have in our communities, and to get resources to BIPOC, women, and first-generation farmers."** - Cody Hopkins, Grass Roots Farmers Cooperative

**Resilience in the agricultural system is achieved through farmers, food systems workers, and rural and urban communities having the necessary tools and support to navigate uncertain futures.** We are prioritizing long-term solutions that build a resilient future where the food system consistently becomes more just while directly addressing the climate crisis and meeting community needs.

Ultimately, the 2023 Farm Bill needs to move us toward a vision where federal food and farming policy equitably serves farmers, communities, and families. The foundation for the transformation we seek has already been shaped through the ongoing work of organizations, farmers, and workers across the movement for sustainable and just agriculture. On behalf of our member organizations and the farmers and communities they serve, we are proud to share these recommendations in service to an equitable and sustainable food system for all.

# **EXECUTIVE SUMMARY** & OVERARCHING RECOMMENDATIONS

The National Sustainable Agriculture Coalition's (NSAC) vision of agriculture is one where a safe, nutritious, ample, and affordable food supply is produced by a diverse array of family farmers who make a fair living from their labor, while restoring the environment, and contributing to the strength and stability of their communities. To fulfill this vision, NSAC prioritizes policies that create jobs and fuel rural and urban economic development, support the next generation of farmers, renew natural resources, advance racial justice, and make healthy food widely available.

The policy proposals in this platform were developed in partnership with the farmers, ranchers, and communities that do the daily work of producing good food and making it widely and equitably accessible. In preparation for the 2023 Farm Bill, NSAC staff and coalition members held listening sessions, conducted surveys, and ran workshops to gather feedback on the impact of federal farm policies and learn what improvements stakeholders hope to achieve in the next farm bill. With that input in hand, NSAC member organizations have developed, discussed, and debated numerous policy proposals. Through a democratic priority setting process, NSAC members voted to adopt the comprehensive 2023 Farm Bill Platform that follows.

NSAC members and stakeholders have seen firsthand how the 2018 Farm Bill's investments in beginning and socially disadvantaged producers as well as local and regional food systems, among others, have already begun to make a genuine difference in the lives of farmers and rural and urban communities. Yet despite those and other steps forward, tremendous challenges remain.

For all the good it has delivered, the 2018 Farm Bill also failed to restore funding cuts to land conservation programs or to close widening loopholes in our commodity subsidy and crop insurance programs. These shortcomings are now more pronounced than ever as the dual threat of food and farm business consolidation and a changing climate prompt ever-dwindling rural populations.

Heading into the next farm bill reauthorization, farmers and ranchers remain widely supportive of increasing investments in working lands conservation programs, as well as in an equitable and fair farm subsidy system that helps beginning and minority farmers as well as small, diversified, and organic operations. Yet, the shortcomings of the 2018 Farm Bill cannot be the primary gauge for charting a course for the 2023 Farm Bill reauthorization. In fact, it is perhaps more important than ever before to take stock of the current landscape - both challenges and opportunities - to best inform the needs federal policy must address.

## 2023 FARM BILL LANDSCAPE

Policymaking does not happen in a vacuum, and the years since the 2018 Farm Bill was signed into law have been among the most tumultuous in our nation's history. An increasingly disruptive and changing climate, the COVID-19 pandemic and societal impacts, and a long-overdue racial justice reckoning have conspired to thoroughly unveil the fragility of our current food system.

Far from being abstract and distant impacts, these events are affecting the daily lives and livelihoods of farmers, ranchers, and communities – both urban and rural – across the country. The loss and degradation of soil health, freshwater resources, and biodiversity—along with extreme weather events like droughts and floods—increasingly threaten our food supply.

# **EXECUTIVE SUMMARY** & OVERARCHING RECOMMENDATIONS

The fragility of our supply chains and workforces, made even more vulnerable during the pandemic and further tested by ongoing global conflicts, serve as a stark reminder of how quickly food access can be jeopardized. Moreover, the national conversation about racial justice has laid bare how agriculture— particularly the pursuit of sustainable agriculture—is rife with obstacles for Black people, Indigenous people, and other people of color (BIPOC), including immigrants, migrants, and refugees.

Amidst all this, other trends within our food system have continued virtually unabated. Throughout the past century, farms in the United States have grown in size and dwindled in number while the average age of the U.S. farmer – now 57.5 according to the most recent Census of Agriculture – has continued to rise. Consequently, just as most people who manage U.S. agriculture are on the brink of retirement, the decades-long trend of farmland consolidation that is silently endorsed by federal policy has created tremendous barriers for new and beginning farmers. These barriers include the limited availability of affordable and desirable farmland, challenges in acquiring start-up capital and financing, and inadequate access to hands-on training and risk management tools – at a time when we need them most.

Since the 2018 Farm Bill became law, Congress has passed, and the President signed, additional legislation that has invested billions of dollars in beginning to address many of the obstacles laid out above. For example, the American Rescue Plan Act (PL 117-2) and the Inflation Reduction Act (PL 117-169), among others, have sought to stave off some of the most urgent impacts of the pandemic while simultaneously setting the stage for a re-envisioned food system that addresses the challenges of our times.

The challenges facing our food system, and the initial steps taken in recent years to address them, light a path for the 2023 Farm Bill. At this critical moment in our nation's history, we must collectively work to address the challenges that have plagued our nation's conscience, health, environment, and communities for too long. The 2023 Farm Bill should leverage the power of our nation's food and agricultural system to seek solutions which ensure that America is resilient and healthy for generations to come.

## NSAC's 2023 FARM BILL PRIORITIES

NSAC's campaign for the 2023 Farm Bill will advance programs and policies that build resilience and equity, restore competition, invest in science, and renew our environment for current and future generations.

### Strengthening Resilient Local and Regional Food Systems

Although existing local and regional food systems responded well to the pandemic, too many producers are still left out of the system. Appropriately sized processing, aggregation, and distribution infrastructure remains inadequate and lack of technical assistance continues to make it difficult for many farmers and producers to update their businesses to take advantage of these market opportunities. Federal farm and food programs must support all farmers, ranchers, and fishers who want to take advantage of these new economic opportunities by connecting them with aggregators, processors, distributors, retailers, and institutional buyers and consumers in local and regional marketplaces.

# **EXECUTIVE SUMMARY** & OVERARCHING RECOMMENDATIONS

To strengthen the resilience of local and regional food and farming systems, the 2023 Farm Bill must invest in programs and policies that:

- Provide farmers with resources that allow them to compete successfully in new markets through training, technical assistance for financial planning and marketing, and food safety and organic cost share assistance;
- Develop new and strengthen existing physical infrastructure and that will allow producers to aggregate, process, and distribute products to local and regional markets;
- Ensure equitable access to USDA funds by ensuring USDA grant funds flow equitably to all regions of the country, demonstrated through rigorous monitoring and evaluation with a racial justice lens;
- Prioritize access to existing and new resources for historically underserved and BIPOC producers and communities, and work directly with these communities to overcome barriers to access, including through relationship building and data collection and analysis;
- Align USDA's food procurement policies with the Department's mission to support competitive, distributed, and resilient local and regional food systems;
- Expand investment in food safety outreach, education, training, and technical assistance that directly assists small and mid-sized farms, beginning and socially disadvantaged farmers, small processors, and small-scale wholesalers;
- Build local and regional meat processing infrastructure, capacity, and workforce development; and
- Increase access to fresh, healthy, local food through federal nutrition programs and broadly among low-income and historically underserved communities to ensure culturally-relevant nutritional security for all.

**Fixing a Flawed Farm Safety Net and Restoring Fair Competition**

For decades, the farm bill's farm safety net has had the same goal: to provide farmers some degree of protection against unpredictable disasters or sudden price declines, allowing them to stay in business for another year while providing for family living expenses. Yet, as it currently stands, the farm safety net serves as an open-ended entitlement subsidy that encourages land price inflation, soil-depleting farming practices and systems, farm consolidation, and declining farming opportunities. The 2023 Farm Bill should put an end to this harm by adopting responsible reforms, bolstering access to capital for beginning and underserved producers with limited assets, and strengthening antitrust enforcement and fair competition through market transparency.

To restore competition and build a responsible farm safety net, the 2023 Farm Bill must invest in programs and policies that:

- Expand access to crop insurance to serve all types of farmers based on their unique risk management needs.
- Actively promote conservation within crop insurance by eliminating barriers to sustainable and organic farming practices and linking premium subsidies to stewardship practices that protect our land, water and health.
- Reform the structure of the crop insurance program so that it no longer provides unlimited subsidies that fuel farm consolidation, long-term unsustainable farming practices, or unduly influence farmers' planting and production decisions.
- Scale up credit options in order to appropriately accommodate farmers at multiple points in their careers and to address the needs of a diverse range of operations, including diversified and direct-to-consumer farm businesses.
- Adopt policies to strengthen antitrust enforcement, promote fair competition through market transparency, and modernize the Packers and Stockyards Act.

# EXECUTIVE SUMMARY & OVERARCHING RECOMMENDATIONS

**Investing in Science-Based Research to Fight Climate Change and Build Equity**

Farmers are on the forefront of climate change, and agriculture has a role to play in mitigating its impacts. Addressing this challenge will require a comprehensive approach that includes focusing on reducing major sources of greenhouse gas emissions (GHGs) as well as investing in solutions that will increase carbon sequestration and help communities, especially frontline communities, adapt to a changing climate. Federally funded research on agroecological systems - which feature farming practices that work with nature, reduce GHGs, sequester carbon in soil and plant biomass, protect soil and other resources, and enhance resilience and input efficiency for all farms - must be a priority if we are to guide our food systems towards greater ecological sustainability, financial stability, and social equity. The 2023 Farm Bill provides an immediate opportunity for Congress to invest in agriculture as a climate solution.

To spur the next generation of science-based research in support of farmers, the 2023 Farm Bill must invest in programs and policies that:

- Invest in and prioritize climate change mitigation and adaptation agricultural research and outreach.
- Center racial equity across the REE Mission Area in order to address the barriers and challenges BIPOC farmers face by increasing investment in underserved and minority serving institutions.
- Provide major funding increases for sustainable and organic agriculture systems that can sequester carbon, improve nutrient cycling, and lower fossil fuel energy inputs.

**Advancing Land Stewardship and Climate Resilience through Comprehensive Conservation Title Reform**

The benefits of on-farm conservation programs are widespread. They help farmers and ranchers keep drinking water clean for our urban and rural communities, build soil resilience and limit the impacts of severe drought and flooding, provide healthy habitats for wildlife, mitigate agriculture's greenhouse gas emissions, and support farm operations that are productive and sustainable long-term. Yet today, many farmers find it increasingly difficult to access support from on-farm conservation programs. Funding shortages, insufficient emphasis on high-impact practices, and a lack of program coordination keep tens of thousands of farmers from achieving their resource conservation goals every year. Furthermore, historically underserved producers, including many BIPOC farmers and ranchers, have experienced systemic and institutional racism that has further hindered their access to conservation programs.

To build a resilient legion of farmers with a strong livelihood, the 2023 Farm Bill must invest in programs and policies that:

- Significantly increase funding for proven and popular working lands conservation programs like the Conservation Stewardship Program in order to support the growing demand for both financial and technical assistance.
- Leverage the popularity of conservation programs to improve program access for organic producers and historically underserved producers, including through the recognition of traditional ecological knowledge-based conservation.
- Expand incentives and reduce barriers for farmers to adopt a wide-variety of climate mitigation and adaptation-focused conservation practices to build resilience.

# **EXECUTIVE SUMMARY** & OVERARCHING RECOMMENDATIONS

**OVERARCHING FARM BILL RECOMMENDATIONS**

This document explores key farm bill issue areas in which NSAC will be engaged and summarizes our policy proposals for each. However, it is also worthwhile to begin by identifying several key, overarching comments applicable to the full scope of the 2023 Farm Bill reauthorization.

**A Single, Comprehensive Farm Bill**

NSAC supports a single, comprehensive farm bill and stands strongly opposed to all attempts to split the farm bill into two separate measures – one for food assistance programs and one for farm assistance programs. We urge Congress to abandon that failed approach and to instead engage in the bipartisan work of assembling a shared vision for food and agriculture and a far-reaching and inclusive piece of legislation.

**Advancing Racial Equity**

**Longstanding structural and institutional racism** has excluded BIPOC from access to land, financial resources, information, political standing, and educational and professional trajectories, which limits their ability to shape the food system. During the last several years, Congress has passed and the USDA has implemented numerous policies and initiatives designed to repair harms and address and prevent future discrimination. For example, the USDA has launched an Equity Commission in part to determine how the Department and its programs may "exacerbate or perpetuate racial, economic, health and social disparities." Congress has also recently passed initiatives in the Inflation Reduction Act (PL 117–169) to providedebt relief to distressed borrowers of USDA loans and to provide financial assistance to farmers and ranchers who have experienced discrimination. While these initiatives, among others, must continue and should remain unhindered by the Farm Bill reauthorization, they alone are not sufficient.

As Congress begins the 2023 Farm Bill reauthorization, it must build on these recent accomplishments by crafting a farm bill that advances racial equity through a wide array of policy, including by improving equitable access for underserved individuals and communities to USDA funding and programs, enhancing program analysis and data collection to inform racial equity-driven decision-making, and increasing funding for programs and policies that support underserved individuals and communities.

**Investing in Rural Economic Development**

Throughout the past century, farms in the United States have grown in size while declining in number. Consequently, many rural communities with historically agriculturally dependent economies have suffered as agriculture has concentrated toward fewer, larger farmers, serving and served by fewer local businesses. The impact of this farmland consolidation has increasingly brought challenges to rural communities throughout the country, in no small part due to the barriers consolidation creates for beginning farmers. As Congress considers the 2023 Farm Bill reauthorization, it must make genuine investments in rural economic prosperity by expanding access to capital for small businesses, supporting producers to create and expand value-added products and enterprises, and tackling consolidation through the promotion of fair competition, investments in the next generation of farmers and ranchers, and increased funding for local and regional food systems.

**Building a Climate-Resilient Future**

Intense land-falling hurricanes in 2017, 2018, and 2022, record-breaking Midwest flooding in 2019, historic droughts in California from 2014 to 2017, and wildfires in 2020 have highlighted the urgent need to help farmers and ranchers build the resilience of their operations to ongoing and future impacts of climate change. In response, policymakers must take a holistic approach to land management that sequesters carbon, while also improving air and water quality, water infiltration, and enhanced biodiversity – all crucial to building resilience to a changing climate and other disruptions. Importantly, any investments must take into account the disproportionate impacts of climate change on socially vulnerable populations.

Congress should utilize the 2023 Farm Bill to invest in programs with the longest successful track record of addressing on-farm stewardship – the farm bill's conservation, research, renewable energy, and rural development programs – as the primary strategy to advance and scale up climate beneficial farming practices. These programs support farmers and ranchers who implement a wide array of practices from increasing crop and livestock diversity, managing nutrients, and producing on-farm renewable energy. Furthermore, policymakers should be wary of unproven solutions - for example, agricultural carbon markets' poor track record suggests that they are unlikely to result in significant net decarbonization, and should not be a substitute for strong federal programs that bolster the practices and people already in place that have been committed to sustainability and land stewardship for years.

**Budget Recommendations**

Although the farm bill is about much more than just budget, the federal budget environment significantly impacts the farm bill and ultimately the impact that the farm bill can have on individuals and communities throughout the country. A significant portion of the farm bill consists of program authorizations that will then be considered by the Appropriations Committees in their work on the annual agricultural appropriations bill. These authorizations are important, yet the farm bill does not determine whether so-called "discretionary" programs will ultimately be funded, and if so, at what level. That is the work of the annual appropriations process. Nevertheless, the farm bill does dictate how a good deal of money is spent, approaching roughly a half trillion dollars over the five-year life of the bill. This funding is referred to as direct or mandatory spending, and much of the farm bill debate centers on how direct farm bill funding will be divided and invested.

NSAC's farm bill budget recommendations are to:

- Oppose any cuts to the farm bill through any process, and oppose any cuts to anti-hunger programs.
- End sequestration, a budget process which began in 2012 and currently extends through at least FY2029, that annually slashing mandatory farm bill spending in the Commodity, Conservation, Trade, Rural Development, Research, Energy, Horticulture and Miscellaneous Titles.
- Restore funding and add baseline in the Conservation Title, which has been repeatedly cut in recent farm bills and through sequestration, and also has been cut repeatedly via the annual appropriations process through "changes in mandatory program spending."
- Provide enhanced mandatory funding and permanent mandatory baseline for the successful and innovative programs that support farmer-driven agriculture research, local and regional food markets, organic agriculture, rural economic and community development, reduce food insecurity and improve nutrition intake, and enhance the resilience of private grazing lands.
- Include meaningful and effective per farm caps on all farm bill programs, ending open ended entitlement programs with no real limits, such as the current commodity programs and crop insurance subsidy program, and reinvest the savings back into the farm bill to support economic opportunity, job growth in rural communities, food equity, climate adaptation and mitigation, and more inclusive farm programs.

# TITLE BY TITLE RECOMMENDATIONS

## TITLE-BY-TITLE RECOMMENDATIONS

### Title I: Commodities

For decades, the farm bill's farm safety net has had the same goal: to provide farms that produce food and feed grains, oilseeds, cotton, and dairy some degree of protection against low commodity prices or sudden price declines, allowing them to stay in business for another year while providing for family living expenses. Commodity support programs that help protect farm viability is a legitimate function of government. The resulting safety net, however, should be just that – a safety net and not, as it currently stands, an open-ended entitlement subsidy that encourages land price inflation, soil-depleting farming practices and systems, farm consolidation, and declining farming opportunities.

The 2014 Farm Bill eliminated direct payments. These were payments made to landowners regardless of what was happening with commodity prices and farm income. However, much of the savings from the elimination of direct payments was plowed back into new subsidy programs administered by the Farm Service Agency (FSA), which, while they are countercyclical and hence reflect market trends, share many of the same problems as the programs they replaced.

The Price Loss Coverage (PLC) program makes payments relative to reference prices fixed in legislation, whereas the Agricultural Risk Coverage (ARC) program makes payments calculated according to market conditions in the preceding five years. The PLC program is generally more attractive to farmers when commodity market prices drop below the reference price, while the ARC program is generally preferred when commodity prices are on the rise, as they are at time of writing, to protect against modest price dips.

A relatively limited number of non-perishable commodity crops are eligible for price and revenue support payments under Title I, including corn, soybeans, wheat, cotton, rice, and other grains and oilseeds. Dairy also has its own Title I program. This narrow eligibility leaves out specialty crops (i.e., fruits, vegetables, nuts) and livestock and poultry producers.

In choosing winners and losers, Title I commodity programs also create significant risks to food security in the United States. The incentivized specialization and overproduction of a small number of intensive commodity crops have contributed to an alarming reduction of crop biodiversity. The more the agriculture sector relies on a few uniform, patented seed varieties, the **more susceptible these conventional farms become** to epidemic pathogens or unexpected climate events. In addition, these subsidies, along with crop insurance premium subsidies, enable the **biggest industrial operations to get bigger** at the expense of smaller producers as benefits are siphoned to a limited number of commodity crops and relatively few farmers. The artificial absence of risk for these farmers through taxpayer subsidization, as well as bias against alternative operations from financial lending institutions, inhibits what motivation might otherwise exist to adopt diversified production systems as a risk management strategy.

## Title I: Commodities

Taxpayer dollars, if they are to be spent, should be used to uplift resilient production systems and nutritious landscapes. This must include investments in conservation programs and additional incentives for farmers to adopt practices consistent with sustainable, regenerative, agroecological farming. Enhanced soil health will lead to lower input costs and greater natural yields, which will in turn restore farmer agency. These initiatives would also provide clear returns on investment to the average consumer, as opposed to our current system which produces heavily processed foods that contribute to worsening diet-related illness and rising health care costs.

### 1.1. Commodity Program Reform

#### 1.1.1. Payment Limits

**Reform the farm bill's "actively engaged in farming" provision to require all commodity program participants to contribute labor and/or management on the farm on at least a half-time basis to stop the current evasion of payment limits and ensure that any farming operation, regardless of the operation's size or business structure, receives only a single payment.**

While Title I commodity programs, unlike the crop insurance program, do have payment limits, loopholes render these payment limit provisions ineffective by allowing people and various business entities to dodge the requirement to be actively engaged in farming. The nominal farm bill payment limit is $125,000 a year, or double that in the case of farmers who are married ($250,000). But allowing people who are not actively and robustly engaged in the operation of the farm to collect federal subsidy payments, as current FSA rules allow, is the linchpin for commodity program fraud and abuse, and allows large farms to collect multiple payments far beyond the limits.

The 2018 Farm Bill expanded the types of family members who were eligible to receive payments to include first cousins, nieces, and nephews, in addition to children, grandparents, and siblings. It did, however, simultaneously assert that only those family members who were actively engaged in the farm business would be eligible for farm program payments. In August 2020, USDA released a final rule whereby, to be considered actively engaged, recipients on all farms must provide either 25 percent of a farm's total management hours, or perform at least 500 hours of management annually, on a "regular, continuous and substantial" basis. That original final rule, which clearly reflected the bipartisan consensus to take such action in the 2018 Farm Bill, was abruptly "corrected" by the Trump Administration that November to exempt "family farms" – over 95 percent of all farms – from the requirement.

Continuing that charade puts family farms and beginning farmers at a disadvantage and puts subsidy programs at risk by weakening support among the general public. The House and Senate should pass comprehensive reform of the actively engaged rules, and ensure that the reform applies across the board, without exception. No single farming operation should receive more than the statutory payment limit and payments should be constrained to managers who are actively engaged in farming as established in the now-revoked August 2020 "final" rule.

#### 1.1.2. Planting Flexibility

**Reject moving to planted acres as a basis for payments and keep commodity payments de-linked from planted acres.**

The 2014 Farm Bill allowed for a significant degree of planting flexibility by continuing to base commodity subsidy payments on historic base acres rather than what a farmer is currently planting. This flexibility allows farmers who want to diversify their rotations to do so without penalty. The one partial exception is for fruits and vegetables. This change was retained in the 2018 Farm Bill, such that farmers can plant 15 percent (or in some limited cases, 33 percent) of base acres to fruit and vegetable production without payment reduction, but beyond that there is a 1:1 payment reduction.

The 2023 Farm BIll should continue to keep commodity payments de-linked from planted acres. It is important to keep commodity payments disconnected from planted acres because this removes the incentive to "plant to the program." Basing Agricultural Risk Coverage (ARC) and Price Loss Coverage (PLC) payments on planted acres encourages farmers to plant whatever crop is likely to provide the largest payout in any given year. Delinking payments from planted acres provides farmers the option to plant whatever crop is best for their system, market, and the health of their land.

**Continue to include a fruit and vegetable flexibility provision at no less than its current level.**

Maintaining this flexibility enables farmers to serve local and regional markets by planting non-program crops (fruits and vegetables) on base acres. A restrictive flexibility policy prevents farmers from trying out new crops, or exploring new markets because planting no-program crops puts their subsidy payments at risk.

### 1.2. Disaster Program Reform

#### 1.2.1. Ad-hoc Disaster Spending

**Oppose permanent authorization of ad-hoc disaster assistance.**

The farm safety net is often conceptualized as a three-legged stool, held up by the two Title I programs (ARC and PLC) and the federal crop insurance program under Title XI. However, a makeshift fourth leg is propping up the stool: ad-hoc disaster spending. Once a regular feature of federal farm policy, disaster payments were supposedly replaced by highly subsidized federal crop insurance during the last several decades. But ad-hoc disaster payments, distributed in recent years through the Market Facilitation Program (MFP), the Wildfire and Hurricane Indemnity Program (WHIP) and WHIP Plus, the Coronavirus Food Assistance Program (CFAP), and, most recently, the Emergency Relief Program (ERP), have surpassed $60 billion above farm bill spending since 2017.

This illustrates significant shortcomings in the structure of existing farm safety net programs, and calls into question the claim that modern crop insurance is effective when it has not replaced the need for disaster payments. In 2020 alone, almost 40 percent of net income for farmers came directly from the US government. Moreover, much of this spending was concentrated in the hands of the largest and wealthiest farmers who arguably needed financial assistance the least, while struggling family farmers actively engaged in farming were too often left out.

There is a better solution than to permanently supplement what is already exorbitant spending in Title I commodity and Title XI crop insurance subsidies with new disaster spending. Rather, Congress should invest resources into improving the existing farm safety net for all farmers and ranchers in a way that incentivizes resilience through the adoption of on-farm risk mitigation strategies and that levels the playing field by improving access for underserved producers.

### 1.2.2. Noninsured Crop Disaster Assistance Program (NAP)

**Increase availability of NAP data by providing an equivalent of the crop insurance Summary of Business provided by the Risk Management Agency.**

Congress authorized NAP in 1994 to provide disaster assistance to farmers producing uninsured crops, namely specialty crops including fruits, vegetables, and nuts for which there were no available insurance policies. Although insurance policies have since been created to cover many specialty crops in designated counties and insurance today is technically available nationwide to cover a farm's entire operation through the Whole-Farm Revenue Protection (WFRP) program, NAP is an important program for farmers who continue to face barriers to insurance access. (For recommendations to improve insurance access for underserved producers, see Title XI: Crop Insurance).

To contribute to the improvement and development of new insurance policies for specialty crop producers, the next farm bill should include provisions on data collection and coordination to increase the public availability of aggregated NAP data. While one may access overall coverage and the number of farms enrolled in NAP through the FSA website, these numbers are not broken down and available to the public as crop insurance data is made available by state, crop, and year through the Summary of Business provided by the Risk Management Agency. Having access to such data would enable targeted outreach to promote the program and present currently inaccessible actuarial data from uninsured minor crops covered through the program. Further, because one complexity with the improvement of the Whole-Farm Revenue Protection program is unquantified risk via the lack of actuarial data for minor crops, using NAP data to show the variation of price and yield risk for minor crops could improve risk analysis of WFRP and, theoretically, be used to reduce premiums or boost the diversification discount.

**Change the name of NAP to reflect upgrades which have been made to the program.**

The Noninsured Crop Disaster Assistance Program is a misnomer because all crops are now technically insurable through the Whole-Farm Revenue Protection. Further, once derided as the "Not a Penny Program," NAP developed a resoundingly negative reputation among farmers. To better capture the program's intent and to reflect the significant improvements which have been made to it since the 2014 Farm Bill, Congress should propose a name change for NAP in the next farm bill.

**Improve education and outreach for FSA county staff and farmers on the availability of NAP.**

With improved data collection processes to maximize value of the product and under a new name, Congress should direct FSA to provide additional education and outreach on NAP to FSA county staff and farmers. With enhanced training, FSA county staff may be able to recognize the unique needs of specialty crop farmers and identify when NAP may be an appropriate insurance alternative to a farmer. Likewise, improved outreach to farmers will help reduce stigma which surrounds the program by highlighting the improvements made to the program in the 2014 Farm Bill and the 2018 Farm Bill. Together, improved education and outreach should **help improve participation in the program, deliver risk management for farmers, and provide additional valuable data.**

## Title II: Conservation

### 2.1. Advancing Land Stewardship: Comprehensive Conservation Title Reform

The benefits of on-farm conservation programs are widespread: they help farmers and ranchers keep drinking water clean for our urban and rural communities, build soil resilience, limit the impacts of severe drought and flooding, provide healthy habitats for wildlife, mitigate agriculture's greenhouse gas emissions, and support farm operations that are productive and sustainable long-term. For decades, voluntary conservation programs offered by USDA's Natural Resources Conservation Service (NRCS) have helped to produce lasting results for farmers and the public, but today many farmers find it increasingly difficult to access this support.

Funding shortages, insufficient emphasis on high-impact practices, and a lack of program coordination keep tens of thousands of farmers from achieving their resource conservation goals every year. Historically underserved producers, including many Black people, Indigenous people, and other people of color (BIPOC) farmers and ranchers, have experienced systemic and institutional racism that has further hindered their access to conservation programs. Yet, conservation is a win-win investment that protects and enhances our shared natural resources and bolsters farmers' bottom line. The next farm bill must incentivize, encourage, and reward stewardship efforts, and improve the effectiveness and accessibility of conservation programs and policies.

The next farm bill must also ensure that programs like the Conservation Stewardship Program (CSP), Environmental Quality Incentives Program (EQIP), Agricultural Conservation Easement Program (ACEP), and Resource Conservation Partnership Program (RCPP) are funded to meet farmers' needs for conservation assistance. The 2014 Farm Bill removed $6 billion from the Conservation Title. The 2018 Farm BIll did not increase or restore conservation funding to make up for the funds lost in 2014. CSP, in particular, lost funding in both bills: $2 billion in 2014 and $5 billion in 2018. The next farm bill must reverse this funding trend for the Conservation Title and for CSP in particular. These voluntary, incentive-based conservation programs present farmers with opportunities to address their top on-farm ecological concerns. However, three to four times more farmers apply to use the programs than receive contracts. For CSP and EQIP in particular, more funds are needed to meet demand. Even with the funds appropriated in the Inflation Reduction Act of 2022, levels of conservation funding have not recovered to the pre-2014 levels. With the many ecological crises farmers are seeking to address on their farms, incentive-based funding through the Conservation Title continues to be vital to providing pathways toward voluntary on-farm change.

One of the vehicles for reform to the Conservation Title is the Agriculture Resilience Act (ARA). The ARA's goal is to achieve net zero agricultural greenhouse gas (GHG) emissions by 2040 and improve the resilience of farms so that they may shift to practices that drastically reduce their vulnerabilities to the impacts of severe weather associated with climate change. Such practices improve soil health, maintain soil cover, reduce erosion, improve water quality, create biodiverse habitats, and create new economic opportunities for farmers. The ARA provides the framework for some of the following Conservation Title recommendations.

## 2.2. Increase Conservation Program Access for Historically Underserved Producers

**Improve access to Natural Resources Conservation Service (NRCS) programs for beginning, socially disadvantaged, and veteran farmers and ranchers**

Beginning and **socially disadvantaged** farmers and ranchers experience particular challenges in accessing resources from EQIP and other Natural Resources Conservation Service (NRCS) working lands conservation programs. Their relationships with the agency may have been strained or broken by discriminatory experiences, or they may have lacked outreach from the agency that would make them aware of the ways in which NRCS programs could assist them in making desired conservation improvements on their farms and ranches. To address both past direct discrimination and the gaps in outreach and education on available programs, NSAC calls for several key interventions in relation to access to EQIP and CSP. Likewise, veterans who often come from smaller, rural communities often wish to begin new farms and ranches and could use conservation resources to improve viability of their farms and ranches.

**Increase the CSP and EQIP set-asides for beginning and socially disadvantaged farmers and ranchers to 30 percent.**

The 2023 Farm BIll should increase the CSP and EQIP beginning and socially disadvantaged farmer set-asides to 30 percent. Within that 30 percent, the farm bill should direct NRCS to allocate a percentage of the set-aside for socially disadvantaged farmers and ranchers of either an amount commensurate with the SDFR population in the state - using a range of data sources - or at least 5%. Doing so will mitigate against a scenario where a state's beginning and socially disadvantaged farmer and rancher pool is overwhelmingly comprised of beginning farmers and ranchers to the exclusion of socially disadvantaged farmers and ranchers. To provide accountability and increase understanding of the programs' reach, the 2023 Farm Bill should further require improved, detailed, and publicly-accessible data collection and reporting on funding distributions to farmers based on key demographics, and require NRCS to report the percentage of funding attributed to beginning and to socially disadvantaged farmers separately, rather than reporting on both categories of the set-aside as a single data point.

**Increase the technical assistance available to beginning, socially disadvantaged, and veteran farmers and ranchers by ensuring office, language, and program accessibility.**

## Title II: Conservation

The 2023 Farm Bill should authorize flexible hours at NRCS that will allow local offices to be open outside of Monday-Friday, 9-5 business hours. Many farmers have off-farm jobs that prevent them from visiting NRCS offices during weekday business hours. Rather than requiring longer hours for staff, NRCS offices might consider having one or two days a week when some staff start later and finish later so that they can be available to those farmers not able to leave their day-jobs to obtain the assistance they need. Such a shift is especially important for multi-county offices where the office is far from many of the farmers and ranchers it serves.

The 2023 Farm BIll should ensure NRCS offices are in accessible locations for historically underserved farmers. Locations of NRCS offices should be within reasonable access distances for all farmers in their service area. The choice of office locations for multi-county offices should prioritize access for socially disadvantaged producers in cases where socially disadvantaged farmers historically have been excluded from access as a result of office location.

Finally, the farm bill should improve the accessibility of NRCS programs by creating a Conservation Program Navigator program to be administered by non-profit partners through cooperative funding agreements with NRCS. Congress should further require NRCS and FSA to translate all agency publications and announcements - whether through the Navigator Program or independently - in advance of their release so that they are available simultaneously in English and other languages that are common in farm communities across the country. See **page 126** of the Miscellaneous Title recommendations for additional details on the Navigator Program policy proposal.

**Recognize Traditional Ecological Knowledge (TEK)-Based Conservation.**

As an ally organization to the Native Farm Bill Coalition, NSAC supports the Native Farm Bill Coalition's recommendation to recognize traditional, ecological, knowledge-based conservation, specifically, that the 2023 farm bill:

Develop a new section of the Conservation Title to explicitly allow a Tribe or a group of Tribes within a state or region to develop traditional, ecological, knowledge-based (TEK) technical standards that will control the implementation of all conservation projects allowed under the Farm Bill.

This new section would codify current NRCS practices that encourage TEK-based conservation and would further recognize the fact that Tribal jurisdiction and use of traditional practices to improve conservation project implementation are decisions best left to Tribal governments and individual Indian producers who live on those lands and are engaged in ongoing activities that are designed to improve environmental conditions, habitats, and their lands for agricultural purposes. These TEK-based standards already have a solid scientific basis and are acknowledged by various federal research organizations and agencies. USDA has committed to recognizing TEK in the Department's 2022 Equity Action Plan; this current commitment centers around hiring individuals with TEK expertise. Updated Farm Bill language would give USDA broader authority and ensure that TEK is permanently incorporated into all USDA programming.

Alternatively, the 2023 farm bill could authorize Tribes to engage in Alternative Funding Arrangements to specifically implement TEK practices under existing Conservation programs. Authorize individual applicants to request a waiver or alternative funding arrangement to implement TEK practices in NRCS programs if the Tribal jurisdiction where their lands for intended enrollment are located has not developed TEK standards adopted by USDA.

-Native Farm Bill Coalition's **Gaining Ground** report (page 32).

**Allow Lands Held in Common and by Tribal Entities to Access Conservation Programs.**

The 2023 Farm Bill should create a new section of the Conservation Title or in sections related to eligibility determinations to ensure that lands held in common, such as reservation lands that are controlled and farmed/ranched by groups of individuals, can participate in all Conservation Title programs and that special provisions are enacted in regulations to ensure that any Tribal government-allowed entity is the recognized conservation program participant (as opposed to specific individuals).

-Native Farm Bill Coalition's **Gaining Ground** report (page 33).

## 2.3. Increase Access by Establishing Payment Limits

**Re-establish CSP and establish EQIP payment limits of $200,000 for any five year period.**

Payment limits are an important program element that ensure the most well resourced farms do not capture an outsized portion of public conservation spending. Such farms are often in the best position financially to undertake conservation efforts on their own. Public resources need to be reserved for farms that do not have this capability.

The Inflation Reduction Act reauthorizes both EQIP and CSP through 2031 without extending the existing payment limits in each program. This means that without additional action from Congress, payment limits will cease to exist in either program after the current Farm Bill expires at the end of FY 2023. This is a problem that must be addressed by the next Farm Bill.

Under the existing program payment limits passed in the 2018 Farm Bill, a person or legal entity may not receive, directly or indirectly, CSP payments that, in the aggregate, exceed $200,000 under all contracts entered into during fiscal years 2019 through 2023, excluding funding arrangements with Indian tribes, regardless of the number of contracts entered into under the program by the person or legal entity. For EQIP the equivalent limit is $450,000. Applying the payment limit across all operations without exceptions for joint operations will ensure a higher level of equity within the CSP and EQIP payment system, by ensuring that CSP and EQIP funds are available to more farmers.

**Ensure payment limits apply not just to individuals, but also to joint ventures and general partnerships.**

The next Farm Bill should not only re-establish payment limits for both programs, but close Farm Bill loopholes allowing for joint ventures, couples, and general partnerships to effectively double their payment limit and circumvent established limits. Enforcing a lower per-operation payment limit will ensure more equitable distribution of funds among more farms. More farms and ranches will then be able to get on the on-ramp to effective conservation practices.

### 2.4. Increase Access for Organic Producers

**Both EQIP and CSP should continue to offer Organic Initiatives with separate ranking and funding pools for organic producers.**
State-by-state allocation of funding for the organic ranking pools should be based on numbers and acreages of certified and transitioning organic farmers in each state with growth goals for the sector.

**Set payment limits of $200,000 per producer over five years for Organic Initiative funding pools in EQIP and CSP, the same as those established for the general funding pools for each program.**

Setting a separate, lower payment limit of $140,000 over five years for the Organic Initiative in EQIP has led to organic producers opting to apply through the general EQIP program instead, effectively minimizing the potential impact of the Organic Initiative. This should be corrected in the next Farm Bill.

**Congress should direct NRCS to develop Conservation Practice Standards for CSP and EQIP, and CSP Enhancements, Bundles, and/or Supplemental Payments that are compliant with the National Organic Program and that are designed to support advanced climate-friendly and climate-resilient conservation systems for organic operations.**
These practices, enhancements, and bundles should be in line with recommendations NSAC has previously submitted to NRCS.

**In support of and in addition to the recent Organic Transition Initiative, Congress should ensure ample funding for USDA to consult with technical organic organizations for the sake of evaluating conservation program accessibility for organic producers.** For more recommendations to support organic producers, see the Horticulture Title recommendations on **page 98**.

### 2.5. Increase Access by Simplifying and Demystifying the Application Process

NRCS should increase the transparency and ease of application for the working lands conservation programs, including improvements to the Conservation Assessment Ranking Tool (CART) and information about its use.

Even technical service providers who regularly work directly with farmers on NRCS programs lack a firm grasp of how CART scoring is performed, as outlined below. The 2023 Farm Bill should require NRCS to publish clear information on how applications to CSP and EQIP are ranked within CART, with specific reference to the details of how the process may vary by jurisdiction. NRCS should publish data so that farmers and service providers can easily understand:

- The details on the five Ranking Components used in CART and their sub-components including clear explanations of possible point totals for a component;
- The national program ranking conventions built into CART;
- How a given application has been scored and why;
- The role of state resource concerns and priorities in the scoring;
- The details on how, within CART, states are directed to implement the current 5 percent funding set-asides for Socially Disadvantaged and Beginning Farmers and Ranchers in CSP and EQIP;
- The process for setting Conservation Practice Physical Effects (CPPE) scores for each individual practice and a description of the influence CPPE scores have on application ranking within CART;
- Whether enhancements and bundles are assigned CPPE scores and, if so, how those may influence CART ranking;
- Any additional tools NRCS uses to rank program applications within CART; and
- An explanation of the farmer's likelihood of receiving a contract based on the scoring.

In addition, NRCS should be required to conduct farmer-centered outreach, including meetings and webinars, to educate farmers about the function of the CART tool and how they will interact with it. Farmer questions from such sessions should be published with their responses on a FAQ page about CART.

Additionally, NRCS should:

- Train field staff and prepare internal training materials and bulletins to ensure that they are prepared to answer questions regarding CART and provide clear and consistent information across the country;
- Apply a plain language standard to written and recorded materials describing CART to ensure all farmers and producers have access to the information; and
- Support state offices in translating CART materials and presentations into languages needed for access by farmers and farmworkers in a given state. Translated materials should be released simultaneously with English-language materials.

To ensure farmer awareness of and access to information about applications, farmers should receive a physical copy of the report on their CART outcomes when they visit field offices, as well as a digital copy via email at the same time. Whether or not applicants receive a contract from their application to the EQIP and CSP programs, they should be provided a report detailing their rankings relative to other applicants. District field staff should also demonstrate to farmers where their reports can be found on Farmers.gov.

Finally, NRCS should conduct outreach specifically to historically underserved farmers to ensure that they have the support and knowledge they need to undertake applications via the CART tool.

**Require NRCS to provide a report to all applicants to working lands conservation programs explaining how their application was ranked.**

This report should include the ranking number showing how the famer compared to other applicants in the pool, details on where points were lost on the application, and suggestions on how to improve the application in the future by improving the conservation activities proposed. This will help educate farmers about the ecological intent for conservation programs in their states and watersheds, as well as support farmers making better decisions about which conservation programs they have a competitive chance of applying to. This report should be automatically generated using CART and be provided to the farmer as soon as possible after contract award decisions are made. At the latest, reports to producers should be provided at least two full months before the next application deadline for the conservation program they applied to.

## 2.6. Increase Access by Expanding Conservation Technical Assistance

In adopting new conservation practices, farmers benefit from NRCS Conservation Technical Assistance (CTA) to effectively design and implement plans and practices specific to their individual farms. Providing this support to producers is an essential part of solving conservation challenges across the landscape, and the need for assistance often outpaces NRCS capacity. The next Farm Bill should address this both by directly investing in CTA to provide one-one-one producer support and by funding new ways for other conservation experts to provide direct support to farmers across the country.

### 2.6.1. One percent for Special Technical Assistance

**Congress should create a special technical assistance initiative that sets aside one percent of total farm bill conservation program mandatory funding each year for a major new conservation technical assistance initiative to assist producers in mitigating and adapting to climate change.** The technical assistance would be delivered by NRCS and by third parties and would prioritize assistance to underserved producers.

**Dedicate technical assistance funds to training or hiring NRCS and FSA staff capable of promoting polycultural perennial practices and their high climate and broader environmental value.** District conservationists should be trained to train others in their offices on the value of the practices as well as how to conduct outreach and program support to farmers on these high-value practices.

**Allow technical assistance funds to support innovative farmers training other farmers.** Recognizing that innovative farmers understand the challenges of implementing conservation practices better than anyone else, a portion of the Special Technical Assistance funding should be available to directly compensate farmer leaders that provide assistance to other farmers adopting conservation practices.

### 2.6.2. Soil Health Testing

**Make soil health testing cost-share a standard part of CSP, EQIP, and RCPP contracts that involve soil health practices.**

Soil health testing is increasingly the basis of solid conservation decision making on farms. Testing methodologies are improving and farmers need support in accessing the latest tools for assessing soil health. NRCS should provide this support and ensure results are delivered to the farmer and to USDA so USDA can assess the results of practices and suites of practices in different soils, regions and cropping systems.

**Support farmers in interpreting soil health test results.**

Raw soil health test results can be difficult to digest and challenging to use effectively for on farm conservation. Congress should direct NRCS to develop and share guidance on soil testing data and interpretation for producers to use generally, and ensure that this guidance is given to all farmers accessing soil health tests through CSP, EQIP, and RCPP.

### 2.6.3. Technical Service Providers (TSPs)

**Congress should direct NRCS to streamline the certification process for the NRCS Technical Service Provider (TSP) program.**

To address the need for increased technical support in implementing well funded working lands conservation programs, Congress should require NRCS to improve service providers' ability to get certified, thereby increasing the number of technicians available to work with producers seeking support from EQIP and CSP.

### 2.6.4. PFAS

**Expand the Conservation Technical Assistance Program to provide support through NRCS or other contracted service providers to PFAS-impacted farmers to change their farm management practices due to varying levels of PFAS contamination.**

For over 30 years, municipal sewage sludge waste has been applied to cropland in every state. Called "biosolids" and exempted from most regulation, these wastes, which often include industrial discharges, have been disposed of cheaply by being passed off as fertilizer. Unfortunately, while rich in nutrients, sludge and compost made from sludge is laden with PFAS, a class of man-made chemicals that is ubiquitous in consumer products and food packaging and associated with several cancers and serious health conditions. PFAS are also in pesticides and leach from containers storing agricultural inputs.

PFAS are known as "forever chemicals" because they last for generations in soils, bioaccumulate as they move up the food chain and are virtually impossible to destroy. In fact, high levels of water and food contamination have been linked to sludge that was applied 30 years ago. PFAS from sludge spreading has contaminated drinking water, farm produce and animal feed, milk and livestock, and rendered farm products unsafe and unsaleable.

PFAS contamination in soils and agricultural products is an emerging crisis in farm country. Congress should require NRCS to build staff capacity to consult with farmers facing this new and difficult challenge that poses a direct risk to their production systems and bottom lines.

## 2.7. Adjust Cost-Share Levels for Inflation and Rising Cost of Materials

**Account for inflation and the rising cost of materials mid-contract to ensure both organic and conventional producers receive appropriate cost share.**

Recent economic stressors have highlighted the need to adjust cost share levels written into producers' contracts to account simultaneously for the growing need for conservation assistance as the climate crisis intensifies and for the decreased value of the dollar resulting from the recent sharp increase in currency inflation. Congress should require NRCS provide needed cost share adjustments to existing contracts within two month's time when the need arises.

## 2.8. Conservation Stewardship Program (CSP)

The Conservation Stewardship Program (CSP) provides comprehensive conservation assistance for farmers and ranchers who enroll their entire operations in the program to achieve higher levels of stewardship through continued improvements. CSP offers farmers the opportunity to earn payments for actively managing, maintaining, and expanding conservation activities like cover crops, rotational grazing, buffer strips, and resource-conserving crop rotations. CSP covers more acres than any other conservation program.

In 2022, NRCS restored farmers' ability to apply for immediate re-entry into the program on the expiration of a contract, rather than waiting for two years to re-apply. The next farm bill presents an opportunity to build upon the changes that NRCS made, including strengthened coordination between CSP and the management component of the Environmental Quality Incentives Program (EQIP).

CSP is not only USDA's largest working lands conservation program, its comprehensive approach to conservation assistance also makes it unique. Producers enroll their entire operation as part of a CSP contract, and are rewarded not only for implementing new and more advanced conservation activities, but also for actively managing and maintaining existing stewardship practices. The program provides much more than the more typical "one and done" a la carte approach to conservation, recognizing the need for a more ongoing, comprehensive approach to conservation assistance. Conservation activities available for support through CSP are designed to increase the long-term sustainability of agricultural operations, while also enhancing soil health and protecting natural resources.

CSP recognizes what all farmers know well: that comprehensive conservation requires long-term investment. In order to sustain conservation support over time, CSP offers producers five year contracts, as well as a renewal opportunity at the end of each contract period, provided they have fulfilled the terms of the previous contract and commit to continual improvement. CSP contract holders receive annual payments that reflect their success in actively managing ongoing, as well as newly adopted, conservation activities.

### 2.8.1. Increase CSP Funding

**Provide $4 billion per year to CSP for new contracts over the life of the next Farm Bill.**

CSP is one of the largest working lands conservation programs in the world, with roughly 68 million acres enrolled as of 2020. Since the 2018 Farm Bill, we have seen a **dramatic increase in farmer applications to CSP**, reflecting a strong interest in and building upon conservation systems on farms across the county. However, the program has been shrinking in recent years due to a lack of funding.

Lack of funds coupled with high farmer interest has led to only about a quarter of farmers who apply to the program ultimately receiving contracts. This is a problem of national significance, as it means we are leaving willing farmers out in the cold and conservation benefits on the table. This is unacceptable given the many environmental challenges facing the agriculture sector, such as protecting water quality, regenerating our depleted soils, and building resilience on farms in the face of climate change. Even with the passage of the recent Inflation Reduction Act and the additional funding it provides to conservation programs, farmer demand for CSP far outstrips money available. Congress must address this problem by providing sufficient funding to CSP in the next Farm Bill to support the thousands of producers across the country who are ready and willing to tackle conservation challenges on their farms.

### 2.8.2. Improve Access to CSP

#### 2.8.2.1. Reduce Financial Barriers

**Congress should ensure that if losses in revenue occur due to climate-friendly production, such losses are considered when determining CSP payment amounts.**

Farmers and ranchers must invest substantial resources in shifting their production systems from resource/input-intensive to holistically managed systems that fully support soil health and are resilient to future climate disruption. Such changes could result in temporary impacts on yields while soils recover from the effects of synthetic fertilizers and pesticides and as farmers fine tune the details of their changing production systems. Successful transition to a climate-friendly and soil-restoring system may require five to seven years. During that time, farmers' payments from CSP should buffer them from losses in revenue that may occur.

**Congress should direct USDA to update its rule on the minimum payment rate for CSP and raise the minimum payment rate for all eligible CSP participants on a regular basis to keep up with inflation.**

The current minimum payment rate of $1,500 is too low. Given current inflation, USDA should institute a minimum payment of $2,500. CSP payments are partially determined by multiplying payment rates by the number of acres. Therefore, small acreage farms lack the acreage to make CSP participation pay off, even if they are doing management intensive and advanced conservation on those acres. The cost of implementing most conservation activities, however, is not linear to the number of acres farmed. For the amount of time the application and contracting process takes, payments below $2,500 offer little incentive to participate, especially given the often higher per acre costs of implementation. This is particularly problematic for more labor and management-intensive crops.

In a major step forward, rulemaking prior to the 2018 Farm Bill expanded a minimum payment in CSP to all eligible participants (previously, only historically underserved producers were eligible). This expansion encourages participation by small acreage farms, which can create the opportunity for significant environmental benefits when large numbers of smaller operations enroll. At present, however, the minimum payment is not included in statute but only in the regulations. The next farm bill should establish a basic minimum contract payment of at least $2,500 per year for all first time and renewing contracts and ensure the minimum payment is reassessed on a regular basis to keep pace with inflation.

### 2.8.2.2. Contract Renewals

**Reinstate automatic renewals for qualified farmers after their first CSP contract.**

Early adopters of conservation practices that show continued commitment to improved conservation on their farms should be eligible for continued financial support. The next Farm Bill should ensure that producers have the opportunity to renew if they: 1) demonstrate compliance with the terms of the existing contract, 2) agree to maintain and continue to integrate conservation activities across the entire agricultural operation, 3) agree to integrate additional conservation activities across the operation, and 4) by the end of the additional 5-year contract, agree to meet the stewardship threshold of at least two additional priority resource concerns on the agricultural operation. This opportunity should be automatic for any who meet the preceding requirements and desire a second CSP contract.

When calculating payments for such renewal contracts, the Secretary should consider the full conservation benefits across the entire agricultural operation, including the number of priority resource concerns for which the producer is expected to meet or exceed the stewardship threshold by the end of the contract period, and the active management and maintenance of ongoing conservation activities. Ongoing maintenance of conservation activities include the conservation activities adopted during a prior contract period and the new or improved conservation activities to be adopted if a contract is renewed.

Moreover, each operation receiving funds for the new climate change adaptation and mitigation priority resource concern (see 2.8.3.1) should be required to set a net zero GHG emissions goal that must be achieved by the end of a second contract (i.e., after 10 years), or have the possibility of extension to a third contract (i.e., 15 years) if, upon review, additional time is needed to achieve net zero.

**Create a reduced payment renewal option for farmers that have met the threshold for all PRCs and cannot adopt an additional meaningful conservation activity on their farm.**

Recognizing the importance of rewarding early adopters of conservation practices and maintaining mature conservation systems on the landscape over the long term, Congress should create a contract renewal option for farmers who have successfully addressed all Priority Resource Concerns on their farm. On-farm conservation provides the greatest environmental benefit to society, and bottom line benefit to farmers, when it is maintained over the long term. Congress should recognize the high level of stewardship that mature on-farm conservation systems create by providing an opportunity to renew a CSP contract for innovators and early adopters that have managed to meet or exceed the stewardship threshold for all Priority Resource Concerns on their farms and cannot add an additional conservation activity. These operators have worked long and hard, often over decades, to maximize their positive impact on water quality, wildlife, and soil health. Having built a new and improved business as usual, their farms stand poised to produce environmental benefits for as long as they operate.

Further, CSP segments payments to farmers by existing activities per land use and additional conservation activities adopted over the life of a farmer's contract. This means the program is already administratively built to offer a standalone payment for maintaining conservation to our nation's most ambitious conservation farmers on those acres where all PRCs have been met or exceeded. Congress should authorize this and ensure continued support for them over the long term.

#### 2.8.2.3. Enhance the Pathway from EQIP to CSP

**Codify a pathway from EQIP to CSP.**

Maximizing the environmental benefit of conservation practices takes years of effort and adjustments. Producers need time and continued support as they find those systems that work best on their farm, both for their bottom line and for addressing resource concerns. Both goals are most effectively met when farmers are able to layer conservation practices and enhancements, adding complexity and sophistication to their conservation systems over time. This is particularly true of in-field management practices like cover crops, resource conserving crop rotations, nutrient management, improved tillage, and livestock re-integration.

The next Farm Bill should recognize the long-term challenge farmers face in beginning to experiment with these practices and committing to continued improvement by providing a clear pathway from EQIP and EQIP-CIC into the CSP program. Farmers who successfully use EQIP and EQIP CIC to adopt in-field management practices and address enough Priority Resource Concerns to qualify for CSP should be given priority in their application. This creates a clear option for 10+ years of support for new conservation farmers willing to stay the course and achieve high levels of stewardship.

**CSP practices should receive 75 percent cost share, just as in EQIP.**

CSP currently pays for practices at a rate of just 10 percent of estimated costs, as compared to a rate of 75 percent for EQIP. To provide continuity of support between the programs and further encourage farmers to travel a pathway between EQIP and CSP, Congress should correct the longstanding discrepancy between cost share rates offered for conservation practices funded through EQIP and those same practices funded through CSP. Farmers implementing identical practices within each program should receive a 75 percent cost share.

### 2.8.3. Enhancing CSP's Environmental Benefits

#### 2.8.3.1. Priority Resource Concerns

**Congress should direct NRCS to require all states to adopt a soil health priority resource concern (PRC) along with a minimum of four to five other resource concerns..**

Focusing on soil health creates the unique opportunity of addressing a litany of conservation challenges simultaneously. Water quality, climate mitigation, adapting to extreme weather, reducing inputs, regenerating lost topsoil, and other conservation concerns can all be addressed by focusing on soil health.

A key consideration for conservation programs in the next Farm Bill will be how adequately they address climate change, including both greenhouse gas mitigation and improvement of farm resilience so that farms will effectively cope with increasing weather challenges. CSP is well-placed to address agricultural climate concerns because it is already firmly focused on improvement of farm agroecology.

Its enhancements focus heavily on soil health, among other resource concerns. A focus on soil health fundamentally means a focus on improving and maintaining the richness of soil biology and soil organic matter, which is agriculture's key means of sequestering carbon. In addition, by improving soil health, increasing planting of perennial crops, increasing constant vegetative cover, and related approaches within the program, CSP increases on-farm resilience by improving water infiltration and retention and increasing crop diversity to reduce the impacts of weather events. By encouraging the planting of soil enriching crops and use of organic inputs, it also reduces farm dependence on synthetic inputs that may be increasingly difficult to access in a climate-challenged world. So, a focus on soil health is a holistic focus on addressing climate change on the farm.

Additionally, soil health is uniquely suited as a focus of the CSP program since the most dramatic and beneficial benefits of soil health are realized at the end of a five year time span at minimum, with 10 years of effort often being required. Congress should recognize both the incredible value of building soil health and the unique power of CSP's five year contracts as a tool for improving soil health by establishing a national soil health PRC inside CSP.

**Congress should add climate adaptation and mitigation as a Priority Resource Concern that may be addressed by the program.**

Such a PRC is needed to ensure those farmers committed to addressing climate change on their farm are competitive applicants in the CSP program. CSP contracts addressing this new Priority Resource Concern should be expected to set a net zero GHG emissions target, which they may take up to 10 years (or two contract cycles) to meet, with the opportunity to extend the final contract for an additional five years if needed to reach net zero. As defined in the Inflation Reduction Act (IRA), mitigating activities should be agricultural conservation practices or enhancements that the Secretary determines directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions, associated with agricultural production.

**Congress should add Tribes to the list of entities defining Priority Resource Concerns.**

NSAC supports the Native Farm Bill Coalition's recommendation, as follows:

"Priority Resource Concerns" are currently defined by the Farm Bill as "a natural resource concern or problem, as determined by the Secretary, that— "(A) is identified at the national, State, or local level as a priority for a particular area of a State; and "(B) represents a significant concern in a State or region."

By amending this definition to include Tribes, Indian Country's natural resource needs would no longer be wholly left out of this determination. This would facilitate more Tribally driven concerns to be addressed through NRCS funding, such as environmental disaster mitigation and Climate Smart investments for conservation improvements to infrastructure. Priority resource concerns like irrigation modernization and water access opportunities for agricultural production could also receive priority funding and consideration via this change in the law. This is particularly timely for many Tribes in the West, who are experiencing significant evaporation loss from open channel irrigation.

-From the Native Farm Bill Coalition's **Gaining Ground** report, page 33.

### 2.8.3.2. Strengthen CSP's Climate Focus

**The 2023 Farm Bill should add soil health enhancement, GHG emission reduction, and resilience to the impacts of climate disruption to the criteria for ranking proposals for entry into CSP.** As laid out in the Inflation Reduction Act, GHG emissions reductions criteria should specify the greenhouse gas(es) most relevant to a given approach.

Given the urgency of the climate crisis, and the current government's **commitment to addressing it** head-on, Farm Bill programs should be detailed and clear in how their approaches will reduce GHG emissions. However, given the multiple crises within agriculture, including soil loss, water pollution, and reduced agricultural diversity, holistic approaches to reduce emissions should be prioritized. Such holistic approaches will not only improve the environmental quality of the solutions, but provide farmers with pathways toward more resilient farming systems in the face of weather and economic challenges.

**Congress should require that USDA adopt climate-focused bundles under CSP, and those bundles should be paid at a rate of 150 percent of other CSP bundles in order to encourage adoption.**

Climate-focused, holistic bundles offer opportunities to implement the highest-quality approaches in terms of GHG mitigation–including agroforestry systems, perennial cropping systems, and advanced grazing management. Further, the current payment rates within CSP reward enhancements and bundles at low rates that discourage adoption. For example, the payment rate for a soil health bundle that includes a cover crop enhancement plus two or three other enhancements is less than the EQIP payment rate for adopting the basic practice of cover cropping (CPS 340). Climate bundles should instead be awarded at a higher rate than other practices and enhancements to reflect their high ecological value to agriculture.

In addition to the recommendations above, improving the climate and environmental focus of CSP should include a specified, national priority resource concern focused on climate mitigation and adaptation, heightened support for polycultural perennial systems and advanced grazing management, climate-focused technical assistance, and improved support for organic production within CSP, as laid out below.

**In the next Farm Bill, Congress should highlight the highest value climate-friendly practices by requiring NRCS to create materials that inform CSP applicants of the practices most likely to receive consideration for contracts under the provisions of the Inflation Reduction Act (IRA).**

The IRA calls for payments under the program for practices that directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions associated with agricultural production. NRCS should inform producers about the practices they will support with that funding so that producers can make educated decisions about whether and how to apply for support from CSP. Practices listed below under polycultural perennialization and advanced grazing management should be among those.

### 2.8.3.3. Polycultural Perennialization

**Congress should create new supplemental payments for perennial production systems in line with current payments for resource-conserving crop rotations, management-intensive rotational grazing, and advanced grazing management.**

Practices supported with extra payments should include the use of:

- Cropland for agroforestry, including alley cropping, silvopasture, and related production practices, as determined by the Secretary;
- Woodland for agroforestry, including forest farming, multi-story cropping, and related production practices, as determined by the Secretary; and
- Cropland for perennial forages or perennial grain crops.

**The payment term for woody perennial-based practices shall be longer than for other permitted CSP practices. Allow CSP contracts supporting the development of polycultural perennial systems to range between 10-15 years.**

The length of time for payments for the establishment of the above practices that are tree-based should be based upon the number of years until the system reaches profitability.

**Systems receiving supplemental payments should pass high ecological thresholds:**

- The soil in the system should have perennial living cover, without bare ground;
- Polyculture should be a focus of any of the above systems, with multi-species mixes that include trees and may include (perennial) brambles, shrubs, grains, legumes, vegetables, other herbaceous plants, cover crops, and/or livestock, all as regionally appropriate.
- Such systems should include a goal of better hosting wildlife, from songbirds to game animals, as regionally and locally possible.

**High-level, polycultural, climate-friendly practices should receive 85% cost share to incentivize their use. In addition, the Secretary should prioritize these practices and associated enhancements over others in CSP because of their strong environmental/climate benefits.**

High-level climate-friendly practices like polycultural perennial systems are commensurate with or exceeding many current CSP Enhancements in environment, soil, and GHG mitigation benefits; they entail considerable financial input and farmer skill; and they have tremendous carbon sequestration and resilience potential. These include: CPS 311 Alley Cropping, 379 Forest Farming, 380 Windbreak/Shelterbelt, 381 Silvopasture, 391 Riparian Forest Buffer, 420 Wildlife Habitat Planting, 422 Hedgerow Planting, and 612 Tree/Shrub Establishment, and possibly 512 Pasture and Hay Planting, 550 Range Planting, and 666 Forest Stand Improvement. These practices should be prioritized in CSP with higher payment rates, taking climate benefit as well as cost into account.

#### 2.8.3.4. Advanced Grazing Management

**Congress should maintain increased cost share for Advanced Grazing Management in CSP and require NRCS to develop improved advanced grazing bundles.**

**Advanced grazing management is among the climate-friendly perennial practices** that offer the highest potential for reducing GHG emissions and sequestering carbon in soil and plant matter. The details of how practices and enhancements are carried out varies by region, but often includes a number of existing conservation practice standards, enhancements, and bundles that emphasize management intensive rotational grazing (MIRG), enhanced diversity of forage plantings, infrastructure like fences needed to implement MIRG, and grazing that improves habitat quality for a variety of species that co-occur with well-managed pasture.

#### 2.8.3.5. Support for Organic Production

**Congress should ensure that the CSP fully supports the conservation efforts of USDA certified organic and transitioning-organic farmers and ranchers**

Organic production offers numerous climate benefits, both for GHG mitigation and for farm resilience. The CSP should offer NOP-compliant implementation of conservation activities (practices and enhancements) to the greatest extent possible, should develop and offer a set of Organic CSP Bundles with sufficient flexibility to respond to regional and site-specific needs, and should ensure payment schedules at least commensurate with those for conservation activities designed for conventional farming systems.

#### 2.8.3.6. Research in CSP

**Create a new CSP On-Farm Conservation Stewardship Innovation Grant Program**

Using funds mandated for CSP, Congress should create a new CSP On-Farm Conservation Stewardship Innovation Grant program, patterned after the EQIP CIG On-Farm Trials program, for on-farm R&D and pilot testing of innovative conservation systems and enhancements. The program should be carried out on eligible land of CSP program participants and work either directly with producers participating in the program or through partnerships between agricultural professionals and small groups of program participants. Such research should specifically support on-farm trials and demonstrations of the most climate friendly systems and practices that contribute to reduced GHG emission, increased carbon sequestration, and/or increased farm climate resilience.

### 2.8.4. Public-Private Partnerships

**Establish a new authority for contribution agreements with individuals and public and private entities that would fulfill the program's purposes and support conservation activities that sequester carbon, reduce GHG emissions, and achieve other environmental benefits, subject to terms and conditions established by the Secretary.**

Such a program should include support maintenance of previously-adopted practices with high on-farm climate benefits, such as polycultural perennial practices. Such an approach reduces the burden of government support for previously adopted practices while ensuring that highly climate-friendly practices remain on the ground in the longer-term, thus better fulfilling their climate benefit potential.

The 2023 Farm Bill should ensure that the Secretary maintains the ability to direct private CSP contributions to the geographies and applications that have been identified by NRCS as high priority or of high environmental value.

## 2.9. Environmental Quality Incentives Program (EQIP)

The Environmental Quality Incentives Program (EQIP) is a voluntary conservation program that provides farmers and ranchers with financial cost share assistance and technical assistance to implement conservation practices on working agricultural land. Conservation practices that are eligible for EQIP include structural, vegetative, and management practices (e.g., improving irrigation efficiency, restoring pasture, cover cropping, or nutrient and pest management). Payments for conservation improvements and activities include income forgone, as well as costs that are associated with planning, design, materials, equipment, installation, labor, management, maintenance, and training.

### 2.9.1. Increase Funding

**Provide $2 billion per year to EQIP for new contracts over the life of the next Farm Bill.**

EQIP is one of the largest working lands conservation programs and represents one of the best sources of support for producers looking to try out new conservation practices on their farm. Since the 2018 Farm Bill, we have seen high farmer interest has led to only about a quarter of farmers who apply to the program ultimately awarded contracts. This is a problem of national significance as it means we are leaving willing farmers out in the cold and conservation benefits on the table. This is unacceptable given the myriad of environmental challenges we face in the ag sector, such as protecting water quality, regenerating our depleted soils, and building resilience on farms in the face of massive climate change. Even with the passage of the recent Inflation Reduction Act and the additional funding it provides to conservation programs, farmer demand for EQIP far outstrips money available. Congress must address this by providing sufficient funding to EQIP in the next Farm Bill to support the thousands of producers across the country who are ready and willing to tackle conservation challenges on their farms.

### 2.9.2. Reduce Financial Barriers and Improve Access

In addition to the recommendations for improving access that are included in the introduction to the Conservation Title, the following is recommended to improve farmer and ranchers access to EQIP.

**Provide 100 percent up-front cost share support for qualified farmers.**
In the case of limited-resource, socially disadvantaged farmers or ranchers, veteran farmers or ranchers , or beginning farmers or ranchers, allow the Secretary to provide up to 100 percent of funding available to support material, planning, and contracting costs up-front to remove the need for producers to cover those costs out of pocket. The Farm Bill should also maintain the current windows and rules for returning unspent funds, and should establish a minimum payment amount in EQIP to support small, diversified producers.

### 2.9.3. Enhance EQIP's climate and environmental benefits

#### 2.9.3.1. Improve cost-share rates for ecological management

## Title II: Conservation

**Increase cost-share rates for practices of high ecological benefit, as distinct from those that support the construction of infrastructure.**

In order to provide a clear linkage between cost share support (EQIP) and comprehensive conservation (CSP), the 2023 Farm Bill should split EQIP into management and infrastructural cost share components, with each conservation practice standard placed in one category or the other. Currently, nearly 200 different conservation practices are available through EQIP. However, this long list of practices lacks clear organization that distinguishes between the many options. This list of conservation practices also lacks an identified pathway to help direct participants on how the practices can help them move to the next level of stewardship.

In order to organize the available conservation practices and help farmers advance from EQIP to CSP, the ecological management component of EQIP should include all practices that require active management of the land (e.g., tillage, cropping systems), as well as vegetative practices (e.g, biodiverse perennial plantings, fences for management intensive grazing). Vegetative planting practices (such as riparian buffers and other conservation and plantings) provide multiple stewardship benefits, including agricultural resilience and carbon sequestration and improved water quality, soil health, and wildlife habitat. Payments for infrastructural practices should be supported through one-time cost-share payments available through the infrastructure component of EQIP.

**Provide upfront cost-share to practices with high ecological benefit.**

To further recognize the importance of getting the most beneficial practices on the ground quickly, Congress should make upfront cost-share available for their implementation, regardless of the producer applying for them. Practices that fall into the categories discussed above should be eligible.

**Set cost-share rates for infrastructural practices at up to 50 percent for general participants and up to 75 percent for historically underserved participants.**

Infrastructural practices do not require a shift in ecological management practices, and are often more expensive with lower ecological benefits. Setting a lower cost share rate for structural practices will protect against EQIP being disproportionately used by large construction projects. A lower rate would also ensure that while funds are still made available for infrastructural practices, funding would be emphasized for ecological management practices that provide critical environmental benefits and higher stewardship.

**Maintain existing cost share support for High Tunnels.**

High Tunnels are an essential tool for prosperous local and regional food systems, which bring with them increased crop diversity, opportunities for livestock reintegration, and a focus on regionally appropriate species. Existing cost share support through NRCS' High Tunnel Initiative should be maintained through the next Farm Bill.

**Set cost share rates for ecological management practices that entail a one-time installation investment (e.g., riparian buffer, field border, hedgerow, and many other perennial planting practices) at a one-time cost-share level of 75 percent** in recognition of their contribution to high level environmental and agricultural resilience benefits. Congress should also direct NRCS to consider offering cost-share for ongoing maintenance (weed, nutrient, and moisture management) that may be required for a few years to ensure successful establishment of the perennial planting.

**Set cost-share rates for ecological management practices that require annual implementation (e.g. conservation crop rotation and cover cropping in annual cropping systems, nutrient management, pest management, no-till and reduced till, prescribed grazing, etc.) at 75 percent for each year of the EQIP contract** in recognition of their significant contributions to soil conservation, soil health, climate mitigation and agricultural resilience. Selected infrastructure practices that directly support ecological management (e.g. fencing and watering facilities for grazing systems) should receive 75 percent one-time cost share for installation).

For all ecological management practices, the cost-share rate of 90 percent and forgone income payment rate of 125 percent for limited resource, socially disadvantaged farmer or rancher, a veteran farmer or rancher, or a beginning farmer or rancher should also be retained.

**Create a pathway from EQIP and EQIP CIC into CSP, beginning with education of the opportunity to move between programs and a discussion on how to use EQIP to become eligible for CSP.** As discussed in the CSP section above, building in-field systems of conservation management takes time and tinkering. Farmers who pursue high levels of stewardship by doing that tinkering year over year deserve government support throughout. NRCS agents should set farmers up for long-term use of ecological management practices by helping them use EQIP and EQIP CIC to address resource concerns and become eligible for the CSP program.

### 2.9.3.2. Enhance EQIP's overall climate focus

**Permanently add GHG emissions reduction, carbon sequestration, and climate resilience to EQIP's statutory purpose.**

Greenhouse gas (GHG) mitigation, carbon sequestration, and the development of climate adaptation and resilience in agriculture require a multi-pronged approach. Throughout EQIP, along with other working lands conservation, climate-friendly approaches must be clearly prioritized in funding. NSAC's recommended approaches emphasize holistic management whenever possible, including the previously discussed emphasis on ecological management in cost share rates.

To implement a climate focus in EQIP, Congress should require NRCS to further assess its list of Conservation Practice Standards and determine those with higher combined contributions to

GHG mitigation, carbon sequestration, and the improvement of on-farm resilience and adaptation. Higher payment rates should be available for practices with the highest potential for combined GHG emissions reduction, carbon sequestration, and the improvement of resilience and adaptive capacity. The program should include provisions for climate mitigation and adaptation payments through the Conservation Incentives Contracts (CIC). **Further, producers wishing to cut their EQIP-CIC contracts short in order to graduate to a Conservation Stewardship Program (CSP) grant should be permitted to do so upon the granting of a CSP contract.**

GHG emission reduction should be added to the purposes for CIG Air Quality grants. Funding for CIG Air Quality should be increased from $37.5 million per year to $50 million per year starting in FY 2024. To further bolster understanding of on-farm climate solutions, Congress should increase CIG On-Farm Conservation Innovation Trials funding, including the on-farm Soil Health Demonstration Trials, from $25 million to $50 million per year (FY 2022-23) to $100 million (FY 2024 and beyond).

The Inflation Reduction Act included targeted EQIP funding for climate mitigation. However, mitigation alone insufficiently directs EQIP's focus to those practices that will ensure that farms and ranches are well-prepared for the continuing impacts of severe weather and long-term change as a result of rising global temperatures. Therefore, the Farm Bill should also include targeted EQIP funds for resilience and adaptation that will result in an increased focus on the ways in which soil health can build farm resilience and profitability; and how crop-livestock integration, increased biodiversity of crop and cover crop choices, and reduced fertilizer use can improve farm profits while they also address GHG mitigation goals.

In addition to the above, Congress should consider the following areas as part of a climate strategy within EQIP.

#### 2.9.3.2.1. Target Livestock Funding Toward Climate Resilient Production Systems

When Congress created EQIP in the 1996 Farm Bill, it carved out 60 percent of total program funding to go toward livestock operations. Alongside that carve out, it also included a prohibition on EQIP dollars going to large CAFOs. The 2002 Farm Bill continued the carve out, but it also removed the restrictions on providing assistance to large CAFOs to construct animal waste management facilities. The current set-aside for standard EQIP practices stands at 50 percent, although EQIP funding through the Inflation Reduction Act (IRA) does not include this set-aside.

While there are many livestock operations that currently utilize EQIP funding for critical conservation practices, an unfortunately large percentage of funding from the program is used to help CAFOs pay for structural practices such as waste lagoons, animal mortality facilities, and waste treatment facilities. In some states, in order to ensure that the livestock funding target is met, there are CAFO-only ranking pools. These dedicated pools make the program less competitive for CAFOs.

The next farm bill should ensure that EQIP funding enhances cost efficiency and is allocated in a way that advances resource-conserving, rather than resource-depleting, systems. NRCS must be clearly directed to avoid skewing funding toward CAFOs, which are inherently problematic for climate, water quality, air quality, animal welfare, and human health. The farm bill should further direct USDA to ensure that, if states opt to operate a CAFO-only ranking pool, they must also establish a ranking pool for grazing practices and operations.

In addition, as laid out in the Infrastructure Practices and Cost Share Rates, above, the four CAFO practices that receive the most substantial share of livestock-focused infrastructure funding must receive reduced cost-share rates to reflect their environmental and public health harm and the need for polluting CAFOs to contribute more to remediation of their own pollution.

In FY 2020, 11 percent ($134 million) of EQIP funds were allocated toward CAFO operations. Top supported practices included: waste storage facilities ($52,284,253); waste facility covers ($50,302,069); animal mortality facilities ($11,937,300); and manure transfer ($7,085,847). All of this spending, with the slight exception of manure transfer, represents a substantial increase over spending of even just four years before–exactly the wrong direction for EQIP to move if it is to create substantial improvements in environmental quality.

CAFOs have **extreme, negative impacts** on water quality, air quality, and human health, with especially severe impacts on communities of color near which CAFOs often locate. As an environmental program, EQIP should not be underwriting these operations–particularly in regions where they significantly contribute to water and air quality impairments. When such a significant portion of EQIP funding goes toward the support of CAFO practices, less support is available for small and mid-sized farms that are trying to implement sustainable management practices on their lands.

The next farm bill should prioritize applications for livestock practices that enhance current sustainability efforts and help transition producers toward sustainable livestock management systems, especially advanced grazing management; priority support should not be provided for the expansion of CAFOs. Specifically, the next farm bill should reinstate the 1996 Farm Bill provision that prohibited EQIP funding from going to new or expanding large CAFOs.

**Create a new livestock set aside that exclusively funds advanced grazing management practices and those structural practices that facilitate a transition to sustainable grazing systems.**

As it stands, the IRA has reauthorized the majority of the Conservation Title of the 2018 Farm Bill without extending the current livestock setaside in EQIP. The livestock setaside expires in FY23 and would have to be reauthorized in the next Farm Bill to continue to apply. Recreating the set aside to fund only the most beneficial livestock practices will reduce the climate, broader ecological, and **human health harms** of livestock production and increase the potential for climate **mitigation and resilience in beef production.** Paired with increased funding for grazing technical assistance through the Grazing Lands Conservation Initiative (GLCI; for more detail, see the GLCI section of the Title II platform), this increased funding could help many farmers transition to a model of livestock production that is more resilient to impacts of severe weather and better for both water quality and GHG mitigation.

**Require a comprehensive nutrient management plan (CNMP) to be in place before a concentrated animal feeding operation (CAFO) can receive any cost share funding.**

In cases wherein NRCS does provide EQIP funding to existing CAFOs for repair, or smaller scale waste storage facilities, the next farm bill should ensure that these operations have a comprehensive CNMP in place prior to the CAFO receiving cost share assistance. CNMPs are mandatory for regulated animal feeding operations (AFOs), therefore the agency should not be providing funding to construct waste storage and treatment facilities before the operator has a CNMP in place. The next farm bill should ensure that the CNMP is fully developed as a prerequisite to receiving any EQIP funds for animal waste storage or treatment facilities.

2.9.3.2.2. Support Organic Production

**Transition activities should be better coordinated with both CSP and EQIP**

Organic production constitutes a climate-friendly production system. Certified and transitioning to organic farmers and ranchers have unique conservation needs and opportunities for high level stewardship, and working lands conservation programs can and should provide assistance that is tailored to their production systems. Transitioning to organic production can provide numerous environmental benefits–improved soil quality and soil biological health through reduced erosion, increased organic matter, water quality by managing nutrients, pests, weeds, and diseases through biological, mechanical, and cultural practices.

**Congress should designate an organic allocation within both EQIP and CSP.**

The allocation should be determined by organic data and participation rates, and would provide much needed support for the transition process and/or organic specific conservation. The EQIP Organic Initiative was established in the 2008 Farm Bill to assist organic and transitioning farmers in addressing resource concerns and the implementation of conservation practices. Despite continued growth of the organic sector and increasing demand for organic production, total enrollment in the Organic Initiative has continued to decline since 2009. Several factors have contributed to the underutilization of conservation support for organic and transitioning producers, including the significantly lower payment limit within the initiative, the elimination of state allocations of designated organic funds, and a lack of clarity with regard to the connection between transition support, an Organic System Plan, and the Conservation Planning Activity (CPA), the Design and Implementation Activity (DIA) and the Conservation Evaluation and Monitoring Activity (CEMA)).

**Congress should eliminate the discriminatory separate, lower organic payment limit of $140,000 for organic production. Instead, the payment limit for organic production, as for all producers, should be $200,000 per five-year period.** Both EQIP and CSP should continue to offer Organic Initiatives with separate ranking and funding pools for organic producers, and should make payment limits the same as for the general EQIP and CSP programs. State-by-state allocation of funding for the organic ranking pools should be based on numbers and acreages of certified and transitioning organic farmers in each state with growth goals for the sector.

**Further, Congress should direct NRCS to report within one year and every three years thereafter on the existing research on the contributions of organic production to greenhouse gas (GHG) mitigation, carbon sequestration, and climate resilience.**

2.9.3.2.3. Leverage EQIP for Soil Health

In addition to the above approaches to climate mitigation and adaptation, Congress should focus on better leveraging EQIP for soil health. Soil health, including well-developed soil structure and a diverse and robust soil ecosystem, represents a key solution for reducing GHG emissions and increasing soil carbon sequestration, and for resilience in the face of continued and increasing climate challenges. The following recommendations can improve the focus on soil health in EQIP.

**Shift cover crop contracts from 3-year to 5-year contracts.** When shifting to systems that reduce reliance on synthetic fertilizers and pesticides, soils take time to recover a diverse and robust soil ecology, and farmers need time to refine the alternatives to their previous high-input systems. Research suggests that 5-7 years is often required for this transition before farmers recover prior levels of profitability. Studies have also shown that the carbon sequestration, soil health, and yield stability benefits of cover crops develop gradually over a period of five years or longer. Longer-term cover crop contracts help farmers through this gap period.

**Make cost-share for soil health testing a standard part of every EQIP contract that involves a soil health practice/system, with results shared with both farmer and NRCS.** Research demonstrates that farmers who better understand their soil health do a better job of maintaining and rebuilding their soils. **Soil testing** at the necessary scale can be expensive and difficult to fit into farm budgets, so support via EQIP can be vital to increasing farmer knowledge of their system while converting to improved practices.

**Provide fencing and water (where needed) to facilitate grazing of cover crops and dual crops/ forages to help restore soil health.** When carefully managed, the integration of livestock into cropping systems is an important method of recovering soil health while enhancing per-acre net returns. Increased fencing and watering systems allow farmers to graze using the best practices for their region, with livestock moved from site to site to distribute manure, reduce long-term compaction of soil, and allow cover crops to regrow and contribute more organic matter to the soil.

**Pilot a streamlined continuous signup EQIP cover crop contract for farmers who have already adopted conservation tillage.** Research shows that cover cropping + reduced tillage provide greater soil health and carbon sequestration benefits than either practice alone. The continuous signup provides cost-share for cover crops as well as soil health testing at a rate of 75% of the cost. In addition, the program should include an acreage limit per operation of 120 acres to provide an easy way for farmers to try out cover crops and get results while distributing the funds equitably across many farms.

2.9.3.2.4. Further Climate Adaptation and Resilience Measures

In addition to the above practices that have substantial potential to transform agriculture toward more climate-friendly practices in terms of both mitigation and adaptation, some additional adaptation measures are necessary in the face of increasing climate challenges particularly with regard to irrigation infrastructure, drought mitigation, and flood mitigation.

**Ensure that EQIP funding for irrigation infrastructure addresses in-stream flows and consumptive use.**

The largest percentage of EQIP funding goes to structural irrigation practices, such as pipelines, sprinkler systems, canal construction, and land leveling. In 2020, NRCS obligated $166 million towards irrigation funding – 14 percent of all EQIP funding for the year.

Fortunately, the EQIP rules require irrigation history for anyone receiving irrigation support through EQIP. This is necessary to ensure that irrigation support is not provided in cases where land has not been previously irrigated. Even with this requirement, however, EQIP irrigation practices are sometimes used to expand irrigated crop production. This usage runs counter to EQIP's natural resource objective of net water savings and conservation.

To ensure cost share rates are reflective of net water conservation goals, the lower cost-share rate should be applied–up to 50 percent for general, 75 percent for historically underserved farmers and ranchers–to structural irrigation practices.

While irrigation is crucial to many farming systems, there are certain practices that overuse water and ultimately reduce in-stream flows. We have serious concerns about the significant portion of EQIP funds that allow water savings to be used to expand irrigated crop production. The next farm bill should ensure that EQIP funding does not incentivize the overconsumption of water resources.

**To further reduce drought challenges, particularly in the West, provide a higher 85 percent cost-share rate for high-level, climate-friendly conservation practices standards (CPS) that are also drought-resilient.**

For example, NRCS should develop regionally appropriate lists of species/cultivars that do not require irrigation and that will thrive in low water conditions. Potential CPS to which this could apply include: alley cropping (CPS 311), conservation crop rotation (CPS 328), cover crops (CPS 340), forest farming (CPS 379), pasture and hay planting (CPS 512), range planting (CPS 550), silvopasture (CPS 381), stripcropping (CPS 585), tree/shrub establishment (CPS 612), wildlife habitat planting (CPS 420), as well as buffering practices like contour buffer strips (CPS 332), critical area planting (CPS 342), cross wind trap strips (CPS589c), field border (CPS386), filter strip (CPS 393), hedgerow planting (CPS 422), and windbreak/shelterbelt (CPS 380).

**Establish a priority for producer applications using EQIP to adopt native water-conserving crops, water-conserving crop rotations, and deficit irrigation in the Water Conservation portion of the program.** In addition, a similar, higher cost-share rate should be offered for CPS that check rainfall runoff and permit it to soak into the ground. That should apply to regionally appropriate use of terraces (CPS 600), contour buffer strips (CPS 332), contour orchard and other perennial crops (CPS 331), and any other CPS that the Secretary determines offer additional support to reducing runoff and increasing rainfall absorption on-farm.

**Provide a higher cost-share of 85 percent for practices that effectively manage higher rainfall events that are becoming increasingly common across the country.** The higher cost-share rate should again apply to regionally appropriate use of terraces (CPS 600), contour buffer strips (CPS 332), contour orchard and other perennial crops (CPS 331), and any other CPS that the Secretary determines offer additional support to reducing runoff and increasing rainfall absorption on-farm.

Further, for flooding, increased tree and similar perennial plantings will contribute to substantial improvements in water management. So, additional practices like the following, based on regionally appropriate lists of species/cultivars that are resilient in flood situations should also be awarded the higher cost-share rate of 85 percent: silvopasture (CPS 381), tree/shrub establishment (CPS 612), hedgerow planting (CPS 422), forest farming (CPS 379), and any other CPS that the Secretary determines offer additional support to reducing runoff and increasing rainfall absorption on-farm.

#### 2.9.3.3. Antibiotics

**Add the reduction of non-therapeutic uses of antibiotics to EQIP's purposes to protect both the environment and human health.**

There is **strong evidence** that the use of antibiotics for non-therapeutic uses is contributing to increases in antibiotic resistance in humans, and consequent threats to the effective treatment of current and emerging human disease. Antibiotic residues in manure and urine can adversely affect soil life and soil health as well. The next farm bill should recognize and support EQIP conservation practices' role in addressing the impact of antibiotics used on livestock on natural resources. EQIP supports both livestock management practices, such as rotational grazing, as well as practices that promote improved animal health. The program purposes should properly reflect both of these opportunities.

## 2.10. Conservation Reserve Program (CRP)

The Conservation Reserve Program (CRP) is the largest federal agricultural conservation program by dollars, paying landowners to retire up to 27 million acres of farmland from production for 10- 15 years at a time. CRP has several components, including: (1) a general sign-up aimed at enrolling large blocks of land, including whole fields, (2) a continuous sign-up, also known as CCRP, which targets the enrollment of acreage to establish specific high priority conservation practices, including conservation buffer strips, which do not require the setting aside of whole farms or fields to deliver important environmental benefits, (3) a working grasslands component, which was first authorized in the 2014 Farm Bill, (4) the CRP Transition Incentives Program (TIP), which provides incentives for the transfer of expiring CRP land from landowners with expiring CRP contracts to beginning, socially disadvantaged or veteran farmers and ranchers who will use sustainable grazing practices, resource-conserving cropping systems, or transition to organic production, and (5) the Conservation Reserve Enhancement Program

(CREP), which provides for agreements with state and local partners to leverage CCRP contracts with state and local funds to achieve conservation objectives in targeted areas.

As of May 2022, 10.2 million acres were enrolled in CRP general contracts, 7.2 million acres were in non-CREP Continuous CRP contracts, 0.8 million acres were in CREP contracts, and 3.9 million acres were in CRP Grasslands Contracts. With 2022 signups completed, USDA expected the CRP Grasslands contracts to grow to over 7 million acres by October 1, a major shift in the program towards the lower rental rates CRP Grasslands contracts reflect. The change also reflects a shift away from converting vulnerable cropland to grasses or trees and towards protecting existing grasslands.

Demand for CRP is cyclical. When commodity prices are low, demand for CRP is high; and when commodity prices are high, demand for CRP plummets. Congress cut CRP payments in the 2018 Farm Bill to fund expansion of the program to 27 million acres by 2023 (from 24 million acres), and USDA cut payments even further. With lower CRP payment rates and relatively high commodity prices since 2021, USDA has struggled to maintain current enrollment let alone expand enrollment. In 2021, USDA raised CRP payments to boost interest in the program.

### 2.10.1. Acreage Cap

**Ensure new acres enrolled in CRP do not come at the expense of other working lands programs.**

CRP is the most expensive of the conservation programs on a per acre basis, averaging nearly $81 per acre in average annual rental payments. Therefore, any attempt to raise the acreage cap will have to also figure out how to reconcile a significant price tag. The next farm bill should aim to create space for new acres under the cap while improving program performance and making the overall program more cost effective.

**Increase Grasslands minimum enrollment to at least 10 million acres.**

The 2018 Farm Bill set a two million acre minimum acreage enrollment for CRP Grasslands. Enrollment has far exceeded this, hovering around 7 million in 2022. A higher minimum enrollment amount both reflects the success of and demand for CRP Grasslands program as well as the need to build on this massive success and continue to support grasslands with CRP

**Reserve at least 10 million acres each year for CCRP**

Given that funding for conservation programs is limited and demand remains high, the next farm bill should give greater attention to partial field enrollments through CCRP, which keep land in production while delivering the greatest conservation and environmental bang for the buck. The 2018 Farm Bill provides for the enrollment of at least 8.6 million acres in CCRP and CREP contracts in 2022 and 2023, and as of mid-2022, 8 million acres are enrolled in these contracts. The cap for CRP acreage enrollment will reach 27 million acres per year in 2023. Reserving at least 10 million acres of total CRP acreage for continuous enrollments would ensure that the most environmentally sensitive lands and most effective conservation practices are prioritized.

### 2.10.2. Permanent CRP Easements

**Authorize permanent CRP easements for land that has been enrolled in CRP at least twice, land that exceeds an erodibility index of greater than 15, and riparian areas that participants wish to maintain in buffers in perpetuity.**

Farm Service Agency (FSA) should be given the authority to administer permanent CRP easements for the most marginal land that is not suitable for farming and for land that could and should be permanently enrolled in critical conservation buffer practices. CRP lands with an erosion rate in excess of 15 tons per acre per year are likely not suitable for cropping and should be kept in continuous cover to protect water quality and other resources. Relative to repeatedly enrolling the same acres in 10-15 year contracts, permanent CRP/CCRP easements would save money in the long-term by ensuring that taxpayers are not repeatedly paying for the same contract. Funding repeat contract payments for the same land makes it far more expensive than putting an easement on the land. In the case of an easement, the farmer still receives a payment for the difference between the value of the land with and without the easement. Easements also ensure that taxpayer-supported conservation benefits are retained in perpetuity. This is especially critical for long-term carbon sequestration. One approach Congress might consider would be removing such permanently protected land from the acreage cap, thus freeing up space under the cap for new enrollments.

### 2.10.3. Payment Reform

**Extend incentive payments to all continuous practices.**

Incentivizing continuous practices can ensure that the most sustainable practices are being encouraged and utilized by farmers. These practices can help make the program more effective in terms of land conservation. For example, the program does not provide incentive payments for contour grass strips that are proven methods to reduce soil erosion and, in certain cases, reduce the impact of runoff on land.

**Restore payments for mid-contract management.**

Cropland set aside for 10-15 years and planted to grasses, shrubs or trees requires management during the contract – typically mowing, burning, or thinning – to ensure best results and keep down invasive weeds. CRP contracts typically require such mid-contract management, and in the past USDA provided 50 percent of the cost of mid-contract management. But in 2019 USDA eliminated paying cost-share to landowners for mid-contract management activities in new CRP contracts. Landowners were still required to undertake the management by CRP contracts, but they had to pay for it themselves. One result was that more landowners are choosing low-cost but less effective management actions like mowing over more beneficial (but more expensive) actions like burning. Congress should require that USDA provide cost-share for mid-contract management to ensure more beneficial practices are used.

**Eliminate payment reduction for incidental grazing of buffers.**

Putting in riparian buffer, filter, or contour strips enhances the quality of farmland and the surrounding environment in a variety of ways. However, current statute discourages these practices by penalizing farmers for incidental grazing of buffers, whereby livestock may occasionally wander over to a buffer while grazing a neighboring pasture.

Farmers with mixed grain and livestock operations often set animals out on crop fields after the grain has been harvested. Those farmers looking to install a contour grass strip or other buffer practice on or adjacent to a field may choose not to do so if they are going to have their rental payment reduced by 25 percent or more if any incidental grazing occurs. Moreover, from a resource perspective, well managed fall grazing is unlikely to cause any appreciable harm, and may in fact improve the condition of the resource if well managed. This modification would incentivize further buffer adoption by assuring participants that they would not face a penalty if livestock grazing on a pasture accidentally wandered over to the neighboring buffer.

**Raise rental rates for continuous signups back to their 2014 Farm Bill levels.**

The 2018 Farm Bill decreased rental rates for acres offered into the Continuous CRP signup. This amount should be restored to the 2014 Farm Bill's full rental rate to recognize the high environmental value of acres enrolled in the continuous sign up.

**For grassland enrollments, prioritize land operating under an approved comprehensive conservation plan, as well as land using managed rotational grazing; provide a supplemental payment to support management-intensive rotational grazing.**

The 2018 Farm Bill provides no direction on whether and how grazing through CRP grasslands should be managed to enhance the grassland resource. As a result, taxpayers may be footing the bill for operations that are degrading the land with poorly managed grazing systems. The next farm bill should fill this gap by establishing a priority for CRP grassland applicants who agree to implement managed rotational grazing as part of their contract. According to NRCS, "planning to a Resource Management System (RMS) level is necessary to provide a minimum level of resource protection and to insure sustainability of the resource base." Comprehensive conservation planning allows producers to consider a range of options for addressing multiple resource concerns over time, and would ensure that best practices are being used on grassland enrollments.

**Create an Agroforestry Initiative inside CRP**

Recognizing the ecological value of agroforestry practices where ecologically appropriate and the long time-scale needed to install them, the CRP program stands as a natural tool for supporting farmers adopting agroforestry. Congress should set a minimum amount of CRP acres that must be devoted to agroforestry practices. USDA should be tasked with selecting a list of appropriate regions and practices that qualify for this initiative.

### 2.10.4. CRP Transition Incentives Program (TIP)

**Build TIP funding in the CRP baseline so the program can meet the anticipated demand in the coming years.**

Given the large demand for land by beginning, veteran, socially disadvantaged, and other farmers, funding for TIP in the next farm bill will be more important than ever. Over the course of the next farm bill, about 4.7 million acres of CRP contracts will expire.

The 2018 Farm Bill provided $50 million for CRP TIP contracts. The 2018 Farm Bill also provided up to $5 million in dedicated funding to improve outreach and technical assistance to connect landowners with interested farmers. That outreach is critical to provide for the difficult work of matching up landowners with expiring CRP contracts with eligible farmers looking for land. Congress should incorporate TIP and outreach funding into the CRP baseline in order to allow FSA to respond to the actual demand for program funding in real time, without the fear of running out of funding or starting and stopping a program and having to turn interested farmers away.

Additionally, the next farm bill should allow a CRP landowner to enter into a TIP contract anytime during the last three years of their CRP contract, and allow an early-out without penalty for CRP landowners who sell their land to a beginning, socially disadvantaged, or veteran farmer or rancher who agrees to meet the existing TIP conservation criteria. Facilitating the match between a landowner and interested farmer or rancher is one of the most difficult and time consuming aspects of this program because of restrictions on sharing information related to current contract holders. Congress should provide FSA with the maximum flexibility to connect retiring and beginning farmers at any point within the last three years of a landowner's CRP contract.

#### 2.10.5. Addressing PFAS Contamination

As discussed above, PFAS contamination is an emerging and critical issue. The 2023 Farm BIll can help address this concern through CRP in the following ways:

- Allow PFAS-contaminated land to be enrolled into the Conservation Reserve Program. 15-year standard CRP contracts with market-rate rental rates could be an option.
- As more PFAS-contaminated land is discovered, a program similar to CLEAR or CLEAR30 providing for 30-year contracts for a specific resource concern could provide more stability for farmers.
- Additional regulations may be needed to prevent PFAS CRP land from being hayed, grazed, or enrolled into CRP-TIP.
- Allow agri-voltaic development on CRP lands if they are enrolled due to PFAS contamination
- Remove or alter the provision in NRCS's National Engineering Manual that prevents NRCS from working with hazardous substances with respect to any NRCS programs.

### 2.11. Agricultural Conservation Easement Program (ACEP)

The Agricultural Conservation Easement Program (ACEP) was created in the 2014 Farm Bill and replaced three repealed programs: the Farm and Ranchland Protection Program, Grassland Reserve Program, and Wetlands Reserve Program. Administered by NRCS, ACEP is divided into two tracks: a wetland easement component, which largely mirrors the former Wetlands Reserve Program (WRP), and an Agricultural Land Easement component (ALE), which largely retains the purposes and functions of the former Grassland Reserve Program (GRP) and Farm and Ranch Lands Protection Program (FRPP). Easements play a critical role in climate change mitigation and adaptation, by protecting and improving agricultural land, as well as protecting grasslands and wetlands, which contributes significantly to carbon sequestration and storage. Wetland and grassland soils hold much more carbon per acre than cropland soil, and when wetlands or grasslands are converted or destroyed much of that carbon is lost to the atmosphere.

ACEP is a valuable program, but it could do even more to maintain farm viability and opportunities for young farmers, to store and protect carbon in agricultural lands, and to support other conservation benefits.

### 2.11.1. Program Funding

**Increase funding for ACEP to at least $700 million per year.**

The 2014 Farm Bill severely cut funding for conservation easements. Under the 2008 Farm Bill, annual outlays for WRP often exceeded $500 million, whereas under the 2014 Farm Bill, annual spending on ACEP wetland easements did not exceed $200 million. The 2018 Farm Bill provided $450 million per year for the combined ACEP wetland, grassland, and farmland easements. However, even at $450 million, demand for the program is so high that NRCS can only fund one quarter of the easement applications that it receives. This problem is particularly severe for wetland easements, which tend to be more costly and require more active restoration than other types of easements. The passage of the Inflation Reduction act of 2022 is a promising attempt to address the backlog of program demand. However, a permanent increase in funding is needed to ensure backlogs do not persist beyond available short term appropriations. Given the value and proven benefits of the program, the next Farm Bill should provide permanent baseline funding of at least $700 million per year for ACEP.

### 2.11.2. Farm Viability and Access

Land access is one of the biggest challenges for young and beginning farmers all across the country – whether small-scale dairy farmers in New England, livestock and grain producers in the Midwest, or specialty crop producers across the South. Over the last decade, farmland prices have doubled nationwide and risen far higher in areas with pressure due to real estate development or commodity prices.

**Prioritize Agricultural Land Easement (ALE) projects that maintain agricultural farm viability and include affordability protections, such as an option to purchase at agricultural value (OPAV).**

In areas with high development pressure, ACEP and its predecessor programs have successfully conserved agricultural land in partnership with land trusts, states and tribal entities. However, the program is limited in its ability to ensure that protected farmland will remain affordable and viable for future generations.

The Agricultural Land Easement provisions of ACEP incorporates the purposes of its predecessor, the Farm and Ranch Land Protection Program (FRPP) by providing matching funds to help purchase development rights to keep productive farm and ranchland in agricultural uses.The 2014 Farm Bill added "farm viability" to the new consolidated program purpose. This clarification was intended as a clear directive to USDA to ensure that ACEP would be as helpful as possible to the cause of creating viable new farming opportunities for beginning farmers.

This statutory change has encouraged the Natural Resources Conservation Service (NRCS) to do more to ensure that the program protects working farms rather than rural estates. The 2018 Farm Bill added new provisions to prioritize projects that maintain farm viability and land affordability, requiring further commitment from NRCS to support farm viability through ACEP.

During the implementation of the 2018 Farm Bill, NSAC called on NRCS to create a national ranking criteria prioritizing applications utilizing affordability deed terms, like Options to Purchase at Agricultural Value (OPAV). NRCS claimed existing rules provided sufficient opportunity to use OPAVs and similar tools within ALE and failed to create a national ranking criteria supporting applications that include them. The next farm bill should address this shortcoming of program implementation by requiring prioritization of ALE applications that include affordability deed terms, such as OPAVs.

**Prioritize beginning and historically underserved farmer access to ACEP**

During the 2018 Farm Bill implementation process and in response to public comments on the ACEP interim final rule, NRCS made a number of changes in the program's final rule in order to better support beginning farmers. For example, the final rule allows NRCS to reduce the eligible entity's cash contribution if the covered parcel is part of a comprehensive plan to facilitate transfers to new and beginning farmers, or if a beginning, veteran, or socially disadvantaged farmer or rancher has a purchase and sale agreement to acquire the property. In addition, NRCS has noted in its policy manual for the program that OPAVs qualify as a type of succession plan. While these changes were a welcomed step in the right direction, they do not have the weight of making beginning farmer access a national priority. The next Farm Bill should address this by providing clear instruction to NRCS to prioritize ACEP projects supporting beginning and other historically underserved farmers.

### 2.11.3. Natural Resource Benefits

**Require comprehensive conservation plans for Agricultural Land Easements (ALE), including for lands that are neither Highly Erodible Lands (HEL) nor grasslands.**

ACEP-ALE must operate as both an agricultural land protection program and a natural resource conservation program, in equal measure. NRCS can use the conservation planning process to ensure that this happens. Robust conservation planning helps farmers and ranchers advance natural resource conservation goals and objectives systematically and effectively. It also helps ensure that farm bill program dollars are being put to good use. The 2018 Farm Bill removed requirements for ALE conservation plans, requiring only that ALE easement lands with Highly Erodible Land have a soil conservation plan for highly erodible cropland.  All other ALE agreements require far less in the way of addressing natural resource conservation.

The national ranking criteria for ALE include little regarding natural resource conservation, instead focusing on other important considerations, such as the threat of conversion to development. The state ranking criteria include several environmentally oriented criteria; however, these are optional. The next farm bill should require that all ALE easements require plans to describe the conservation practices and resource management activities that will be undertaken to treat all identified resource concerns. The explanatory notes accompanying the final farm bill conference report should note that working lands conservation programs (EQIP and CSP) can offer critical support and assistance to ensure that landowners are able to address the priority natural resource concerns identified in the comprehensive conservation plan.

**Ensure both NRCS staff and certified Technical Service Providers (TSPs) can support conservation planning on land enrolled in ALEs.**

Recognizing that land trusts play a crucial role in implementing easements and often do not have dedicated staff or capacity for conservation planning, the Farm Bill must provide adequate resources to support required conservation planning activities. This includes both for NRCS staff as well as through the TSP program.

**Establish an expedited enrollment option for farms with ALEs in the Conservation Stewardship Program (CSP).**

In order to both help support farmers in addressing resource concerns identified on ground covered by ALEs and to strengthen the environmental value of public investments in ALEs, the 2023 Farm Bill should codified improved access to CSP for farms with ALEs. This will help ensure that farmland preserved through ACEP ultimately reaches high levels of conservation stewardship. Further, since CSP requires farms enroll their entire operation in the program and engage in whole farm planning, creating a path into CSP for farms with only a portion of their land covered by an ALE automatically leverages the programmatic footprint of ACEP to create additional acres of new, on the ground conservation.

**Limit allowable impervious surface area for ALE.**

Between 2003 and 2011, under the Farm and Ranchland Protection Program (FRPP), the predecessor to ALE, USDA allowed easements to contain "impervious surfaces, which includes residential buildings, agricultural buildings (with and without flooring), and paved areas, both within and outside the conservation easement's building envelope(s)" not to exceed two percent of the total easement acreage.

In 2011, the program rules allowed State Conservationists to waive the two percent impervious surface limitation, up to 10 percent rather than the six percent waiver limit that had previously been in place. It also allowed eligible entities to develop and submit their own impervious surface waiver process for review by the State Conservationist. The 10 percent waiver is coupled with the full exemption of waste storage and treatment facilities from the impervious surface limitation. This waiver remained in place in the most recent ACEP final rule, and allows for a greater number of industrial confined animal feeding operations (CAFOs) enrolled in ACEP.

Given the limited availability of funding for this highly popular program, ACEP dollars should be used to protect farm and ranch land, not industrial CAFOs, which are highly detrimental to air, land, and water. As such, the next farm bill should authorize NRCS to grant a waiver either on a general basis, for up to five percent of the easement area, or for farms of 25 acres or less, up to 10 percent of the easement area. Waste storage and treatment facilities should count toward the limit, regardless of whether NRCS provides cost share for such practices on the easement.

## 2.12. Regional Conservation Partnership Program (RCPP)

The Regional Conservation Partnership Program (RCPP) was established in the 2014 Farm Bill from the consolidation of several different regionally focused programs. Through RCPP, NRCS works in partnership with state agencies and nongovernmental organizations to provide financial and technical assistance to farmers to implement conservation activities that tackle priority natural resource concerns in a state or region. The 2018 Farm Bill established baseline funding for RCPP of $300 million per year, making it a standalone conservation program for the first time while preserving its ability to draw on elements of other conservation programs during implementation. Further, the Inflation Reduction Act allocates $4.95 billion over four years, marking a massive increase in RCPP funding, all of which will be targeted at addressing climate change.

### 2.12.1. Program Funding

**Provide $500 million in annual baseline funding to RCPP.**

The IRA's historic investment in working lands conservation is long overdue. However, RCPP has been plagued by long delays between award announcements and finalized partnership agreements that actually generate on-the-ground conservation. Further, RCPP is structured such that it is only feasible for the largest, most well-resourced organizations to apply to this program. This basic structure coupled with long delays in disbursing funds makes it a difficult tool to access for smaller, innovative conservation organizations.

Given the urgency of the climate crisis and the important role local conservation organizations play in connecting with producers, we are wary of overinvestment in RCPP when other conservation programs have such significant backlogs of farmer applications. Therefore, the next farm bill should provide $500 million in annual baseline funding for RCPP.

### 2.12.2. Climate and Soil Health Targeting

**The 2023 Farm Bill should target climate and and soil health through RCPP by:**

- Establishing a new priority for applications to all RCPP competitions that improve soil health. Require that projects addressing this new priority do so in a way that complements additional conservation goals established for the program;
- Adding climate change mitigation and adaptation (or Soil Health) to the list of project types eligible for five years worth of payments to producers; and
- Adding climate change mitigation and adaptation (or Soil Health) to the list of activities used for addressing Priority Resource Concerns in Critical Conservation Areas.

### 2.12.3. Limit Carbon Market Pilot Projects

**Establish a statutory annual maximum of three carbon market pilot projects that can be funded as AFA performance-based payment or environmental market projects.**

### 2.12.4. Technical Assistance and Outreach

**Expand the advance funding allowance for RCPP Classic outreach, education, and TA activities to 180 days.**

Expand the advance funding allowance for RCPP Classic outreach, education, and TA activities to include RCPP AFA projects.

### 2.12.5. Measurement, Evaluation, and Reporting

**Require the Secretary to support eligible partners measuring the environmental, economic, and social benefits of funded projects.**

Clear publicly available data is essential for understanding the impact of conservation activities. Since the 2018 Farm Bill, only one of the required RCPP **Congressional Reports** has been posted to NRCS' webpage. Congress needs to provide a clear and direct reminder to the Agency of its duty to inform citizens on its use of public dollars. The 2023 Farm Bill should direct NRCS to make public and accessible the required metrics reported to Congress.

### 2.12.6. Historically Underserved Producers

**Establish an actionable goal for targeting RCPP funding to support Historically Underserved Producers.**

Under existing law, the Secretary and eligible partners must conduct outreach to historically underserved producers "to the maximum extent practicable" to ensure equitable participation by historically underserved producers in funded RCPP projects. This is an unacceptably vague and unenforceable goal for one of the nation's largest conservation programs. The next Farm Bill should set a minimum amount of funds for projects serving historically underserved producers or a minimum amount of FA that must be delivered directly to historically underserved producers.

### 2.12.7. Small Organization Funding Pool

**Create a funding pool for smaller organizations with adjusted administrative requirements and rules for using funding.**

## 2.13. Grazing Lands Conservation Initiative (GLCI)

**Provide mandatory funding of $50 million per year over the life of the Farm Bill.**
To ensure durable levels of funding and continuity in the technical assistance provided by this program to producers across the country, Congress should provide GLCI with mandatory funding in the next Farm Bill. Building relationships with and between producers is an essential part of providing effective technical assistance, therefore granting GLCI mandatory funding ensures a minimum level of technical assistance staff committed to working with producers across the country over the next five years. These folks can then do the necessary, time-intensive work of building relationships and networks with grazers in each state and region, inspiring trust in the program and in the responsible grazing techniques it promotes. This is a recipe for success and helps ensure that greater conservation outcomes result from our conservation dollars spent.

**Maintain the current authorization for appropriations of $60 million per year.**
While the stability provided by mandatory funding is essential, so too is ensuring that there is enough support to meet the high need for sustainable grazing. Over the life of the program, even in years of historic appropriations from Congress approaching $30 million, we have failed to create a grazing network for producers in every state or locate a grazing specialist in every state NRCS office.

Appropriations above and beyond minimum mandatory funding are essential to correcting this and ensuring that all graziers have the opportunity to improve their systems.

**Add soil health, grazing system resilience, and transition from confinement-based systems to grazing to the program's purposes and assistance measures.**

### 2.14. Support for State Soil Health Assistance Programs

Congress should create new USDA grants to state and tribal governments to improve soil health on agricultural lands by funding the development or implementation of state or Tribal soil health plans. Implementing an approved soil health plan can include funding for any combination of technical assistance, financial assistance, research and development, education and training, and monitoring and evaluation. The federal grant should be capped at $1 million for projects to develop or modify a state or tribal soil health plan and $5 million for projects to implement a state or tribal soil health plan. Applications should 5 include performance measures to be used for evaluation. The new program should be funded at $60 million per year (2024-25), $80 million (2026-27), and $100 million (2028 and thereafter).

### 2.15. Alternative Manure Management Program

Congress should create a new Alternative Manure Management Program (AMMP) to support non-digester dairy and livestock methane management strategies to effectively reduce greenhouse gas emissions and to maximize environmental benefits, including conversion of dairy and livestock operations to eliminate or reduce the quantity of manure stored in anaerobic conditions, alternative manure treatment and storage practices, and conversion to solid separation systems. The program should provide 90 percent cost share (up to 50 percent in advance for needed equipment and materials), up to $750,000 in any 5-year period, with an option for cluster applications for centralized composting facilities. Congress should provide mandatory funding of $1 billion per year beginning in FY 2022.

## Title III: Trade (No NSAC Policy)

## Title IV: Nutrition

The farm bill has historically included programs to provide domestically produced food to low-income Americans. The Agricultural Adjustment Act of 1933, for example, included various provisions designed to reduce production and raise farm prices but also included programs that directed that "surplus" livestock and other food products be donated to low-income families. Over the last decade, stronger market connections have developed between lower-income shoppers, government purchasers, and local and regional food producers. COVID-19 super-charged those relationships in many states as initiatives arose to address the increased food insecurity families faced in light of pandemic-related supply chain shocks, school closures, and job losses.

The initial rounds of the **Farmers to Families Food Box program** in 2020 included contracts with many local and regional food hubs who responded quickly to purchase and distribute more **healthy, fresh, and culturally appropriate** food than ever before. The USDA Agricultural Marketing Service's Local Food Purchase Assistance Program and Local Food for Schools cooperative agreements have continued this critical support for local and regional food distribution to address hunger and nutrition needs. The 2023 Farm Bill is an opportunity to take the hard lessons learned from the COVID-19 pandemic and other supply chain disruptions to build lasting benefits for our most vulnerable communities and producers.

## 4.1. Expand and Enhance USDA Procurement Programs and Practices

The practice of USDA purchasing domestic food for donation through the nation's charitable food system continues through several programs in the Farm Bill's Nutrition Title. The Emergency Food Assistance Program (TEFAP) provided $1.3 billion worth of mainly shelf-stable foods to states to distribute through a national network of food banks and pantries in FY 2021. USDA provides states with administrative funds to implement the program. The Commodity Supplemental Food Program (CSFP) provides shelf stable foods to state agencies and tribal organizations to distribute to low income senior citizens. Although smaller than TEFAP, CSFP distributed almost $300 million of food in FY 2021.

The ability of food hubs and local distributors to pivot their distribution from restaurants and institutions to agencies providing emergency food to families in the spring of 2020 proved that producers and players along local and regional food supply chains are ideally situated to meet the needs of their communities. They are nimble; produce the kinds of fresh and healthy foods in quantities that local families want; have relationships with schools, recreation and senior centers, churches, and pantries distribute food; and can serve rural areas and even do home delivery.

The 2023 Farm Bill provides an opportunity for Congress to ensure USDA food purchases do "double duty" and meet both immediate household needs for healthy food and make long-term investments in a food system that keeps dollars in local economies, creates jobs and market opportunities for the next generation of producers, and knits together the social fabric of our communities.

### 4.1.1. Fresh Produce Procurement Partnership Program

Congress should create a permanent, values-based, fresh produce procurement partnership at USDA to connect farmers, distributors, tribal entities, food hubs, and other community-based entities that do emergency food distribution to purchase, pack, and deliver fresh fruits and vegetables to food banks, schools, senior centers, youth-serving organizations, tribal governments, and other community based organizations serving nutrition insecure populations.

This partnership program should build on the positive elements of the first two rounds of the Farmers to Families Food Box Program and the AMS Local Food Purchasing Assistance Program currently being implemented through states. Under this program, recipients would have access to a wide variety of fresh and healthy fruits and vegetables prioritizing locally and regionally grown and guided by Dietary Guidelines for Americans recommendations.

The **Fresh Produce Procurement Reform Act,** introduced by Representative Rosa DeLauro (D-CT-03), outlines a vision for this program that can serve as the base Farm Bill text. Specifically, the 2023 Farm Bill should:

- Direct USDA to contract with existing growers, distributors, and food hubs to purchase, pack, and deliver (including the last mile) fresh fruits and vegetables to local schools, youth-serving organizations, tribal governments, and other nonprofit community members serving nutrition insecure populations;

- Direct USDA to consider values other than lowest-cost bid in awarding contracts, providing opportunities for a wider variety of high-quality food sourced, packed, and distributed from farmers and distributors, including veteran, women-owned, and socially-disadvantaged members of the agriculture community;
- Prioritize contracts to: entities that are led by or have historically served socially disadvantaged communities; entities that are or source from beginning farmers, small and mid-sized farms, or socially disadvantaged farmers; and entities that can demonstrate a commitment to serving local communities through strong relationships with qualifying nonprofits, public agencies, and Tribal governments;
- Ensure equitable distribution of funds by awarding contracts proportionate to the number of households and individuals living in poverty in the State, territory, or Tribal entity;
- Provide technical assistance with regard to contract terms and expectations, best practices for produce distribution, and food safety certification; and
- Provide $100 million per year in direct funding for the program.

### 4.1.2. Values-Based School Food Procurement

Congress should direct USDA to apply a values-based approach to the procurement of food for schools. The performance of small and mid-sized family farmers, local processors, and hubs in providing healthy food for their communities over the last three years provides a "proof of concept" for re-regionalizing portions of the American food system. Further, the first two rounds of the USDA's Farmers to Families Food Box Program in 2020, the 2022 Local Food Purchase Assistance Program and Local Food for Schools Programs, and many other publicly and philanthropically-funded healthy, local food distribution programs demonstrated the enormous economic potential that can be realized when public food purchasing dollars are designed to not only maximize calories but also ensure good health and capture economic opportunity by keeping food dollars in local communities.

The 2023 Farm Bill should expand the existing local procurement language and geographic preference language to allow local production as a product specification for school food, and to encourage schools to consider sustainability and equity in their purchasing.

The 2002 Farm Bill amended the Richard B. Russell National School Lunch Act to encourage institutions participating in child nutrition programs to purchase "locally produced foods for school meal programs, to the maximum extent practicable and appropriate." The statutory provision was necessary to overcome a federal regulation that does not allow for geographic preference in government purchasing unless it is specifically authorized. The provision was strengthened in the 2008 Farm Bill to make geographic preference an official policy. However, many school food service providers have found the geographic preference option burdensome and confusing to implement.

The bipartisan, bicameral **Kids Eat Local Act** provides the legislative framework for this proposal. Under Kids Eat Local, schools would be given a new, easier to use local product specification option through which they could specify "locally grown," "locally raised" or "locally caught" in their procurement language, and then make the award to the best value bidder for that product specification.

In addition to prioritizing local, there are other values that federally-funded food procurement should uphold. The 2023 Farm Bill should instruct USDA to the maximum extent practicable and appropriate to purchase unprocessed agricultural products that are:

- Produced and packaged in an environmentally sustainable manner
- Produced by a certified organic farm or ranch
- Produced by a socially disadvantaged farmer or rancher
- Produced by a veteran farmer or rancher
- Produced by a beginning farmer or rancher
- Produced by a small or midsized farm that is structured as a family farm
- Produced by a farm covered by a union contract
- Produced by a farm participating in a worker justice certification program
- Produced by a farm participating in an independent animal welfare certification program

#### 4.1.3. Procurement Program Monitoring and Evaluation

To ensure equitable implementation of local procurement programming, administering agencies should set aside 5% of program funds for monitoring and evaluation of program implementation by an organization or entity with a history of evaluation with a racial justice lens. Required indicators for regular reporting should include demographic data of participating producers and consumers, dollar amount spent on values based procurement items, product categories purchased, number of producers or businesses or community organizations participating by participating provider and in total, economic impact on participating providers, producers and economies, and qualitative producers and participating provider and consumer surveys. Survey firms and enumerators shall be required to demonstrate survey practices that incur the least amount of burden on the survey participants.

### 4.2. Ensure Culturally-Relevant Nutritional Security

The food stamp program was piloted in the 1960s, expanded nationwide in the 1970s, and established in its current form in the Food and Agriculture Act of 1977. The food stamp program was fundamentally different from surplus commodity donation programs because it provided "cash" benefits to eligible households to purchase foods of their own choosing through a variety of food retailers. The 2008 Farm Bill changed the program's name to the Supplemental Nutrition Assistance Program, or SNAP, reflecting a new program emphasis on sound nutrition and caloric quality, as well as quantity.

SNAP provides nutrition assistance support directly to low-income households to help them purchase nutritious food at retail outlets throughout the country. However, creating access to affordable and nutritious food for American families is not just a matter of providing direct monetary assistance. Farm bill nutrition programs and policies also provide funding for other much-needed activities, including educational opportunities centered around cost-effective healthy eating and cooking; community efforts to improve local food security; and efforts to incentivize and support SNAP recipients' purchasing of healthy products from farmers markets and other direct-to-consumer retail outlets.

The 2008 Farm Bill included the first effort to incentivize the purchase of healthy food in the SNAP program through the Healthy Incentive Program, or HIP. The $20M pilot project provided a supplement of 30 percent to SNAP households in one Massachusetts county when they used their benefits to purchase produce. The **program evaluation** found that the incentive did lead households to purchase and consume more fruits and vegetables.

The 2014 Farm Bill built on the HIP Program through the creation of the Food Insecurity Nutrition Incentive Program (FINI), a competitive grant program that provided SNAP families incentives at the point of sale to purchase fruits and vegetables. Successful outcomes led Congress in the 2018 Farm Bill to make SNAP produce incentives permanent, and pilot produce "prescription" programs for low-income and nutritionally at-risk families through the expanded Gus Schumacher Nutrition Incentive Program (GusNIP), named for the former USDA official and farmers market advocate who conceived of both SNAP incentives and produce prescriptions (see 4.2.1.).

Ensuring a robust SNAP program that guarantees adequate benefits for all participants, coupled with increasing the ability of low-income people to purchase fresh fruits and vegetables, helps to improve the health of families and communities, and expands economic opportunities for farmers. Evaluations of SNAP incentive and produce prescription programs have consistently shown that providing cash incentives for the purchase of fruits and vegetables reduces hunger, increases produce consumption and nutritional security, and can reduce the severity of diet-related health conditions, with implications for savings in reduced healthcare spending. When implemented in farm-direct retailers – including farmers markets, farm stands and Community Supported Agriculture (CSA) – or in grocers who purchase from regional producers, distributors, or food hubs, the programs also inject money into local and regional economies, creating a virtuous economic cycle.

#### 4.2.1. GusNIP and Produce Prescription Programs

Increasing low-income shoppers' ability to purchase healthy fruits and vegetables is a common sense way to improve families' health, increase demand for produce at local retailers, and expand market opportunities for American farmers. The GusNIP program provides grants to a variety of organizations to implement SNAP incentives and produce prescription programs in states, territories, and in tribal communities

SNAP incentive programs provide cash incentives to SNAP shoppers at the point of sale, either as immediate discounts or through a coupon or credit for a future purchase. As of 2021, GusNIP programs have been implemented in **48 states and thousands of retail locations,** including farmers markets, bodegas, and grocery stores. While GusNIP programs are implemented in different ways, they **have uniformly been found** to reduce food insecurity, improve nutrition intake, and boost economic activity.

Ten percent of GusNIP program funds are reserved for produce prescription programs in which low-income participants who have or are at risk of developing a diet-related health condition receive incentives to purchase fresh fruits and vegetables. Produce prescription programs are laser-focused on addressing immediate health conditions and require the participation of a healthcare provider.

The 2018 Farm Bill authorized the creation of National Training, Technical Assistance, Evaluation and Information Centers with the goal of reducing the administrative costs of program implementation by providing coordinated expert advice to grantees, facilitating communication and information sharing, collecting accurate and uniform data on program results and providing a public-facing repository of program information and research.

To build upon the success of the program, the 2023 Farm Bill should:

- Continue the produce prescription portion of GusNIP;
- Maintain the priority for farm direct retailers and retailers who purchase regionally-grown and processed produce;
- Streamline benefit administration and reduce stigma for recipients by codifying the existing practice of allowing states to integrate SNAP incentives directly onto EBT cards;
- Codify within the legislative language that allowable redemption models include:
    1. Fruits and vegetables for fruits and vegetables: SNAP participants purchase fruits or vegetables and then receive incentives that are redeemable only for the purchase of fruits or vegetables;
    2. Any SNAP eligible food for fruits and vegetables: SNAP participants purchase any SNAP eligible food and then receive incentives that are redeemable only for the purchase of fruits or vegetables; and
    3. Fruits and vegetables for any SNAP eligible food: SNAP participants purchase fruits or vegetables and then receive incentives that are redeemable for the purchase of any SNAP eligible food.
- Expand funding for training, technical assistance and program evaluation;
- Increase mandatory funding to a minimum of $200 million per year;
- Reduce the required match for SNAP incentives to no more than 10 percent; and
- Develop a new, separate tier of funding within GusNIP with a minimum grant amount of $10M for states that are ready to scale programs so that at least 90 cents for every project dollar goes directly to SNAP recipients.

### 4.2.2. Senior Farmers Market Nutrition Program

Less than twenty percent of senior citizens in the United States eat the recommended amount of fruits and vegetables, according to the CDC. Since 2001, the Senior Farmers Market Nutrition Program (SFMNP) has addressed this public health problem by providing low income seniors with coupons to buy fresh produce from local farmers.

USDA's Food and Nutrition Service (FNS) grants funds to States, U.S. Territories and Federally recognized Indian Tribal Organizations to provide low-income seniors with coupons that can be exchanged for food at farmers markets, roadside stands, and community supported agriculture (CSA) programs. Public agencies administer the program – or subcontract with nonprofit organizations – to disburse coupons to low-income seniors; authorize farmers, farmers markets, roadside stands, and CSA operations to accept them; and manage program reporting. Qualifying seniors may receive no less than $20 and no more than $50 per year, though state agencies may supplement those levels with state, local, or private funds. The 2018 Farm Bill reauthorized the program, maintaining funding at $20.6 million.

The **Farmers Market & Food Bank Local Revitalization Act of 2022** (HR 8707), introduced by Representatives Marcy Kaptur (D-OH-9) and Shontel Brown (D-OH-11), builds on the successes of this program and should be integrated into the base text of the 2023 Farm Bill. Specifically, the 2023 Farm Bill should:

- Increase mandatory funding for the Senior Farmers' Market Nutrition Program to $50 million per year;
- Increase appropriations authority to $60 million in FY2022, $70 million in FY2023, and $100 million for FY2024-2028;
- Ensure equitable access across all states based on the population of low-income and food insecure seniors. Specifically, allocate program funding to states, territories, and tribal nations based on an equitable formula that includes the population of seniors at 185 percent of poverty in each state, territory, or tribal nation as a percent of the total number of seniors at 185 percent of poverty in the US;
- Increase the program eligibility limit to 200 percent of the Federal poverty guidelines;
- Increase the minimum benefit to $35;
- Expand implementation mechanisms to include CSA shares, other types of aggregation, and innovative delivery systems to reach older adults at congregate meal sites, senior centers, and in particularly isolated areas, including the necessary administrative and outreach capacity;
- Increase the administrative cap from 10 percent to 20 percent to allow for broader program reach and technical assistance, particularly in rural and tribal communities, and including technical assistance to markets as they adopt electronic redemption models, which would allow for greater equity and innovation in the program; and
- Clarify that states may pursue alternative or electronic redemption models, but should prioritize flexibility and ease of access for participants by maintaining paper checks as new models are piloted.

### 4.2.3. Food Distribution Program on Indian Reservations (FDIPR)

The Food Distribution Program on Indian Reservations (FDPIR) provides USDA foods to low-income tribal households, including the elderly. The program is administered by the Food and Nutrition Service (FNS) at the federal level and by either Indian Tribal Organizations (ITOs) or state governments locally and provides critical nutrition assistance to tribal households. As an ally to the Native Farm Bill Coalition, NSAC supports the recommendations put forward by the **Native Farm Bill Coalition in their report Gaining Ground**. With respect to FDPIR, these include:

- Expanding and/or making permanent the 2018 Farm Bill's "638" program;
- Reducing the matching requirement from 80 to 0%;
- Continuing the new nutrition education funding requested by USDA in recent appropriations bills;
- Creating a pilot program to enable ITO direct sourcing of locally produced herbs and spices as part of nutrition education opportunities;
- Clarifying the Tribal Nations on international boundary lines with bands or communities across international borders may have food products sourced from those bands - especially traditional and culturally significant food products - be considered domestic for the purposes of FDPIR sourcing;
- Issuing waiver authority for FNS to allow FDPIR sites to be able to provide non-domestically sourced produce in emergency situations;
- Providing additional infrastructure dollars to FDPIR for necessary upgrades to facilities and equipment; and
- Including more traditional and Tribally-produced foods in FDPIR on a regional basis.

-Native Farm Bill Coalition's report **Gaining Ground** (pages 48-51).

### 4.2.4. Community Food Projects

Increasing access to healthy, local food and improving food security works best when communities are able to develop their own solutions, based on local knowledge, assets, and needs. The Community Food Projects Competitive Grants Program (CFP) awards grants to eligible nonprofits, tribal organizations, and food program service providers to promote self-sufficiency and food security, address specific needs, and provide comprehensive, community-based solutions in low-income communities.

CFP was established in the 1996 Federal Agriculture Improvement and Reform Act and has been reauthorized in every subsequent farm bill. The 2014 Farm Bill provided the program with $9 million in mandatory funding per year starting in FY 2015, nearly double its $5 million funding level provided by the 2008 Farm Bill. However, the 2018 Farm Bill cut the program's funding back to $5 million. CFP has increasingly been an important tool in supporting the growing urban agriculture movement in America's cities and towns and continues to be a popular program; however, more can be done to ensure equitable distribution of funds to underrepresented communities, including historically underserved and frontier and remote communities.

Recognizing the importance of supporting sustainable and lasting efforts to address food security at the local level, the next farm bill should restore the program's funding to 2014 levels. Moreover, given the program's emphasis on increasing low-income communities' self-reliance, reducing the matching requirement for eligible participants would ensure greater access to the program by lower-capacity and lower-budget organizations. Specifically, the 2023 Farm Bill should:

- Reauthorize the Community Food Projects grant program and restore program funding to $9 million per year;
- Reduce the match requirement to no more than 10 percent;
- Authorize the Secretary to waive the match requirement if the Secretary determines a waiver is necessary to more effectively reach an underserved area or population; and
- Direct USDA to simplify the application and reporting requirements.

### 4.2.5. Healthy Food Financing Initiative

**Reauthorize the Healthy Food Financing Initiative**

In 2021, 13.5 million households in America struggled to provide proper nutrition to themselves and their families because they lack access to fresh and healthy food. The U.S. Department of Agriculture's (USDA) Healthy Food Financing Initiative (HFFI) helps to link more families with healthy food by providing resources to healthy food retail and food enterprise projects to overcome the higher costs and initial barriers to serving low-access areas. The program currently provides grants and technical assistance to eligible projects.

HFFI was created in the 2014 Farm Bill. The 2018 Farm Bill reauthorized HFFI, and expanded eligibility from only food retail to food retail and food enterprises. This change was critical to clarify that HFFI can fund supply chain projects related to aggregation, processing, storage, and distribution infrastructure - not just grocery store projects. However, a lack of clarity persists around the use of the funds for supply chain coordination, limiting the program's usefulness in rural areas. The 2023 Farm Bill should reauthorize HFFI and clarify that the 2018 HFFI expansion includes supply chain coordination, giving the program flexibility to maintain appropriate levels of risk while meeting the unique economic needs and opportunities in rural communities.

## Title V: Credit

High barriers to entry still make farming and ranching one of the hardest careers to pursue. Significant hurdles, including access to affordable farmland, high upfront startup costs, and saturation of markets, discourage many from pursuing or being successful starting and growing a farm business. Access to credit is critical for farmers, particularly those just beginning their career in agriculture as well as socially disadvantaged farmers and ranchers who have traditionally been underserved or discriminated against. Rarely do beginning and underserved farmers have the cash to purchase equipment, inputs, and land outright. Credit allows farmers to purchase the supplies they need and get a crop in the ground before the fruits of that labor are available.

The biggest **lenders of agricultural credit** are USDA's Farm Service Agency (FSA), Farm Credit System (FCS), and commercial banks. FSA is a "lender of last resort" for farmers who are not deemed "creditworthy" by mainstream lending institutions. This category includes socially disadvantaged farmers, especially farmers of color, as well as small, diversified farmers whose business models are often unfamiliar to lenders. FSA holds roughly three percent of the lending market in direct loans and another four percent of farm debt in guaranteed loans (an arrangement whereby FSA provides a "guarantee" to mainstream lenders against up to 95 percent of possible financial loss). FCS, meanwhile, holds approximately 44 percent of total farm debt. FCS is a government-sponsored enterprise (GSE), which affords it certain tax advantages and a lower cost of funds. Four large banks allocate funds to 64 regional credit associations that, in turn, make loans to eligible borrowers.

## Title V: Credit

Credit not only needs to be accessible, but it also needs to be appropriate. For beginning and small to mid-sized farmers, this often means smaller loans with reasonable interest rates. Beginning and underserved farmers with limited assets and other debt cannot leverage multi-million dollar levels of farm debt, nor do they generally need to take on that much debt. It is critically important that available credit options are scaled to appropriately accommodate farmers at multiple points in their careers and to address the needs of a diverse range of operations, including diversified and direct-to-consumer farm businesses. Unfortunately, it is precisely those loan applicants with the greatest on-farm resilience and the best environmental outcomes who are the least likely to be approved or, if approved, to have the most expensive and difficult loan terms. Congress must take steps in the next farm bill to bolster access to capital for beginning, small to mid-sized, and diversified producers.

### 5.1. Accountability to Build Trust

For any federal program to achieve its intended result, it must be implemented with both integrity and accountability. The well-documented history of USDA discrimination against farmers of color and continued **differential program implementation** demonstrates that any reform must start with meaningful mechanisms for accountability between FSA and farmers, especially for communities of color, and within the agency staff to build trust. A farmer should never lose their farm because of improper implementation of lending programs, whether intended or not.

The following policy recommendations will increase agency accountability for implementation of existing credit programs, including greater transparency of program implementation outcomes, accountability for both the agency and individual agency staff in implementation of USDA credit and other programs, and appropriate redress for farmers who receive differential servicing.

#### 5.1.1. FSA Guaranteed Loan Preferred Lenders

**Require lenders to meet target participation rates established for beginning and socially disadvantaged farmers and metrics for borrower success as a prerequisite to be approved as an FSA Guaranteed Loan Preferred Lender.**

Guaranteed loans are made and administered by banks, credit unions, community development financial institutions (CDFIs), or other lenders who are provided with a federal guarantee against significant loss of principal or interest on a loan made by FSA. Guaranteed lenders are classified as Standard, Certified, and Preferred, with Preferred Lender status signifying that the lender can be trusted to implement guaranteed loans by FSA standards with limited oversight. Preferred Lenders achieve that status based on making a certain number of guaranteed loans and staying under a **set lender loss rate**, and they experience such benefits as additional flexibility to **authorize and service guaranteed loans** and decreased turnaround time on FSA actions.

However, the criteria to achieve Preferred Lender status should be strengthened to ensure fair treatment of underserved producers. Congress should require lenders to meet target participation rates established for beginning and socially disadvantaged farmers as a prerequisite to be approved as an FSA Guaranteed Loan Preferred Lender. In partnership with key stakeholders, Congress should also establish and use metrics that measure borrower success. Borrower success across a lender's agricultural lending portfolio, as well as beginning and socially disadvantaged borrower success specifically should be taken into consideration in order for lenders to achieve Preferred Lender status. Failure to meet target participation rates or target metrics for borrower success should be considered direct evidence that the lender does not warrant this level of trust.

Preferred lenders should also be required to have a fluent translator present at loan closing for borrowers with limited English proficiency.

**Require FSA Guaranteed Preferred Lenders to follow FSA loan servicing regulations rather than their own lender's agreement.**

According to **current federal regulations**, Standard and Certified Lenders must follow a series of steps when a borrower defaults, which can help a borrower eliminate the delinquency and correct underlying problems; however, the rule states that Preferred Lenders will service defaulted loans according to their own lender's agreement. This means that Preferred Lenders— which could understandably seem to a farmer like a preferred place to find credit—are actually a higher risk place for them to seek a loan. The 2023 farm bill should require Preferred Lenders follow the same loan servicing regulations as Standard and Certified Lenders.

### 5.1.2. Term Limits

**Modify term limit provisions, or the requirement that FSA borrowers graduate from FSA to private banks, so no one may be forced to graduate without sufficient collateral.**

Currently, the goal of FSA lending is to help farmers graduate to commercial credit as they make sufficient financial progress to operate without FSA assistance. Regardless of financial progress, however, a farmer is required to refinance their FSA loans with a commercial lender after taking out six FSA direct operating loans. Mandatory term limits place farmers for whom seven years (or longer, if annual loans were not taken out consecutively) was not enough time to comfortably build financial health and sufficient collateral in a precarious position. This leads limited-resource farmers subject to unfavorable terms with commercial lenders and in extreme cases, places them at risk of default. Further, FSA sometimes takes all of a farmer's assets as security, making it difficult for them to establish a lending relationship with another lender.

### 5.1.3. Transparent and Mandatory Receipt for Services

**Make Receipt for Service automatic and include access to farmer's running record as well as side-by-side comparison of loan application modifications as part of that Receipt for Service.**

Farmers are supposed to receive a Receipt for Service when they visit an FSA county office in accordance with statute and USDA regulations, but in practice farmers are often made to ask for it. There are also circumstances, including phone calls, when a Receipt for Service, even when requested,

**is not required**. The Receipt for Service documents any approved, denied, or requested services as a record of that farmer's visit or conversation with an FSA officer. When withheld, it can be used as a tool to perpetuate discriminatory lending, wherein an FSA loan officer claims to have offered a service that was never, in fact, offered or discussed with the farmer – and without a Receipt for Services, the farmer may have no idea their visit was mischaracterized. Making a Receipt for Service automatic and digital, in compliance with federal paperwork reduction law, and expanding when a receipt is required and what must be included in that receipt is an important step to prevent biased lending.

### 5.1.4. Early Warning Mechanisms Against Poor Servicing

**Direct FSA to create teams of agents with experience or expertise working with non-conventional producers who can be brought into the application process remotely upon request by a farmer or FSA county staff to provide support.**

Farmers who are the recipients of poor servicing or victims of discrimination are able to appeal lending decisions to the National Appeals Division (NAD), but must wait for that appeals process to play out before getting redress, which often delays applications beyond the point of viability. FSA needs a mechanism for addressing poor servicing, whether intentional or not, prior to the final application determination being made.

The next farm bill should direct FSA to create teams of agents assigned to states or regions who are trained to intervene, remotely if needed, in the application process upon request.t Agents must possess demonstrated experience or expertise in working with non-conventional producers, including small, specialty crop, diversified, and organic operations as well as beginning and socially disadvantaged farmers. The involvement of these agents in an application process can be initiated by either the FSA county staff who may personally feel they do not possess the expertise or experience to provide needed services or by the farmer who believes they are or are at risk of being poorly served. The involvement of any agent should be reflected positively in the evaluation of an FSA loan officer and can be a new way of providing direct experiential training for staff working with non-conventional applications.

### 5.1.5. Denials and Appeals

**Clarify FSA loan making regulations to require NAD determinations to be implemented based on the information before the loan officer at the time the original loan decision was made.**

In recent years, USDA has taken a more aggressive and much-needed stance on combatting lending discrimination. Still, many farmers face serious financial hardship from the failure of FSA and other agencies to implement final NAD determinations in a timely fashion. Congress established NAD in the Department of Agriculture Reorganization Act of 1994 in order to consolidate and improve the hearing procedures for USDA claims, disputes, and appeals to USDA program participants. NAD reports directly to the Secretary of Agriculture and is independent of other parts of USDA. Any farmer who receives an adverse program decision from USDA's Farm Service Agency, Risk Management Agency, Natural Resources Conservation Service, or the three USDA Rural Development agencies may file an appeal with NAD.

USDA agency heads are required by law to "implement" NAD determinations within 30 days of an appeal. The authorizing statute for NAD defines "implement" to mean "those actions necessary to effectuate fully and promptly a final [NAD] determination…not later than 30 calendar days after the effective date of the final determination." Additionally, current statute states that NAD determinations shall be effective "as of the date of filing of an application, the date of the transaction or event in question, or the date of the original adverse decision, whichever is applicable."

Yet, current FSA guidelines prohibit county loan officers from approving loans based on information more than 90 days old and do not require implementation of appeals decisions within 30 days. Because the appeals process regularly takes 120 days, FSA routinely refuses to implement final NAD decisions based on a case's original information. Instead, the agency insists that the applicant submit new information for a new evaluation of application eligibility. This forces farmers who win appeals through NAD to restart the application process before the same loan officer whose decision was overturned. In almost every case, this has meant farmers with successful NAD appeals are unable to obtain necessary credit through FSA during the desired crop year, which puts these farmers at great financial risk. The process unfairly penalizes applicants who are mistakenly denied services and allows for continued discrimination.

The regulations also give county loan officers the power to discriminate against individual farmers by simply prolonging the application and appeals process until the loan officers deem it is too late. In some cases, the implementation in favor of a farmer undergoing a NAD appeal has been denied for years – a classic example of the legal maxim that "justice delayed is justice denied."

Congress clearly intended for final NAD determinations and implementation to relate to information present at the time of the original decision or action. In the next farm bill, Congress should include specific language clarifying this issue to ensure that FSA loan programs are administered so that they comply with the NAD statutory requirements cited above. In addition, if a farmer has prevailed in a NAD appeal but in the intervening time circumstances have changed so materially as to make the original application completely unfeasible, they should be entitled to equitable relief.

**Require the Secretary of Agriculture to issue a directive to FSA and other agencies subject to NAD regulations stating that they have a legal duty to fully and promptly implement all final NAD determinations within 30 days.**

As cited above, USDA agency heads are currently required by law to "implement" a NAD determination within 30 days of an appeal, yet current FSA guidelines do not require implementation of appeals decisions within the statutory timeframe. Congress should include report language that encourages the USDA Secretary to take a strong, visible stance in support of rapid implementation of NAD determinations. The report language should make it clear to agency heads that thwarting or ignoring the NAD process will not be tolerated, and that to "implement" means to fully implement all final NAD determinations within 30 days.

**Establish penalties on agency heads and individual employees for willful failure to implement NAD decisions within 30 days.**

The next farm bill should mandate that USDA establish penalties for willful failure to implement NAD decisions within 30 days that can be imposed on both agency heads and individual employees, as well as strict policies prohibiting USDA employees from retaliating against farmers because they exercise their right to appeal agency decisions. USDA agencies must be required to record and report length of time between all final NAD decisions and implementation of those decisions. Any implementation exceeding the 30-day requirement should be subject to appeal for failure to act.

**Include all possible reasons for denial in the initial adverse decision letter to prevent sudden reversals of NAD appeals decisions.**

Farmers who appeal adverse decisions to NAD may frequently find themselves in a revolving door process where either (1) the agency withdraws their original adverse decision and issues a new one on a different basis before NAD issues a determination or (2) having prevailed in the first appeal, the farmer's application is then denied again on a different basis. This is not only unconscionable and obstructionist conduct by the agency which hurts farmers financially and otherwise; it also costs the government more money as a way of doing business.

To resolve this issue, to the extent that is feasible, every known reason for a loan denial must be expressed in the initial agency adverse decision letter. The letter should also include reference to the relevant regulation that forms the basis of the denial and instructions for where to access those regulations. Then, if NAD finds for the farmer on appeal or FSA withdraws the adverse decision before NAD issues a determination and the applicant's circumstances have not changed substantially, FSA should not be able to issue a subsequent adverse decision on a different basis that relies on information that should have been considered at the time of the initial adverse decision.

### 5.1.6. Contract Agriculture and CAFO Loan Restrictions

**Prohibit the usage of FSA loan funding for new large Concentrated Animal Feeding Operation (CAFO) loans.**

FSA guarantees are currently permitted for the construction of new large CAFOs, and many of the largest FSA guaranteed loans finance the construction of these facilities. Today, most CAFOs (with the exception of dairy operations) are **operated through production contracts** whereby the farmer covers the cost of building the facility, often with a federally backed (guaranteed) loan, but does not control the main production elements (i.e. feed and animal quality) that impact their ability to **generate enough revenue** to pay the monthly loan installments or other necessary operating expenses.

FSA should not be siphoning off precious loan funding to subsidize large confined livestock operations that not only lock farmers into cycles of debt with little chance of long-term success, but also pose significant **environmental** and **public health** risks. To keep the agency accountable to supporting the needs of underserved producers, the next farm bill must ban the use of FSA loans for the establishment, construction, or expansion of new CAFO facilities.

In the absence of a decisive and much-needed end to FSA lending for this purpose, protections for vulnerable contract farmers, the environment, and human health must be built into FSA loan programs to mitigate the exploitation and harm perpetuated by the construction or expansion of new CAFOs (see additional recommendations below).

**Prohibit FSA direct or guaranteed lending to contract livestock and poultry operations that are not backed by contracts that guarantee sufficient minimum income to cover loan repayment and expected operating expenses for the full length of the loan.**

FSA regulations require income sources to be dependable and likely to continue, thereby ensuring that the loan funding is likely to be paid back in full. However, current FSA regulations governing hog and poultry production only require contracts to be guaranteed for at least three years. These contracts are most often flock-to-flock or herd-to-herd, providing no truly dependable guarantee of income for the operator. Meanwhile, the meatpackers and live poultry dealers exploit their market power to benefit certain operators and coerce or drive out others. These weak regulatory standards externalize the risk of proliferating new CAFOs, which pose multiple harms to workers, surrounding communities, the environment, and human health.

Congress should reform FSA lending requirements in cases where income dependability is based on livestock or poultry production or marketing contracts to require such contracts to 1) be guaranteed for the entire length of the loan, and 2) guarantee sufficient flock or herd placements and stocking density to provide dependable income capable of satisfying loan payment and normal operating expense requirements. These reforms would shift the power dynamic between the integrator corporations and contract growers to one where integrator operations cannot force older facilities out of production in order to build new operations with federally backed loans.

**Ensure that all FSA loans for large CAFOs undergo an Environmental Assessment or Environmental Impact Statement analysis prior to approval.**

Federal loans to large CAFOs are often exempted from environmental review under the National Environmental Policy Act (NEPA). Because of the significant environmental risks associated with large CAFOs, the next farm bill must clarify that FSA loans for these types of facilities are subject to NEPA, and that these facilities undergo an Environment Assessment or Environmental Impact Statement prior to approval of the loan.

**Prohibit CAFOs from qualifying for expedited loan procedures under FSA's preferred lender program.**

The preferred lender program allows enrolled lenders to utilize expedited procedures for making guaranteed loans. These expedited rules limit transparency as to whether current lending guidelines are being followed. The next farm bill should ensure that preferred lenders cannot use expedited procedures when lending to CAFOs. Instead, such loans should go through normal lending procedures, including rules about contract length, dependability, likeliness to continue, contract termination, and performance assumptions, as outlined in FSA Notice FLP-540 (2009).

## 5.2. Increasing Capital Opportunity for Underserved Producers

Policies that provide agricultural credit and access to capital are a fundamental determinant in who gets to farm and how. Credit policy is in fact highly intertwined with every facet of agricultural policy. For example, increasing access to credit for land ownership rather than short-term rental increases the implementation of conservation practices that take a longer time to provide a return on investment. Implementation of conservation practices requires access to appropriate capital for improvements, and improvements then become assets against which a farmer can borrow. Land-grant research findings on specific production systems become the basis for lending decisions. Policy-driven mechanisms for mitigating different forms of risk, like crop insurance, commodity programs and contracts, determine both eligibility for and the terms of capital access.

This section addresses extending opportunity for accessing the capital and land needed by underserved producers, including those who have been the subject of racial discrimination and those whose production and marketing does not match the parameters of USDA and other financing programs.

### 5.2.1. Loan Eligibility and Accessibility

**Eliminate the provision that excludes farmers who previously had debt write-downs from future loan eligibility.**

The next farm bill should eliminate the statutory provision that excludes farmers who previously had debt write-downs from future loan eligibility, since eligibility for all debt write-downs, past and present, is contingent on the borrower acting in good faith and on the write-down being in the best interest of the farmer and agency. In the context of historic USDA discrimination against farmers of color, more farmers of color are likely to have been impacted by unfair lending or loan servicing practices, placing them at greater need for receiving a write-down. Additionally, many farmers may not be aware of the fact that accepting a write-down will bar them from all future eligibility for FSA loans. Statute also does not specify an amount of debt forgiveness, so a farmer who had $100 written down could be barred from future eligibility.

**Direct FSA to study and act on findings to streamline access to financing for beginning, small, and socially disadvantaged producers with pre-approval for select federal lending programs.**

The FSA lending process can be cumbersome and slow, placing small and under-resourced farmers who seek financing to build or expand their operation at a distinct disadvantage. These farmers often do not have the capacity to apply for several unique FSA lending programs, and often weigh the cost of losing time during a busy season to apply for programs as greater than the potential return from the programs down the road. The next farm bill should direct FSA to study and act on findingsto streamline access to financing by creating a pre-approval mechanism for beginning and small to mid-sized farmers for select lending programs.

**Amend microloan statute to specify how FSA can work with CDFIs to provide business, financial, marketing, and credit management services and technical assistance to microloan borrowers through cooperative agreements.**

The 2014 Farm Bill authorized Cooperative Lending Pilot Projects, which allows FSA to work with Community Development Financial Institutions (CDFIs) to provide credit and technical assistance to farmers that are underserved by FSA. This provision has not been implemented to date, due to administrative challenges with the determination of borrower eligibility through an intermediary relending entity. CDFIs still serve as a valuable resource in providing financial literacy and other needed skills to new borrowers and others that are not well served by either private or USDA lenders. The microloan statute should thus be modified to strike the Intermediary Relending provision (which is currently not being implemented) and instead allow FSA to enter into cooperative agreements with CDFIs and other entities to provide other services to farmers currently underserved by FSA.

### 5.2.2. New Award Opportunities for Producers

**Require Farm Credit System (FCS) institutions to grant 15 percent of annual profits to support underserved producers and agriculture and food system enterprises.**

FCS, agriculture's government sponsored enterprise (GSE), was created by Congress in 1916 to ensure farmer access to credit. In 2021, FCS reported $6.8 billion in income. This is in great part due to the benefits of its preferred GSE status, which carries with it significant tax and funding advantages compared to private lenders. Many argue that Farm Credit, while serving many American farmers well, should be providing more public benefit given its public mission, taxpayer support and profitability. The next farm bill should direct FCS to dedicate 15 percent of its profits to offer technical assistance, asset development, and other services for young, beginning, and small producers as well as those serving local and regional markets. This grant program is modeled in part on the successful Federal Home Loan Banks' Affordable Housing Program, which has provided over $5.8 billion in grants since 1989.

Based on 2021 income, a 15 percent grant requirement for FCS would provide approximately $1.02 billion annually. In implementing a 15 percent set-aside grant, FCS should adopt a trifurcated structure, with five percent granted out by its 64 local associations (roughly $5.31 million each), five percent granted out by its four district banks (roughly $85 million each), and five percent granted out by the national institution (roughly $340 million), each administered by an advisory council. Local and district advisory councils should be composed of representatives from agriculture nonprofits, community-based organizations, and FCS members, with an emphasis on programs tailored to local and regional needs of young, beginning, and small farmers and ranchers. A national advisory council should be an independent board of representatives appointed by the Farm Credit Administration, with an emphasis on funding programs that can and should be standardized, accessible, and scalable to benefit underserved producers and agriculture and food system enterprises.

Several local Farm Credit associations already direct a portion of their profits to community grants, including Compeer Financial which operates in the upper Midwest. This proposal is intended to build on and expand such programs, and existing voluntary programming should be counted toward compulsory investments. If any local association is too small or lacks capacity to administer a program, they may redirect their funds for use by their respective bank district advisory council.

In addition to serving young, beginning, and small producers and bolstering local and regional food system enterprises, this grant system will be in the long-term strategic interest of FCS. FCS members must be borrowers which means that, despite being a GSE, Farm Credit's profitability only benefits a small circle of member-borrowers who receive patronage (dividend payments) and excludes those who do not have outstanding FCS loans. Supporting underserved agricultural producers through grants and programming will improve the financial stability of these would-be borrowers and facilitate their graduation from FSA lending programs to eventually become FCS members. While some express concern that a Farm Credit grant program would hurt current FCS member-borrowers by reducing their patronage, Farm Credit's healthy profit margins are ample enough to mitigate that concern.

**Authorize a new Farmer Management Assistance cost-share program.**

Congress should authorize and direct FSA to create and implement a new program to incentivize producers to implement farm business management systems. USDA has limited authority to make award grants directly to producers; the Environmental Quality Incentives Program (EQIP) and Value-Added Producer Grants (VAPG) are rare exceptions. A new cost-share program utilizing this model for business infrastructure development would cover the costs involved in setting up systems to handle bookkeeping, payroll, crop records, food safety and other regulatory requirements. All farmers would be eligible for the Farmer Management Assistance cost-share, with a target participation rate and higher cost-share for beginning and socially disadvantaged farmers.

Producers who apply for the Farmer Management Assistance program would be required torequired by to assemble a detailed plan for how they would use FSA cost-share funds to develop farm business management systems. This way, much like the process to apply for a VAPG award, all farmers who complete the application process will have a robust business plan and be ready to seek financing even if they do not receive an award.

### 5.2.3. New Lending Programs

**Authorize a Catalytic Investment Pool within FSA as an incubator to develop new, innovative lending pilots.**

Congress should authorize and direct FSA to establish a Catalytic Investment Pool (CIP) modeled on the high risk pool mechanism used by the Risk Management Agency to develop new insurance products. The CIP would allow FSA to pilot new or enhanced direct and guaranteed loan products without affecting the overall loss performance of established direct and guaranteed lending programs. Existing programs would continue to operate and perform according to long-established expectations while new program enhancements are developed and tested in pilot. Loss ratios for current programs would be unaffected, since any losses on pilot programs would be contained to the CIP and the CIP loss ratio would be calculated separately. For guaranteed lenders, losses on loans in the CIP would not affect the lenders' loss ratio for purposes of remaining an FSA guaranteed lender or becoming a preferred lender.

Pilot lending products in the Catalytic Investment Pool would be monitored closely and adjusted as necessary, with the goal of establishing that the pilots can perform as well as the rest of the portfolio. Once pilots are proven to be performing as well as the rest of the portfolio, they would be moved out of pilot and out of the CIP. Products that can not be adjusted to perform to acceptable loss ratios may remain in pilot for additional monitoring and adjustment, or be terminated.

Congress may consider authorizing the following new lending products as pilots to be included in the CIP.

**Authorize a Multi-Year Developmental Loan program.**

Beginning farmers need time to accumulate working capital. In the first years of operation, while they are still developing production systems and markets, they also have start-up costs related to establishing their operation and setting up administrative functions. Annual operating loans are not well-suited to covering the long-term costs of developing the infrastructure of a new business. Since those costs benefit multiple future years, the loans to finance them should be structured to be repaid over multiple years. Longer pay-back periods will improve beginning farmer's success rates by giving them the opportunity to develop some of their own working capital.

The 2023 Farm BIll should direct FSA to develop a new Multi-Year Developmental Loan program for beginning farmers. This program would allow extended payment terms of 3 to 10 years on direct and guaranteed operating loans for qualifying beginning farmers still within their first ten years of operation. These types of loans are within current authorities, but the additional collateral requirements of multi-year operating loans are prohibitive for many beginning and socially disadvantaged farmers. The Multi-Year Developmental Loan program would also reduce collateral requirements of operating loans for beginning farmers. These types of loans need to be developed into a named program opportunity so beginning farmers know they can ask for it and lenders are clear that they can offer these loans without having to infer it from the handbook. To ensure this program serves its intended goals and does not expose beginning farmers to additional risk, Congress may decide to require borrowers under this program to receive additional technical assistance and training on financial planning.

An additional benefit of this program is that it will reduce administrative costs for lenders. Since current repayment terms are shorter than beginning farmers can afford, many of the current loans need to be restructured creating an administrative burden for the FSA and guaranteed lenders. A new program with longer pay-back periods built in will require fewer hours to administer.

**Authorize a new Wrap-around Capital program.**

Wrap-around capital ties flexible and lower-interest or lower-fee financing to technical assistance and grants. These types of loans regularly involve discounted interest or fees and are specifically targeted at perceived higher risk borrowers who are more in need of the discounts.

## Title V: Credit

The 2023 Farm Bill should direct FSA to implement a wrap-around financing program by tying farmer participation in several USDA-funded or verified third-party education programs to loan interest rate discounts or fee waivers on direct or guaranteed loans. Implementation would require the FSA to develop criteria for accrediting USDA-funded or third-party education programs. The accreditation process could happen through the funding agency as a voluntary add-on to existing program criteria, or an education program could apply directly to the FSA for accreditation. Federally-funded education programs that could be used as part of wraparound capital include those run by the FSA, and also those run out of other agencies including NIFA's Beginning Farmer and Rancher Development Program (BFRDP), RMA's Risk Management Education Partnership Program, the Agricultural Marketing Service's Local Food Promotion Program, and Rural Development's Rural Microentrepreneur Assistance Program

**Authorize a Disaster Line of Credit as a supplement to the Noninsured Crop Disaster Assistance Program and other disaster programs.**

The 2023 Farm Bill should direct FSA to create and implement a new Disaster Line of Credit program. The program would be designed to allow producers to draw from their disaster line of credit as soon as there is a federal disaster declaration for their county.

Disasters often cause producers to use all existing cash reserves and available credit as well as whatever insurance and disaster assistance they receive. A disaster line of credit would most benefit producers with limited cash reserves and available credit, producers who might otherwise take on high interest credit card debt or withdraw retirement savings (with a 20 percent tax penalty) or simply be unable to recover due to insufficient operating capital. The intent of a disaster line of credit is to provide immediate cash ahead of insurance and other disaster payments. The disaster line of credit would also help cover the cash difference between losses and indemnities and provide working capital to allow operations to resume.

The disaster line of credit program could be offered as a direct or guaranteed program. A direct program would work well with NAP and other direct loans and could have an automatic sign-up associated with those programs. A guaranteed program would work well as a supplemental risk management strategy for farmers with direct loans and FCIC crop insurance. Either program could be co-marketed along with existing disaster, lending and risk management programs and through existing risk management education programs.

Ideal terms would be zero interest for six months allowing those with adequate insurance and cash to pay it off as insurance proceeds are received. For others interest would begin after six months, or they could convert the disaster line of credit into a different type of loan if that were more advantageous.

### 5.2.4. Credit to Increase Access to Land

Land access is one of the greatest challenges for young and beginning farmers across the country – whether small-scale dairy farmers in New England, livestock and grain producers in the Midwest, or specialty crop producers across the South. Over the last decade, farmland prices have doubled nationwide and risen far higher in areas with pressure due to real estate development or commodity prices. Additionally, millions of acres of farmland across the U.S. are set to change hands over the next ten years – during the course of our next farm bill.

USDA's recent investment in projects targeting underserved producers and their access land, capital, and markets, made possible through funding provided in the American Rescue Plan Act (ARPA) Section 1006, (as amended by Section 22007 of the Inflation Reduction Act) provides added support to local organizations efforts that focus on improving land and capital access for under-resourced producers.

To keep our agricultural economy strong, we need to facilitate the transfer of skills, knowledge, and land between current and future generations of family farmers. The 2023 Farm Bill offers many opportunities to address this challenge.

**Authorize loans to facilitate farmland transition between retiring and beginning farmers.**

The ability to access land is a crucial component of ensuring land remains in agriculture and that new farmers can be economically viable. In some ways this is especially true for new small grain farmers, who require larger amounts of acreage and large equipment to be economically viable. A key to being able to access land is being able to afford land, but often the debt load to purchase land is untenable for beginning farmers.

Congress should authorize a lending model that helps new and expanding beginning farmers access land by reducing the upfront burden of debt while simultaneously ensuring that retiring farmers who want to transition their land to beginning farmers can get paid the full value for their land. In practice, if a beginning farmer wanted to purchase farmland that is for sale, the federal government can provide via direct or guaranteed loans half of the capital required to buy the land. This farmer would then start out with only half of the debt load and yet would have access to the full amount of land to farm. FSA or the guaranteed lender would hold their 50 percent of the cost of land transfer in a trust where no interest may be accrued so that, when the beginning farmer has paid off the first half of debt, they can purchase the remaining half of their debt from the government or guaranteed lender(s) and pay it off in a more sustainable timeline.

**Create a Land and Agricultural Business Assistance Program to increase resources directed to technical assistance and credit access for land purchase and related agricultural businesses.**

A Land and Agricultural Business Assistance Program modeled on the Rural Microentrepreneur Assistance Program (RMAP) could begin in pilot form and focus on land purchase loans. These new program resources would be directed to institutions with the capacity to serve borrowers most affected by systemic and persistent disparities in access to education and lending.

For context, the RMAP program provides

lending capital and operating funds to non-profit organizations, community-based financial institutions, and local economic development councils to enable those organizations to provide technical services and microloans to rural small businesses. RMAP funds the gap between the capacity of USDA Rural Development staff and commercial lenders and the needs of the community. Lending capital is invested to allow these organizations to make loans, and operating funds are granted to subsidize the cost of staff time to work with borrowers. The program is focused on providing credit access to borrowers who need the most technical assistance with loan-readiness, typically those with limited background in the language and methods of business, limited English language proficiency, or both.

#### 5.2.5. PFAS Contamination

**Ensure maximum FSA loan flexibility for farmers impacted by PFAS contamination, including servicing options to reschedule or defer payments and provide debt settlement if needed.**

**Allow for cooperative agreements between FSA and service providers to work with impacted farmers on revised financial plans that could be used to apply for FSA loans to support business model pivots for farmers impacted by PFAS contamination.**

As discussed in the Conservation Title recommendations above, PFAS has contaminated drinking water, farm produce and animal feed, milk and livestock, and rendered farm products unsafe and unsaleable. FSA can and should work with farmers who have been impacted by PFAS contamination to help affected borrowers restructure troubled loans or adopt new business plans to adapt to and mitigate harm.

### 5.3. Lending for Systemic Resilience

The risk analysis and risk mitigation framework that underlies all agricultural credit facilitates and promotes the industrialization of agriculture, with highly concentrated, industrialized production as the model. In pursuit of efficiency, this underlying paradigm of agricultural risk and investment has consistently shifted the cost of risk mitigation from building resilient production systems onto the taxpayer. In its current form, agricultural credit relies on risk management programs such as crop insurance and farm bill commodity programs, as well as ad-hoc disaster assistance and trade mitigation payments. This low-cost credit schema prioritizes enterprises that rely on federal programs for risk management and places others at a significant economic disadvantage, particularly those who manage risk through diverse, integrated, and regenerative production systems, with significant benefits for our land, water, communities, and families.

To illustrate this bias against non-conventional farmers, consider three loan applications. One is for a $1.25 million operating loan for a 2,000-acre, 5th generation corn, soy and cotton operation. The second is for a $1.5 million loan to build 6 confinement poultry houses so that an aging farmer can bring their daughter back to the farm. The third is a $300,000 farm ownership loan for a young couple building a small-scale, integrated crop and livestock operation selling a mix of specialty crops and meats into both direct and wholesale markets. If we evaluate these applications through the lens of risk and resilience in the face of threats like climate change, these operations have clearly different risk profiles.

We can look at:

- Vulnerability to increasingly common weather events, with the row crop operation having their entire investment in the field and vulnerable to disasters during a season that is prone to droughts or hurricanes, the confinement poultry operation disastrously vulnerable to hot weather, storms or flooding causing mass mortality events, as opposed to small-scale operations that spread their income throughout the year and across crops to reduce susceptibility to individual weather events.

- Nutrient cycles, with one farm being a nutrient deficit requiring environmentally costly inputs, one being a nutrient surplus turning natural fertilizer into toxic waste, and the third being in nutrient balance between crops and livestock.

- Markets, with two being completely dependent on highly concentrated industrial, global markets over which they have no control, and the other keeping the autonomy of determining their price and being able to shift quickly between crops and markets to maintain income. Through this lens, the advantages of the third application are clear.

Most loan programs would provide capital to Farms A and B. Farm C faces an uphill battle to be viewed favorably. The loan application with the greatest resilience, the greatest farmer autonomy, and the best environmental outcomes is also the application that is least likely to be approved, and, if approved, is likely to have the most expensive and difficult loan terms.

Agricultural finance must shift the priority of finance programs to balance resilience and efficiency to address issues of equity and climate change at-scale. This section proposes new models for lending which prioritize building systems-level, on-farm resilience and scaling innovative farming and marketing operations to meet evolving twenty-first century needs.

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| | Farm A | Farm B | Farm C |
|---|---|---|---|
| **Weather Vulnerability** | High | High | Moderate |
| **Soil Nutrient Impact** | Negative | Negative | Positive |
| **Market Vulnerability** | High | High | Low |

## Title V: Credit

Agricultural finance must shift the priority of finance programs to balance resilience and efficiency to address issues of equity and climate change at-scale. This section proposes new models for lending which prioritize building systems-level, on-farm resilience and scaling innovative farming and marketing operations to meet evolving twenty-first century needs.

### 5.3.1. Sustainable Agriculture Investment Fund

**Authorize a Sustainable Agriculture Investment Fund that would invest in sustainable agricultural systems as vital national infrastructure while redeploying returns in excess of baseline and allowing producers to deduct investments in conservation or climate-smart infrastructure or production from the face-value of their loans.**

A USDA Sustainable Agriculture Investment Fund would invest in qualifying producers or producer cooperatives at terms matching the 30-year Treasury Bond rate of return (2.25 percent) to cover the cost of the taxpayer investment, with yield paid annually back into the investment pool. The resulting reduction in the cost of capital to the producer will liberate production income that could be used to offset other federal spending. Eligibility for securing these loans would be restricted based on climate impact criteria. In addition to paying the Treasury rate of return, the producer will have the opportunity to utilize either or both of two options for the reduction of the face-value of the investment:

- Rather than determining minimum repayment rates based on a loan term measured in years, producers will select a minimum repayment rate. The producer will pay a one to three percent premium every year back into the investment pool. When the compounded premiums paid by the producer reaches the original investment amount, the producer will have reached maturity on their investment, and will no longer be obliged to pay a return. A one percent contribution to the reinvestment pool, compounded annually, separate from exercising option 2 would result in maturity (forgiveness of the obligation) at year 69, (or two generations), two percent at year 35, and three percent at year 24.
- Production income that is deployed towards activities normally funded by the USDA NRCS, reduces the face value of the original investment at a 1:1 ratio. For example: If a producer plants a cover crop at their own expense of $10,000, and their original investment face value was $500,000, their new face value is $490,000.

In a good year, the producer may opt for both options. In a bad year, only option one is required, and the taxpayer return is met. This concept could capitalize on the borrowing authority of the CCC and start to build a fund within CCC that grows, to reinvest, rather than continually being paid back by the taxpayers, it can become an ever-increasing Sustainable Agriculture Investment Fund.

### 5.3.2. Regional Investment Partnership Program Pilot

**Authorize a Regional Investment Partnership Program pilot that allows local and regional agricultural cooperatives, agribusinesses, and nonprofits to sponsor producers for investment pre-approval based on pre-qualified business plans and managerial ability.**

The systemic impact of current FSA lending is limited by a narrow focus on the farm level of the supply chain. This results in long approval processes as the creditworthiness of each farm business is evaluated individually, especially for farmers and ranchers seeking to operationalize innovative, diversified, or climate resilient production concepts outside of the mainstream. Furthermore, the systemic impact of FSA's investment activity is limited by this farm level focus, insofar as those investments are not coordinated to amplify the emergence of integrated agricultural supply chains capable of providing stability and support to an entire region of producers.

Congress can authorize the piloting of a new, systems level investment strategy to address current challenges in scaling innovative farm business models and unlock new strategic opportunities. The outlines of what is needed emerges from the following principles:

- Streamlined prequalification for the range of lending products (including those proposed above) would enhance producers' ability to innovate and invest with competitive agility in the twenty-first century economy;
- Producers will be more likely to minimize risks and achieve long-term sustainability when their operations are integrated into supportive local or regional supply chains;
- Regionally-scaled agribusinesses or producer cooperatives can support producers with training and proven operational concepts to facilitate lending pre-approval; and
- If USDA strategically coordinates its investment to support groups of producers within regionally integrated agribusiness ventures, the viability and scalability of those regional food supply chains will also be amplified, fostering a positive feedback loop of sustainability and support for producers.

Informed by the barriers and principles outlined above, the next farm bill should direct USDA to establish a new Regional Investment Partnership Program (RIPP), modeled roughly off of the Regional Conservation Partnership Program at NRCS, that would allow innovative private, cooperative, and nonprofit agribusiness ventures to apply as regional partners and enter into a cooperative agreement with FSA. Under this program, agribusinesses would be required to comply with a set of environmental, social, and governance (ESG) standards that ensure the agribusiness's commitment to climate sustainability, social equity, and community responsibility.

Eligible entities would apply for cooperative agreements with the RIPP by submitting proposals to FSA, possibly through USDA's new Regional Food Business Centers. These proposals might include system-level scaling plans, climate outcome goals, pre-approved farm infrastructure and operational plans, producer training and capacity building resources (which could satisfy managerial ability requirements), and aggregate commitments around beginning and socially disadvantaged producer engagement.

Proposals would be evaluated and approved by USDA according to climate or equity priorities, as well as the likelihood that the proposal will support the long-term sustainability of sponsored producers. Once assured of the projected systems-level impacts, FSA could proceed to offer batch application opportunities and pre-approved statuses to associated or recruited producers sponsored by RIPP partners with greater confidence. This proposal would multiply the systemic impact of FSA's lending.

## Title VI: Rural Development

For more than 20 years, USDA Rural Development (RD) programs have helped rural communities develop and expand thriving businesses, create new economic opportunities, and build and maintain housing, water, electric, telecommunications, and other rural infrastructure.  Among the varied challenges facing rural communities, farmland consolidation and barriers to entry for new and beginning farmers - both of which are perpetuated by federal policy - are two of the driving downward forces within historically agriculturally dependent economies. These forces, among others, have created the circumstances in which roughly 85 percent of America's persistent poverty counties are found in rural areas.

### 6.1. Rural Business Development Grants

The Rural Business Development Grant Program (RBDG) supports the development and growth of rural small and emerging businesses. The program awards grants on a competitive basis to towns and other governmental entities, Native American Tribes, rural cooperatives, higher education institutions, and nonprofit organizations for planning, technical assistance, job training, and acquisition of land, capital, equipment and other business development needs. RBDG awards have helped provide new and increased marketing opportunities for farmers and other small business owners, spurred rural economic development, and provided consumers with more food choices.

Particularly during a time when farmers are increasingly looking to transition or diversify their businesses due to a variety of pressures, such as low dairy prices, farm succession, and the impacts of climate change, this financial assistance can offer farmers and local food businesses extra capacity to develop and test new products and markets. However, to meet this potential, the effort associated with the application and reporting process must be congruent with the size of the grant. The 2023 Farm Bill should reauthorize RDBG and direct USDA to simplify the application and reporting requirements to increase access to the program.

### 6.2. Business and Industry Loan Reform

Access to capital is important for all small businesses, including those working to help get more locally and regionally produced food into rural communities, schools, and markets. The Local and Regional Food

Enterprise provision of the Business and Industry (B&I) loan program specifically serves those entrepreneurs. The B&I program guarantees loans to support and establish enterprises that process, distribute, aggregate, store, and market foods either produced in-state or transported less than 400 miles from the product's origin. To ensuring continued access to capital that is critical for this sector, the 2023 Farm Bill should include:

- Direct lending for the 5% set-aside for local food projects; and
- Outreach to and partnership with independent banks, CDFIs, and Farm Credit institutions to increase the pool of approved lenders for expanded and improved loan guarantees.

## 6.3. Rural Microentrepreneur Assistance Program

Small businesses are the lifeblood of rural America. Yet, entrepreneurs often struggle to access adequate levels of credit and business training. USDA's Rural Microentrepreneur Assistance Program (RMAP) aims to address this gap by providing loan capital and grants to non-profit organizations, community-based financial institutions, and local economic development councils. These partner organizations in turn provide technical services and microloans to rural small business owners in their states and local communities. The 2018 Farm Bill reauthorized this important rural economic development program, but did not provide it with mandatory funding, and even reduced its discretionary funding allowance. The 2023 Farm Bill should:

- Provide at least $6 million in mandatory annual funding to meet program demand;
- Restore the appropriations authorization to $40 million per fiscal year;
- Raise the maximum loan amount available to microentrepreneurs from $50,000 to $75,000;
- Modify the prohibition on new construction to allow for renovation of existing buildings; and
- Stop requiring that Microenterprise Development Organizations use multiple sources of funding to provide loans to underserved rural business owners.

## 6.4. ATTRA

Appropriate Technology Transfer for Rural America (ATTRA) was first created by the 1985 Farm Bill and is managed as a national program by the National Center for Appropriate Technology (NCAT). For decades, the ATTRA program has provided practical, cutting edge information on sustainable agriculture and food systems to farmers, extension agents, and others. During the 2021-22 program year, 2,562,039 resources were accessed through the ATTRA Sustainable Agriculture website and sustainable agriculture staff provided technical assistance to 29,859 clients. ATTRA has also trained more than 900 military veterans from 45 states through its Armed to Farm program.

The 2018 recent farm bill did not make any changes to the ATTRA program. Funding provided for ATTRA is provided through USDA's Rural Business-Cooperative Service as part of the annual agriculture appropriations bill. This funding supports the informational and educational work of more than 30 staff assigned to the ATTRA program. NCAT, which is headquartered in Butte, Montana, has staff in ten states: Arkansas, California, Colorado, Idaho, Kentucky, Mississippi, Montana, New Hampshire, Pennsylvania, and Texas.

Currently, ATTRA is authorized to receive $5 million per year through the appropriations process. The next farm bill should reauthorize and increase ATTRA to receive up to $8.5 million per fiscal year in discretionary funding. The 2023 Farm Bill should further add climate resilience to the statutory list of ATTRA's information services.

## Title VII: Research, Extension, Related Matters

Over the last several decades, publicly funded agricultural research has led to the advancement of countless innovative techniques and practices that have helped farmers across the country increase their profitability and sustainability. Investments in research underpin the success of any sector, including agriculture. All farmers need access to high-quality research that is relevant to their particular region and type of operation. This is particularly critical for diversified and organic growers – who on average tend to be younger, operate smaller operations, and have less access to capital and other resources. Federal research programs help farmers learn which crops will do well in their soils, which varieties and breeds are best suited for their climates, and how they and their communities can drive innovation and market opportunities.

Because organic and sustainable agriculture research has not historically received the same level of investment as conventional agriculture, many organic and diversified growers have lacked access to and knowledge about seeds and management practices designed for their specific cropping systems. Even though investments in this research have risen over the last decade, it remains a tiny fraction of the annual federal investment in food and agriculture research generally.

NSAC has for decades championed sustainable and organic research. NSAC's predecessor organization, the Sustainable Agriculture Coalition, was the primary driver behind the creation of the **Sustainable Agriculture Research and Education** (SARE) program in the 1980s. NSAC has also worked to strengthen sustainable and organic research through countless appropriations and farm bills.

In the most recent 2018 Farm Bill, NSAC helped to secure $630 million in new funding for agriculture research, which included permanent funding for the Organic Agriculture Research and Extension Initiative (OREI), new funding for urban agriculture research, and continued investments in the **Specialty Crop Research Initiative**. Additionally, new priorities on soil health were integrated into USDA research programs, and directives included to evaluate our country's seed stocks. The next farm bill must build on these successes, with a focus on addressing the climate and equity implications of our nation's agricultural research agenda.

### 7.1. Research to Help Farmers Adapt to and Mitigate Climate Change

Farmers are on the forefront of climate change, and agriculture has a role to play in mitigating its impacts. Addressing this challenge will require a comprehensive approach that includes focusing on reducing major sources of greenhouse gas emissions (GHGs), as well as investing in solutions that will increase sequestration of carbon and help communities, especially frontline communities, adapt to a changing climate. Federally funded research on agroecological systems - which feature farming practices that work with nature, reduce GHGs, sequester carbon in soil and plant biomass, protect soil and other resources, and enhance resilience and input efficiency for all farms - must be a priority if we are to guide our food systems towards greater ecological sustainability, financial stability, and social equity. Unfortunately, there has been a lack of investment in agriculture and food systems-focused climate solutions, despite the sector's potential to contribute significantly to climate change mitigation and adaptation, including through carbon sequestration efforts.

Investing in research and development (R&D) at the intersection of agriculture and climate change is critical to both short-term and long-term efforts to address climate change. In addition, every dollar invested in publicly funded agricultural research **generates $20 in economic activity.** USDA-funded research should seek to optimize the balance among production, environmental services, and socio-economic sustainability, rather than maximizing yield and efficiency alone.

The 2023 Farm Bill provides an immediate opportunity for Congress to invest in agriculture as a climate solution. A recent **Congressional report** recommended increased funding for climate-specific research throughout USDA's Research, Education, and Economics (REE) Mission Area. Research priorities include farming systems and practices that improve soil health, reduce emissions from livestock, enhance data collection and analytics on a variety of agricultural ecosystem services, and strategies to make farms, ranches, and rural communities more resilient to climate change.

### 7.1.1. Research, Education, and Extension Mission Area

A **2022 report by the Economic Research Service** found that public agricultural R&D investments have declined by about one-third since peaking in 2002, and concludes that the U.S. is well behind other countries in investment in agricultural R&D. For the U.S. to sustain long term food security for all in this time of climate change, a greatly expanded investment is needed in food and agriculture research across USDA's REE mission area, including the National Institute of Food and Agriculture (NIFA), Agricultural Research Service (ARS), Economic Research Service (ERS), National Agricultural Statistics Service (NASS), and the Office of the Chief Scientist (OCS). Through their intramural and extramural programs, these agencies can provide much-needed scientific research and economic data and analysis so that agricultural producers can sustain and improve their operations while helping us reach meaningful solutions for the climate crisis.

Already, **research shows** that the nutritional quality of crops has declined with warming temperatures, while productivity has declined by about 21%. Food and agriculture systems are facing challenges as a result of climate-related events, with increasingly erratic fluctuations in growing seasons, temperature extremes, drought, and flooding impacting human and animal health and the environment in unprecedented, often negative ways. REE research and outreach can support farmers and ranchers, especially historically underserved farmers, to mitigate climate impacts, sustain productivity, and build resilience so that they can remain economically viable, protect resources for future generations, and sustain long-term food security.

REE research supports COVID-19 recovery, climate change adaptation and mitigation, equity across the food system, food safety and traceability, supply chain resiliency, bioenergy, nutrition and wellness, agricultural technology, rural economic prosperity, and a diverse research workforce. Given these varied areas of focus, a transformative investment in research and coordination is necessary to address our nation's most urgent and pressing food, agriculture, and public health challenges and must be prioritized in the next farm bill.

#### 7.1.1.1. Office of the Chief Scientist

The 2018 relocation of two key REE agencies - NIFA and ERS - from Washington, D.C. to Kansas City, Missouri hindered the ability of both agencies to conduct critical food and agriculture research and administer grant programs that are vital to helping farmers adapt to a rapidly changing climate. USDA must commit to expanding its vital research capacity while sustaining scientific integrity, and create a transparent plan toward this end, built with the input of a diverse range of key stakeholders. To help restore REE mission area capacity, USDA must commit to helping farmers adapt to a rapidly changing climate, and must expand the capacity of its Research, Education, and Economics Mission Area to conduct vital research into agricultural climate mitigation and adaptation.

To that end, the 2023 Farm Bill should increase funding for the office and the function of the REE Under Secretary who also serves as the Chief Scientist. Sufficient funding will ensure the office can freely and independently do the important work of coordinating between the agencies, setting budget priorities, and facilitating the critical planning and evaluation functions that ensure the entire mission area works to maximize return on federal investment in public research.

#### 7.1.1.2. Funding

Increasing priority funding across USDA programs for research into systems-based approaches and for effective education, extension, and technical assistance is critical for mitigating the impacts of the climate crisis on farms and rural communities. The next farm bill should **prioritize climate change mitigation and adaptation agricultural research and outreach, which spans disciplinary boundaries and includes agroecological, applied economics, integrated human nutrition science and policy, and system science principles across REE agencies.** This should be carried out by making historic increases in the funding of USDA's competitive food and agricultural research grant programs, while also increasing intramural research capacity. To achieve this, the next farm bill should focus increases by scaling up programs such as AFRI, SARE, Climate Hubs, LTAR Network, ORG, and intramural organic research at ARS to match organic's share of the market.

#### 7.1.1.3. Coordination and Data Reporting

The next farm bill should establish a coordinator position within USDA's REE Office who will be charged with harmonizing and tracking research activities within and between REE agencies. This coordinator should work with designated personnel (appointed by the USDA Secretary) to coordinate research efforts within NIFA and ARS, and identify the needs of producers and other stakeholders by identifying gaps in research not yet addressed by either the private or public sector. The Coordinator should also work collaboratively with NRCS to provide research findings on the climate mitigation and resilience benefits of conservation practices and CSP enhancements, and to gather data on implementation and impacts of key conservation activities. Additionally, the coordinator will ensure that taxpayer dollars are not funding duplicative research (either across USDA or within the private sector) and are only funding the highest priority and most relevant research that meets the specific needs of farmers in every agricultural region across the country.

In addition to ensuring coordination across agencies and the private sector, more accountability and transparency is needed to ensure that private and public stakeholders can monitor public investments in agriculture research, especially when it comes to investment in mitigating climate impacts. USDA's data collection instruments – such as the Census of Agriculture or the Agriculture Resource Management Survey (ARMS) should be used to collect information on agricultural practices that can mitigate heat-trapping emissions or that help farmers adapt to climate change, including practices that preserve soil health (such as cover crops, agroforestry, perennials, advanced grazing management and conservation crop rotations). Data reporting and accountability should be administered in a way that makes the data publicly available, user-friendly, interactive, and available to stakeholders from a wide range of disciplines to ensure that research gaps can be identified and areas of duplication can be minimized.

### 7.2. Centering Racial Equity Across the Mission Area

Communities of color remain on the frontlines of the impacts of climate change. Despite this reality, farmers of color continue to be overlooked and underserved by federal research programs and funding. USDA's REE mission area must commit to and prioritize research that addresses the **unique impacts of climate change** on BIPOC farmers, farmworkers, and members of low-income communities. New public investment into research that addresses the barriers and challenges these farmers face can help restore racial equity and facilitate the entry and retention of BIPOC farmers in agriculture, mitigate climate change impacts, and build resilience for vulnerable communities.

Restoring racial diversity and equity across USDA research programs can help build resilience in vulnerable communities. Having baseline diversity, equity, and inclusion (DEI) data on grant applicants with the goal of producing more equitable funding outcomes is a vital first step, along with increasing representation of BIPOC farmers and alternative food system stakeholders in USDA's policy and grant-making decisions, including those who serve on review panels.

### 7.2.1. Investments in Underserved and Minority Serving Institutions

**The 2023 Farm Bills should direct USDA to prioritize capacity-building for BIPOC farmers within key programs in the REE mission area.** Funding for capacity-building and dramatically-increased climate adaptation and mitigation research at 1890 Institutions, Hispanic-Serving Agricultural Colleges and Universities, and Tribal Colleges and Universities can deliver solutions that help historically underserved communities mitigate and adapt to climate impacts and prosper economically. However, USDA must also increase and diversify staff and resources for Extension programs serving marginalized communities, engage with researchers to identify the research needs of these communities, and fund projects that address their priorities.

African, Native American, Hispanic, Hmong, and other agricultural traditions employ advanced agroecological and climate-friendly systems and practices that make vital contributions to the goals of resilience, food security, and climate mitigation, and are the backbone of the success of these farming communities. Therefore, USDA REE programs must engage BIPOC researchers and producers as leaders in research and outreach endeavors toward a climate-friendly and climate-resilient agriculture and food system.

Despite historical inequities, research at the 1890 institutions is working to address the climate crisis and secure environmental justice with a diverse network of researchers, educators, and students. For instance, researchers at North Carolina A&T are examining how temperature increases affect the intensity of storms, flooding, and the intensity of pest and plant pressures, while work at Florida A&M aims to expand direct assistance and educational support for farmers looking to increase their productivity and profits while mitigating the impacts of climate change.

The next farm bill should increase investments into the following programs to help address historical disparities and racial discrimination within the food and agricultural economy, and close the gap between funding disparities that exist between the 1890 and 1994 institutions and their 1862 counterparts.

**1890s Centers of Excellence -** Established in the 2018 Farm Bill, the 1890's Centers of Excellence (COE) are dedicated to supporting next-generation scholars in food, agriculture, natural resources, and human sciences. There are currently six COEs focused on identified topic areas: Student Success and Workforce Development, Health Wellness and Quality of Life, Farming System Rural Prosperity and Economic Sustainability, Global Food Security and Defense, Natural Resources, Energy and Environment, and Emerging Technologies. The next farm bill should prioritize the creation of new COEs that would address mitigating and building resilience to climate change; address food safety and supply change infrastructure; and build rural economies through interdisciplinary research. In so doing, the 1890's COEs will be better poised to coordinate research and support partnerships to find solutions that address the challenges BIPOC communities face as they relate to building productive food systems. To that end, funding for each COE should be ramped up to at least $5 million per COE per year.

**1890s Extension -** The 1890 Extension system serves to support training for BIPOC farmers and ranchers, providing technical assistance on various methods to improve productivity, retain operations and increase profitability. Due to the unique impacts 1890 Extension services have on BIPOC farmers and ranchers, the next farm bill should increase investment into agricultural research and extension at the 1890s. Funding for the 1890 Extension should be increased from its current 20 percent (as per the National Agricultural Research, Education, and Teaching Policy Act of 1977 (NARETPA)) to no less than 40 percent for Extension.

**1890s Scholarship Program -** The 2018 Farm Bill increased investment into the 1890 Scholarship Program which has led to an increase in student enrollment in the agricultural sciences. The 2023 farm bill should also increase funding to the 1890 Scholarship program of no less than $100 million.

**New Beginning for Tribal Students -** Established by the 2018 Farm Bill, this scholarship program was appropriated $5 million to increase educational access for tribal students. This should be increased in the next farm bill to ensure tribal students have funding opportunities to access education in agricultural disciplines that would provide a long-lasting impact on their communities.

**Federally Recognized Tribal Extension Program -** The Federally Recognized Tribal Extension Program (FRTEP) was established in the 1990 Farm Bill to address the extension needs of tribal producers who have been long overlooked by traditional extension efforts. NIFA administers FRTEP at the national level, and awards funds on a competitive basis to tribal extension programs within 1862 and 1890 land grant institutions that assist tribal growers in contributing to economic development and ensuring food security in tribal communities.

FRTEP funds extension programs and local extension agents on land that is part of American Indian Reservations or under tribal jurisdiction. FRTEP is responsible for providing tribal communities with many of the same critical resources the Cooperative Extension programs provide to non-tribal farmers across the country. FRTEP supports programs to improve the success and livelihoods of agriculture in tribal communities, including education and research-based knowledge, 4-H and tribal youth development, agriculture and natural resource management, business development, food security, and preservation of traditional and cultural knowledge.

**Raising the mandatory funding level of FRTEP to no less than $30 million annually would greatly improve the ability of FRTEP to provide extension services to tribal communities.** Given the number of farmers that are dependent on services provided by FRTEP and the tribal communities that remain underserved by this program, this funding level would boost outreach to tribal communities.

## 7.3. Climate Change-Focused Research Priorities

In order to ensure U.S. agriculture is at the forefront of tackling climate change, greater efforts should be made to promote sustainable and organic agriculture as systems of production that can build soil health and sequester carbon, improve nutrient cycling, lower fossil fuel energy inputs, and thereby lower GHG emissions from agriculture.

Major funding increases or redirection should be made to pursue these lines of inquiry through ARS and through NIFA's competitive and capacity programs (including Hatch, Smith-Lever, McIntire-Stennis, and Evans-Allen). Particular attention should be given to ensure the continuation of existing research and establishment of new research that includes long-term comparative studies of crop, livestock, poultry, agroforestry, and livestock-crop integrated farming systems.

The next farm bill should **establish soil health and agricultural resilience to climate change and other stresses as research priorities within ARS and across all NIFA competitive grant programs.** USDA should prioritize proposals for innovative, systems-based approaches to improve the physical, chemical, and biological condition of soil; optimize soil capacity to sequester carbon; minimize nutrient losses and GHG emissions; absorb rainfall and hold plant-available moisture; suppress plant disease; and enhance crop vigor.

The 2023 Farm bill should also **establish diversified, perennial-based and perennial-annual integrated farming systems, advanced grazing management, and livestock-crop integrated systems as ARS and NIFA priorities.** High-biodiversity perennial-based and integrated systems such as agroforestry, alley cropping, forest farming, silvopasture, and permaculture **have been shown to sequester far more carbon** and provide much greater agricultural and food system **resilience to climate disruptions and other stresses** than even the best conservation agriculture systems applied to annual crop rotations. USDA should prioritize proposals to explore and develop new, diversified, regionally-adapted, perennial, and livestock-crop integrated systems, aim to refine existing systems, or identify and overcome economic, social, and cultural barriers to adoption throughout US agricultural regions.

Finally, the 2023 Farm Bill should prioritize **organic agricultural research** with an investment off of total ARS and NIFA funding commensurate with organic's market share, and prioritize **research, development, and release of new, regionally adapted, public crop cultivars and livestock breeds** that perform well in organic and other climate-friendly and climate-resilient production systems and thereby contribute to climate mitigation and adaptation.

Given the important role that ARS plays in long-term agricultural research, and more specifically in the area of climate mitigation and resilience research - like research at its Climate Hubs and Long-term Agroecological Research (LTAR) network - it is imperative that ARS not only scale up investments in climate research but also invest in longer-term and more complex, systems-based research. The long-term nature and regional focus of ARS research make climate research an important component of ARS's research portfolio.

Unlike NIFA, ARS's funding structure does not allow the same direction from Congress in establishing research priorities or funding levels for specific areas of research. ARS is solely funded through the appropriations process with much less transparency in specific programmatic funding levels or project outcomes. While NIFA competitive grant programs remain an important component of our federal investment in agriculture research, it is equally important to ensure that the longer-term research conducted by ARS also prioritizes the most relevant and most impactful climate-related research that meets the needs of farmers across all regions. In order to ensure that ARS is held accountable and can demonstrate the return on taxpayer investments, the next farm bill should **prioritize ARS research that focuses on developing new climate research priorities that offer the greatest holistic farm benefits for simultaneously addressing the reduction of GHG emissions, increase in carbon sequestration, and increasing farm resilience to increasing climate challenges. Such solutions will necessarily prioritize agrobiodiversity from the microbial level up to system-wide diversity.**

### 7.3.1. National Institute of Food and Agriculture

The National Institute of Food and Agriculture (NIFA) was created under the 2008 Farm Bill to elevate federally funded competitive agricultural research within USDA. NIFA administers all competitive agricultural research grant programs authorized in the farm bill, such as the Agriculture and Food Research Initiative that funds projects in public plant and animal breeding, sustainable agriculture systems, small and mid-sized farms, rural economies, and many other topics.

#### 7.3.1.1. Agriculture and Food Research Initiative (AFRI)

In addition to creating NIFA, Congress also created AFRI in the 2008 Farm Bill with the aim of consolidating and increasing funding for future investments in competitive agricultural research. However, AFRI's funding has remained below its authorized level of $700 million, resulting in many worthy proposals going unfunded. Increased investment is therefore needed, especially for agroecological research and systems-based approaches to mitigating the impacts of the climate crisis on farms and rural communities. This includes funding for certain AFRI programs such as:

- Sustainable Agricultural Systems (SAS) Program
- Bioenergy, Natural Resources and Environment (BNRE) Program Area
- Agriculture Economics and Rural Communities (AERC) Program Area
- Critical Agricultural Research and Extension
- Data Science for Food and Agriculture Systems

AFRI's SAS program is a relatively new addition to AFRI's offerings. SAS provides significant investment ($10 million per project) to sustainable agriculture systems research. In order to have a long-term impact on the future sustainability of U.S. agriculture, **The 2023 Farm Bill should create a new climate change adaptation and mitigation subprogram within AFRI** and shift funding from technological solutions for inherently unsustainable, low-resilience production systems towards agroecological approaches such as agroforestry, organic, and regenerative production systems, advanced grazing management, silvopasture, perennial grains, winter annual oilseeds, and crop and livestock integration.

Additionally, the program should focus on areas of research that intersect with climate change and that don't receive adequate funding, including food and farmworker health and sustainable nutrition science research. Sustainable nutrition science research is transdisciplinary research at the intersection of food production, climate and the environment, and nutrition which the SAS program **has already**

**funded** and should fund more. To date, **only 25 cents out of every thousand dollars** in all federal research goes towards this intersection of research, which if funded, could help spend federal dollars more efficiently with the goal of solving multiple intersecting issues at once.

### 7.3.1.2. Sustainable Agriculture Research and Education

The Sustainable Agriculture Research and Education (SARE) program remains the only USDA competitive grant research program with a clear and consistent focus on farmer-driven research. Farmers, ranchers, and rural business people direct SARE's research priorities, ensuring that the program is constantly responding to the research challenges that farmers, ranchers, and rural America face. For over 30 years, SARE has been at the forefront of innovation in research and extension activities for profitable and sustainable farming systems.

SARE funding is divided and administered by four regional Administrative Councils that coordinate with four regional host institutions and a National Coordinating Center. The four regional SARE programs (Northeast, Southeast, North Central, and Western SARE) manage several regionally-based grant programs, including the Research and Education (R&E) grant program, the Professional Development Program (PDP), Farmer and Rancher (F&R) grants, and the Graduate Student Grant Program.

SARE's regional delivery structure ensures that local needs are met and all regions of the country benefit equally. The program's priority on outreach ensures that SARE research results are disseminated directly to farmers and adopted in their fields at a much faster pace than traditional agricultural research – making the SARE program one of the most cost-effective and administratively efficient competitive research programs within USDA .

#### Reauthorize SARE with mandatory funding

Over its 30-year history, SARE has awarded over $354 million to over 8,000 initiatives focusing on farmer-led research and education in every state across the country. Yet despite SARE's long-standing record of helping farmers and ranchers develop and adopt innovative practices and systems, SARE funding has increased slowly, reaching $45 million in discretionary funding for FY2022, still short of its fully authorized amount of $60 million. Without increased investments, farmers will not be able to meet current and future productivity challenges and remain competitive in the face of climate change, and they will lack the easily accessible and regionally appropriate research that they need to develop sustainable and climate-resilient farming systems. Therefore, to realize the program's full potential, SARE should be reauthorized with mandatory funding of at least $100 million per year.

#### Establish an Agriculture and Food System Resilience Initiative

The next farm bill should establish a new SARE Agriculture and Food System Resilience Initiative, including research, education, extension, outreach, and farmer and rancher R&D with $50 million per year in mandatory funding and authorization of appropriations of $20 million per year. To that end, **climate change mitigation and adaptation should be made a new priority and purpose within SARE's**

**statutory mission.** The bill should also **increase the authorization of appropriations for SARE's extension, outreach, and professional development program** from $20 million to $30 million per year.

#### Increase Representation

The next farm bill should **increase representation within each SARE regional Administrative Councils** by expanding representation to include the 1890 and 1994 Land Grant institutions and Hispanic Serving Institutions to ensure equitable engagement and participation of farmer supporting voices.

### 7.3.1.3. Organic Research at NIFA

#### 7.3.1.3.1. Organic Agriculture Research and Extension Initiative

The Organic Agriculture Research and Extension Initiative (OREI) helps fill a critical knowledge gap by supporting research projects that specifically address the most critical challenges that organic farmers face in their fields every day. Over the past decade, OREI has invested millions of dollars into research that has directly helped farmers grow and market organic agricultural products, contributing to the tremendous growth the organic sector has seen over the past ten years. With the pace of growth in the U.S. organic market share surpassing the commensurate federal research investments in organic agriculture, and the USDA demonstrating that support for organic is crucial to their mission, additional funding to maintain growth is urgently needed. And while dedicated organic research is necessary for the growing number of organic farmers in this country, the benefits of research in soil health and organic pest management strategies extend far beyond the organic sector, providing research that is vital to the future of American agriculture as a whole and will help all producers economically as they work to meet climate and other challenges.

OREI was first created in the 2002 Farm Bill thanks to the advocacy of organic farmers and consumers. Due to the program's early success and consistently high demand, the 2018 Farm Bill more than doubled OREI funding, increasing it from $20 million to $50 million per year over the five years of the farm bill. The establishment of permanent baseline funding means that OREI will receive at least this level of funding in perpetuity, rather than having to negotiate funding from scratch every five years.

OREI-funded projects have developed innovative organic management strategies; optimized resilient, climate-friendly organic conservation, soil health and nutrient management systems; and improved organic livestock, among others. Expanded funding for OREI is urgently needed, especially at this time of climate crisis when organic approaches to food production can make vital contributions toward nationwide food security and climate stabilization. **The 2023 Farm Bill should provide mandatory funding for OREI at no less than $60 million per year in 2024, stair-stepping up to $100 million per year in 2028, to ensure that the organic industry continues to grow.**

#### 7.3.1.3.2. Organic Transitions Program (ORG)

Farmers interested in transitioning to organic production often face numerous challenges.

For two decades, the Organic Transitions (ORG) Program has supported highly innovative research, education, and extension projects that have helped producers overcome barriers in undertaking the transition to become successful USDA-certified organic farms. ORG project outcomes to date include NOP-compatible Integrated Pest Management strategies; optimizing the impacts of crop rotation, livestock-crop system integration, cover crops, and other organic practices; and strategies to overcome region-specific production, infrastructure, marketplace, or administrative barriers to organic production.

Unlike OREI, which accepts proposals from a broad range of applicants from both the public and private sector, ORG is available only to colleges and universities, including land-grant institutions, Hispanic-serving agricultural institutions, and other private and public academic institutions. This limitation bars many eligible nonprofits and other community-based organizations that already work closely with organic and transitioning organic farmers from directly applying to the ORG program. These entities help organic farmers and ranchers acquire the skills and knowledge they need when transitioning to organic through technical assistance including mentorship programs with farmers and ranchers who have already gone through the transition process, maintained their certification, and demonstrated the ability to share knowledge and provide training. **The 2023 farm bill should therefore remedy this limitation and open ORG eligibility criteria to mirror that of OREI to include non-LGU applicants.** This change will increase the program's demand and competitiveness, and broaden its impact on the organic farming industry.

According to the National Agricultural Statistics Service (NASS) **2019 Organic Survey**, demand for organic keeps growing, and farmers are increasing organic production by transitioning more acres to organic. Given the growth of the organic sector and the need to provide more support to organic farmers, investment in the ORG program should increase to reflect this growing demand. **The next farm bill should therefore increase the program's discretionary funding to $20 million by the end of the next Farm Bill.**

#### 7.3.1.4. Food Safety Outreach Program

The Food Safety Outreach Program (FSOP) funds outreach, education, training, and technical assistance projects that directly assist small and mid-sized farms, beginning and socially disadvantaged farmers, small processors, and small-scale wholesalers. FSOP's focus is to ensure that trainings are tailored to the diverse needs of these businesses and the production systems they use, particularly sustainable production systems, including organic and conservation practices. FSOP is the only dedicated source of funding to provide effective, tailored food safety training, outreach, and technical assistance to meet the needs of the many small-scale farmers, food hubs, and processors coming into compliance with the new Food and Drug Administration (FDA) food safety regulations under the Food Safety Modernization Act (FSMA).

Even as the first FSMA rules have come into effect, the need for locally-adapted and culturally-appropriate food safety outreach, education, training, and technical assistance remains strong. Not only are there producers who are moving from exempt to covered as they scale up to take advantage of new market opportunities for local and regional food products, but also additional aspects of rules continue to be finalized, such as the recently-proposed updated irrigation water standards and the yet-to-be-proposed manure standards under the Produce Safety Rule. As a result, it is essential that the 2023 Farm Bill increase funding for FSOP. At the currently authorized funding level (up to $10 million annually) only a fraction of producers can be reached. Providing FSOP with $20 million annually in mandatory funding will allow assistance efforts to reach a broad geographic and demographic audience, ensuring that producers across the country have access to the training they need to comply with new regulatory requirements and market pressures.

The farm bill should continue to prioritize applications from BIPOC-led organizations and organizations that work with historically underserved populations, and direct USDA to ensure the application process is accessible, with a particular focus on ensuring language accessibility in the communications and design of this program.

### 7.3.2. Agricultural Research Service

The Agricultural Research Service (ARS) is USDA's "chief scientific in-house research agency" and plays an important role in long-term agricultural research. This research is used to help farmers meet and adapt to challenges while increasing overall productivity. It's imperative that ARS concentrate on supporting systems that meet the needs of U.S. consumers for high-quality food, help farmers build resilience in a changing climate, and maintain profitable operations all while sustaining healthy agroecosystems and natural resources. The agency has over 660 research projects within 15 National Programs at 90+ research sites. The national programs cover a range of interdisciplinary research topics some of which feature climate-related impacts on long-term agricultural sustainability. Chief among these is the coordinated research conducted by the Climate Hubs and the Long-Term Agroecological Research (LTAR) network.

However, funding for USDA intramural research has declined over the last couple of decades, including funding for ARS, leaving many ARS laboratories underfunded and understaffed. This negatively impacts the quantity and quality of research the agency can provide and often leads many ARS researchers to compete for funding from other USDA competitive grants(e.g. NIFA). The next farm bill should ensure **increased funding for intramural research, especially that at ARS, prioritizing climate-related research and outreach,** stakeholder engagement, and making data publicly available.

#### 7.3.2.1. Climate Hubs

Since their founding, the USDA Climate Hubs have provided a wide diversity of practical tools, including up-to-date reports on current drought conditions and other climate stresses, new adaptive strategies, and workshops and other educational programs. Some examples include the Climate Adaptation Fellowship which pairs farmers with advisors to develop climate adaptation tools for vegetable, fruit, and dairy farmers, and forest managers (Northeast Hub), and the Hurricane Preparation and Recovery Guides (Southeast Hub). There are ten Hubs located regionally and hosted by ARS and the U.S. Forest Service.

Key to this work is the coordination and dissemination of research to scientists, farmers and ranchers, and other federal agencies to help inform strategic decision-making and operational management decisions when it comes to climate change. Increased investment would go a long way in strengthening the Regional Climate Hubs in addressing region-specific impacts of climate change and delivering new and emerging solutions to producers.

**The next farm bill should provide the first-ever legislative authorization for the USDA Climate Hubs at $50 million per year, and codify the national network of regional hubs to support climate risk mitigation and adaptation that were previously established by USDA.** Additionally, the bill should direct ARS and USFS to partner with other federal agencies; Extension, colleges and universities; agricultural experiment stations; tribal, state and local governments; and NGOs to deliver Climate Hub services, as well as direct each regional hub to solicit stakeholder input on regional priorities and to collaborate with farmers and NGOs in conducting research and outreach on priority topics such as GHG mitigation benefits of agroforestry, advanced grazing systems, crop-livestock integration, and biological nutrient cycling.

#### 7.3.2.2. Long-Term Agroecosystem Research Network

The Long-Term Agroecosystem Research (LTAR) network works to address a range of regional and national agricultural challenges. Created in 2012, this one-of-a-kind network of 18 research sites across the country engages producers and other stakeholders in the development, design, and implementation of research innovation that has helped improve the long-term productivity and prosperity of agricultural communities. The LTAR network operates by coordinating research across sites to better understand how agroecosystems function at the field, regional, and national scales, managing information by making data available to the public, and bringing real-time management technologies to producers. The network also assists producers to understand and manage new tools and technologies like remote sensing, computer modeling, and web technologies so that they can make informed decisions both on- and off-site. Building partnerships with agricultural stakeholders by engaging producers and other stakeholders to understand ongoing needs and increasing the utility and adoption of new information and appropriate technologies are also key priorities.

Operating on a limited $20 million per year across the 18 sites, many LTAR sites remain underfunded, putting constraints on the quality and quantity of research outcomes at these sites. Particularly underfunded sites include the Lower Chesapeake Bay site in Maryland, the Kellogg Biological Station in Michigan, the Upper Mississippi River Basin site in Minnesota, the Lower Mississippi River Basin site in Mississippi, and the Eastern Corn Belt site in Ohio. Adding to this complexity and lack of stability is the fact that the LTARs are not currently authorized in statute and therefore funding is not guaranteed. Sites that have been successful at securing funding have done so because their member of Congress has specifically requested funding for those sites. Establishing legislative authority for the LTAR network would go a long way to ensure funding can be directed annually to each site.

**The 2023 Farm Bill should authorize funding for the LTAR Network at $50 million per year while also establishing climate change adaptation and mitigation as major statutory purposes of the LTAR network.** Measurements and data collection should be improved and expanded across LTAR sites to enhance understanding of agroecosystem function in all major US agricultural regions and production systems, and making data collected through the network openly available to researchers and the public. By establishing a legislative authority and affirming climate mitigation and resilience as top priorities, Congress would strengthen the capacity of the LTAR Network to help producers and our food system meet the challenges of climate change, water shortages, and soil and other resource degradation.

### 7.3.2.3. Plants and Animals for a Changing Climate

Historically, control over our national seed stocks and breeding research lay in the hands of our country's farmers and land-grant institutions. However, over the last several decades, the development of our seed stocks has become increasingly consolidated and privatized. As a result, innovation and growth has been stifled, our national seed stocks have become less diverse, public breeding research has been woefully underfunded, and our food supply is considerably less secure. With the challenges posed by a changing climate, producers need resilient and adaptive plant and animal breeds that can withstand drought, heat, flooding, disease, weed pressure, and other new or worsening stresses. Producers also need cultivars that can perform well in organic and other low-input sustainable production systems that protect soil health, natural resources, environmental quality, and climate stability. This is essential to safeguard our long-term food security. Yet, unfittingly, there has been a decline in national public plant breeding investments which threatens long-term sustainability of our food system and efforts to build resilience.

According to a **2020 study**, plant breeding programs in the U.S. face budgetary and personnel challenges that "endangered or severely constrained" plant breeding research. Others have **previously noted** that "plant breeding in the public sector is in a current state of crisis as a result of a lack of sufficient funding to support this public good." NIFA has made some progress in increasing investment for plant breeding research, including the provision of additional investment for plant breeding projects that are in partnership with minority-serving institutions, and created a new subprogram for later-stage cultivar development (testing and evaluation of regional traits). But, more can be done.

In addition to addressing lagging investment, USDA should also ensure that any landrace or heirloom germplasm collected from traditional agricultural systems led by Black, Indigenous, Latinx, Asian, and other communities of color – or from Indigenous communities anywhere in the world – are obtained only with free, prior, and informed consent. This germplasm should only be used for public cultivars unencumbered by intellectual property rights and these requirements should be in federal grants and contracts with awardees. The source communities should also be equal partners in the breeding and selection process to ensure they receive full benefit from their contributions.

#### 7.3.2.3.1. Seeds and Breeds Coordinator

The next farm bill should direct USDA to create a public breed and cultivar research coordinator position within the REE mission area to ensure that USDA can continue to maintain and build a diversity of crops and livestock breeds with climate-adaptive and other beneficial traits that are broadly accessible to all US farmers.

The coordinator position within USDA's REE Office should be charged with harmonizing and tracking public plant and animal breeding research activities within and between REE agencies, and in close coordination with the National Genetic Resources Advisory Committee (NGRAC). The coordinator should work with designated personnel appointed by the Secretary of Agriculture to coordinate breeding efforts within NIFA and ARS. A centralized coordinator would also help to track and identify the needs of producers, buyers, and end users by identifying gaps in breeding research that are currently not being met by either the private or public sector and ways that existing private sector breeding for resilience can be complemented by USDA investment. USDA has previously attempted to assess areas of underinvestment in plant breeding research with limited success, therefore prioritizing areas of the highest need for public breeding research will be a core function of the newly established coordinator.

#### 7.3.2.3.2. National Genetics Research Program

The National Genetics Resource Advisory Council (NGRAC) helps to guide the direction and strategic investments of the National Genetics Resources Program (NGRP), and also serves as the formal vehicle for public stakeholder input into our nation's germplasm collections. The next farm bill should reauthorize the NGRP and increase staff and resources to characterize, document, and distribute germplasm information to the public, as well as implement recommendations from NGRAC. This support should include increased investment to support expanding infrastructure for NGRP's Germplasm Resources Information Network databases.

Congress should also provide more oversight of NGRP and direct USDA to swiftly act on prior farm bill directives for NGRAC, which has been charged with conducting a strategic assessment of public germplasm collections and cultivars and developing a plan that takes into consideration the resources and research necessary to keep our national germplasm collections viable and accessible.

### 7.3.2.4. Organic Research for a Changing Climate

Organic agriculture seeks to eliminate chemical soil disturbance by excluding the use of synthetic fertilizers, herbicides, and other crop protection chemicals, as codified in the USDA National Organic Standards. The potential of organic agriculture systems to help mitigate and adapt to climate change complements the benefits it offers in improving the overall environmental performance of agriculture and rural communities. Organic can help tackle climate change through the reduction of greenhouse gas emissions, increased carbon sequestration, and support for resilient landscapes and farming businesses. Although USDA investment in organic research has grown substantially since 2002, it still lags far behind the robust consumer demand for organic agricultural products. It cannot be overstated that organic is a sound system of production that provides the only federally-enforceable sustainable production standard. Less than two percent of the USDA's annual research budget is spent on organic production topics, despite the growth of the organic market to more than 6 percent. To renew investment and research that supports organic producers, and those transitioning to organic, the next farm bill should prioritize the following:

- Increase ARS's budget for intramural organic research conducted at multiple sites across the country commensurate with the market share of organic agriculture;
- Reinstate the Department-wide Organic Coordinator to ensure that USDA organic research addresses priorities identified through the work of the National Organic Program (NOP), the National Organic Standards Board (NOSB), the Risk Management Agency (RMA), the Natural Resources Conservation Service (NRCS), the National Agricultural Statistics Service (NASS), other agencies, and NGOs engaged in organic research; and that research outcomes inform the work of these agencies; and
- Prioritize greater data integration for NASS and the Agricultural Marketing Service (AMS) organic production data to assist RMA with the development of risk management products for organic producers such as Whole Farm Revenue Protection (WFRP) and NRCS with the implementation of conservation programs and practices in organic systems.

### 7.3.3. Economic Research Service

USDA's Economic Research Service (ERS) provides critical, objective, data-driven research and analysis that identifies economic trends and challenges for producers across a range of topics. This research is essential to ensure agricultural businesses, service providers, and policymakers are making sound decisions. Yet, the relocation of ERS to Kansas City has and will continue to have **lasting, negative impacts** on ERS capacity. The 2023 farm bill should takes steps to remedy the worst of these impacts by:

- Providing additional support and opportunity for administrators to advance overall staff capacity, particularly to add capacity for urgently needed research areas, such as on agroecology, interdisciplinary social science, and climate change, as much as possible. This could include additional full-time equivalents for recruitment or additional administrative human resource capacity;
- Preserving ERS as part of the REE mission area to retain the organizational firewall between the Office of the Secretary and the Office of the Chief Economist;
- Across REE agencies, prioritizing climate change mitigation and adaptation agricultural research, which spans disciplinary boundaries and includes agroecological, applied economics, integrated human nutrition science and policy, and systems science principles;
- Investing in research that evaluates the links between soil, plant, animal, and human health;

- Establish inequities research programs at ERS and NIFA with two purposes: (1) to build a portfolio of research at ERS and NIFA on social and economic inequities across sectors of the food system (e.g., farming, farmworkers, food processing, distribution, consumer food choices) and (2) to improve minority-serving and capacity-building competitive programs; and
- Require ERS to assess agronomic, economic, social, and food-supply chain issues arising as a result of COVID-19 including impacts on food safety, food prices, household food expenditures, food insecurity, utilization of nutrition assistance programs, farm prices, farm family incomes, and planting and other management decisions that are being driven by the pandemic.

## Title VIII: Forestry (No NSAC Policy)

## Title IX: Energy

### 9.1. Rural Energy for America Program (REAP)

As climate variability increases and energy costs continue to rise, producing on-farm, renewable energy has become an attractive option for many farmers and ranchers. In order to help producers save money and utilize renewable energy, the Rural Energy for America Program (REAP) provides grants and loans to farmers and rural businesses interested in making energy efficiency improvements. The program also supports the purchase of wind, solar or other renewable energy systems, and provides grants to help farmers with energy audits and renewable energy development. Since 2008, REAP has provided hundreds of millions of dollars in grants and loan guarantees to fund thousands of renewable energy projects across the country. Farmers and rural businesses have used REAP funding to replace irrigation motors and grain dryers, install solar panels, purchase and install wind turbines, and make energy efficiency upgrades.

The Inflation Reduction Act (IRA) created additional grants for the Rural Energy for America Program (REAP), covering up to 50 percent of the cost of a project and doubling the existing grant-based cost-share level of 25 percent. Under the IRA, total cost share, including grants and loans, can range up to 75 percent. The IRA appropriates $820.25 million for REAP through FY2031, including $180.28 million per year from FY2023 through FY2027.

The IRA specifically appropriates money for REAP grants and loans for "underutilized renewable energy technologies." The term has not yet been defined by USDA but is ideally intended to ensure that the program pays for a diverse range of technologies, including newer entrants into the field.

**The 2023 Farm Bill provides an opportunity to build upon this successful program and give farmers and rural communities more tools to address the climate crisis through energy efficiency and renewable energy investments.**

Specifically, the 2023 Farm Bill should:

- Increase REAP funding to $400 million annually beginning in FY 2024;
- Maintain and make permanent the increased cost-share reimbursement and grant rates in the IRA for all applicants, and with an emphasis on socially disadvantaged producers;
- Establish the reduction of carbon dioxide and carbon dioxide equivalent emissions as a primary purpose of REAP; prioritizing wind, solar, and energy efficiency;

- Create a grant priority for projects that would result in the largest net decreases of carbon dioxide and carbon dioxide equivalent emissions;
- Add NGOs and producer co-ops to the list of those eligible to conduct energy audits;
- Make agricultural processors eligible for energy efficiency grants;
- Invest in program staff and outreach to farmers, ranchers, and rural businesses about program opportunities, in partnership with community-based organizations, conservation districts, and Extension;
- Set aside 5 percent of funds for on-farm demonstration projects; and
- Maintain targeted support for underserved or underutilized technologies to marshal a wide array of resources.

## Title X: Horticulture

The Farm Bill's horticulture title covers farmers market and local food programs; funding for research and infrastructure for fruits, vegetables and other horticultural crops; and organic farming and certification programs. The 2023 Farm Bill offers the opportunity for this title to build on prior farm bills and recent USDA actions to strengthen local and regional food system resilience, enhance market opportunities for specialty crop growers, and support organic producers.

### 10.1 Strengthen Resilient Local and Regional Food Systems

Vibrant local and regional food systems have long been part of the social and economic fabric of many American communities, and the supply chain disruptions created by COVID-19 and the war in Ukraine have refocused attention on the merits of a decentralized American food and farm system. Producers, processors and distributors serving local and regional customers were able to pivot their operations in mid-2020 and redirect healthy food from closed institutional and restaurant markets to be distributed through emergency food networks and new and direct markets that arose to meet the crisis.

The investment that previous farm bills had made, most notably the 2018 farm bill's creation of the Local Agriculture Market Program (LAMP), paid off by ensuring that the baseline hard (facilities) and soft (relationships) infrastructure required was there to meet the needs of the moment. The 2023 Farm Bill offers the opportunity to expand and ensure equitable access to these critical programs and streamline their administrative function based on lessons learned from the COVID-19 pandemic and LAMP's first five years.

#### 10.1.1. Increase Access to the Local Agriculture Market Program (LAMP)

The growing demand for locally and regionally produced food has fueled a need for increased production, as well as a need for programs and policies that can support the expansion of those markets. The 2018 Farm Bill made significant investments – in physical infrastructure as well as in training and peer-to-peer professional networks – in developing these burgeoning local and regional supply chains through the Local Agriculture Market Program (LAMP), an umbrella program that consists of the **Farmers Market and Local Food Promotion Program** (FMLFPP), the **Value Added Producer Grant** (VAPG) Program, and the **Regional Food Systems Partnership** (RFSP) Program.

These investments provided significant return when the pandemic and other recent supply chain disruptions upended our food system. LAMP helped ensure that infrastructure and relationships were in place to enable local and regional food distribution networks to fill critical supply chain gaps and provide for the most vulnerable in our communities.

Existing local and regional food systems responded well to the crisis, but too many producers are still left out of the system. Appropriately sized processing, aggregation, and distribution infrastructure is still inadequate. Technical assistance for producers and entrepreneurs on a range of issues from food safety to business planning continues to make it difficult for many farmers and producers to update their businesses to meet current needs. Federal programs like LAMP can support farmers, ranchers, and fishers who want to take advantage of these new economic opportunities by connecting them with aggregators, processors, distributors, retailers, and institutional buyers and consumers in local and regional marketplaces. The 2023 Farm Bill can ensure this flagship program continues to serve local communities, farmers, and economies by streamlining program administration and expanding program accessibility.

#### 10.1.1.1. Farmers Market and Local Food Promotion Program

Farmers and consumers alike benefit from improved access to fresh, healthy, local food. Farmer-to-consumer connection points (such as farmers markets and food hubs) create economic opportunities for small and mid-sized family farms, increase consumer choice and access to fresh and healthy food, and improve economic outcomes for rural and food producing communities. However, building connections that translate into increased market opportunities for farmers and increased healthy food access for consumers can take a considerable amount of work.

The Farmers Market and Local Food Promotion Program (FMLFPP) helps develop and build-out those connections by funding direct-to-consumer marketing strategies. FMLFPP also provides support for local and regional food business enterprises acting as intermediaries between producers and consumers. The 2023 Farm BIll offers an opportunity to build on the success of this program by expanding accessibility and impact.

**Expand access to this critical program by increasing LAMP’s total mandatory funding from $50M to $75M per year and appropriations authorization from $20M to $30M per year and prioritize equitable distribution of LAMP program funds.**

The 2023 Farm Bill should increase overall funding for this flagship program, and provide USDA the authority and direction to prioritize geographic diversity and balance in funding, with a focus on directing resources to underrepresented areas, including frontier and remote communities, and to prioritize proposals from entities that are led by or primarily serve socially disadvantaged individuals and communities.

**Make it easier for smaller-scale, lower-income, and underserved producers and organizations to utilize the program through turnkey grants.**

## Title X: Horticulture

The 2023 Farm Bill should direct USDA to create streamlined "turnkey" grants – grants that include a limited set of key activities with pre-defined requirements – with simplified application and reporting requirements and no matching requirement for projects of $100,000 or less. The USDA Farm to School program has successfully administered turnkey grants and serves as the inspiration for this recommendation.

FMPP turnkey grants could include: Outreach and Promotion Projects (including customer facing and vendor recruit activities); Farmers Market Manager Staff-time; Vendor Training (food safety, nutrition programs, marketing practices etc); and Planning and Design projects for new and existing markets (includes community engagement, site designs, permitting, etc.); and Data Collection and Evaluation.
LFPP Turnkey grants could include:Food Hub Feasibility Study; Value Chain Coordinator Staff-time; Technical Assistance (business, grant writing, awards management); Data Collection and Evaluation; and Infrastructure/Equipment grants.

**Reduce matching fund requirements to enable greater access by lower-budget organizations and organizations serving underserved areas or populations.**

The 2023 Farm Bill should direct USDA to reduce the matching requirement from 25 to 10 percent for all FMPP and LFPP applications from organizations with less than a $500,000 annual budget (rolling average of 3 years, adjusted for inflation). Moreover, the farm bill should authorize the Secretary to waive the match requirement if the Secretary determines a waiver is necessary to more effectively reach an underserved area or population.

**Increase programmatic impact through enhanced flexibility, coordination, outreach, technical assistance, and evaluation.**

Specifically, to streamline and enhance program function, access, and impact, the 2023 Farm BIll should:

- Allow FMPP funds to be used for costs to farmers markets associated with administration and outreach for SNAP, WIC, and Senior Farmers Market Nutrition programs;
- Allow for a limited amount of funding to support physical infrastructure and equipment purchases with LAMP subprogram funding as part of larger projects;
- Direct USDA to provide technical assistance, training, and outreach to LAMP grantees and potential grantees to enable greater success in applying for managing awards;
- Conduct or facilitate data collection, monitoring, and evaluation of local and regional food programs with a racial justice lens, to avoid unintended consequences of the various programs' implementation – data collection and reporting must balance the need for robust evaluation of program accessibility and impact with the need to prevent against overburdening grantees, particular those representing or serving underserved producers or communities;
- Direct USDA to specifically authorize value chain coordination and outreach and technical assistance projects as eligible Regional Food Systems Partnership Program (RFSP) and Local Food Promotion Program projects; and

- Direct USDA to coordinate between AMS and RD regarding infrastructure and equipment investments and compliance with the documentation and monitoring requirements within 2 C.F.R. sections 200.313 and 200.439.4.

### 10.1.1.2. Regional Food Systems Partnership Program

#### Maintain the Regional Food Systems Partnership Program's Flexibility

The Regional Food Systems Partnership (RFSP) program was created in the 2018 Farm Bill as part of LAMP. RFSP provides competitive grant funding to support multi-stakeholder partnerships and encourage foodshed-level approaches to planning and developing local and regional food economies. The partnership program's focus on facilitating the development of public-private partnerships is similar in concept to the largely successful **Regional Conservation Partnership Program** (RCPP). The goal of RFSP is to permit the use of federal resources to leverage private investment and encourage landscape-level approaches to planning and developing regional food economies through the formation of multi-stakeholder partnerships supporting on-the-ground projects.

Unlike the recently announced Regional Food Business Centers, RFSP provides funding not only for multi-state regions (i.e. New England), but also multi-county regions (i.e. "southern Illinois") and Major Metropolitan regions that may or may not encompass multiple states (i.e. Chicago, Denver, or Sacramento). Partnerships applying to the RFSP program determine the size and scope of the region appropriate for their project, enabling more creativity and innovation in meeting regional needs. This program thus provides partnerships with broad authority to develop not only the geographic size and scope of the project, but the objectives, activities, and goals of a project as well. The 2023 Farm Bill should maintain the flexibility and innovation RFSP enables across regional scales and address the requirement that prime applicants must retain 50% of the total grant, which limits organizations that are fiscally sponsored and multi-partner projects from effectively participating in the program.

### 10.1.1.3. Value-Added Producer Grants

The Value-Added Producer Grant (VAPG) program is a successful tool to support on-farm diversification and long term farm viability and increase local economic opportunity in rural communities through the establishment of value added enterprises. A 2018 **study** by USDA's Economic Research Service found that businesses that received support from VAPG were less likely to fail than similar businesses that did not receive support through the program. Furthermore, the report found that VAPG recipients were 89 percent more likely to still be in business two years after the grant than similar, non-granted businesses, and 71 percent more likely to remain in business four years after the grant. Moreover, on average VAPG recipients were reported to provide more jobs (five to six more employees) for their communities than similar non-recipient businesses.

VAPG was first authorized in 2000 and provided with $20 million per year in mandatory funding. The program was subsequently expanded as part of the 2002 Farm Bill to include inherently value-added production (such as organic crops or grass-fed livestock), and funding was doubled to $40 million per year. In the 2008 Farm Bill, the program was expanded again to include locally produced and marketed food products and mid-tier value chains, but its funding was cut dramatically to $15 million for all five years of the bill. The 2008 Farm Bill also established funding set-asides for mid-tier value chains and beginning or socially disadvantaged farmers. Additionally, the bill required USDA to prioritize projects that increase opportunities for: (1) small- and medium-sized family farms and ranches, (2) beginning farmers or ranchers, and (3) socially disadvantaged farmers or ranchers.

The 2014 Farm Bill reauthorized and expanded VAPG by adding veteran farmers and ranchers as a new, fourth priority category and provided the program with $63 million in mandatory funding for 2014-2018. The 2018 Farm Bill reauthorized VAPG through a new umbrella program, the **Local Agriculture Market Program** (LAMP), which combined VAPG with the Farmers Market and Local Food Promotion Program (FMLFPP). Although VAPG now has permanent mandatory funding as part of LAMP, VAPG funding levels are still a fraction of what they were under the 2002 Farm Bill. The 2018 Farm Bill provides LAMP with $50 million in mandatory funding per year, of which only $17.5 million is for VAPG.

One notable change to VAPG from the 2018 Farm Bill was the authorization of a subprogram focused on food safety: up to 25 percent of total VAPG funds were intended to be used to support producer costs related to changing and/or upgrading food safety practices and related equipment ($6,500 maximum grant). However, this subprogram has yet to be fully implemented.

**To build on this successful small business development program and ensure VAPG continues to be a reliable business development tool for farmers seeking to diversify and build resilience into their business and reinvest in rural communities and infrastructure**, the 2023 Farm Bill should:

- Increase funding available to VAPG by increasing total mandatory funding for the comprehensive LAMP program to $75M;
- Authorize an additional $10 million for LAMP through the appropriations process for fiscal years 2023 and thereafter;
- Reduce the match requirement to 25% for producers with adjusted gross income of $250,000 or less who are beginning, veteran, socially disadvantaged, or small or medium sized family farms or ranches;
- Create a new value-added producer direct loan and loan guarantee program for equipment and facilities of up to $1M or 90% loan guarantee for the full development of viable, value-added marketing products;
- Allow loans/loan guarantees to be made to entities in non-rural communities if the project for which the loan is made directly benefits agricultural producers in rural areas;
- Prioritize Loans/guarantees for projects in underserved communities and from applicants that are from or have historically served socially disadvantaged communities; and
- Fully implement the 2018 Farm Bill by directing USDA to issue a rule that would allow applicants to apply for food safety financial assistance through VAGP, and prioritize applications from socially disadvantaged farmers or ranchers as part of that rulemaking.

## 10.2. Enhance Market Access for Specialty Crop Growers

### 10.2.1. Specialty Crop Block Grants

**Continue the Specialty Crop Block Grant program at its current funding level.**

Specialty crops have benefited from federal marketing and research programs, but historically have not had a direct aid program within the farm bill. The Specialty Crop Block Grant Program (SCBG) addresses the desire for greater federal resources to support fruit and vegetable producers by providing grants to state departments of agriculture to support projects that enhance the competitiveness of specialty crops. SCBG funds can support a wide array of projects such as value-added processing businesses, food hub development, farmer food safety training, farmers markets and farm to school initiatives.

SCBGP was first authorized in the 2004 Specialty Crop Competitiveness Act, but did not receive any funding until 2006. The 2008 Farm Bill provided SCBGP with its first mandatory funds at $55 million per year. The 2014 Farm Bill subsequently increased the program's mandatory funding to $72.5 million per year through 2017, and then $85 million per year in perpetuity starting in 2018.

The 2018 Farm Bill reauthorized the program and continued its funding at $85 million per year in perpetuity. The amount allocated to each state is based on a formula that considers specialty crop acreage and production value within the state. The 2018 Farm Bill also made a number of minor but important changes to the underlying program. For example, the bill added language regarding periodic evaluation and performance measures for the states and projects funded through the program. The next farm bill should continue SCBG and maintain funding for the program at its current level, and should continue to ensure equitable access to program funds distributed through the states.

For example, one identified challenge for organizations applying to access SCBG through their state is that the federal indirect rate is capped at 8 percent for the program, and the state department of agriculture typically uses those funds to administer the program. As a result, the applicants to the state typically cannot claim any indirect costs. This practice varies by state, but can have a limiting effect on many community-based organizations' ability to make use of the program. To ensure that lower-resourced and community-based organizations are able to equitably participate in this program, we recommend the 2023 Farm Bill direct USDA to analyze and report on the degree of variability across each state program with respect to its approach to indirect costs and how that variability may impact participation in the program.

### 10.2.2. Food Safety Certification Cost Share

**Direct USDA to continue to fund specialty crop food safety certification cost share programming beyond current pandemic related levels.**

Farms that grow specialty crops that are trying to achieve food safety certification experience many different direct and indirect costs. Meeting food safety requirements can include direct costs such as buying a new sink, upgrading storage areas, and purchasing digital or physical record keeping systems. Indirect costs such as lost revenue due to owner or labor time to prepare for inspections or audits can add up, and even food safety training can include both direct (cost of training) and indirect (lost labor) costs. For small farms, which statistically face smaller overall profit margins and total revenue, these expenses represent a larger total share of gross expenses and net income.

Food safety certification is a costly hurdle  for specialty crop producers, but also has many benefits that can fuel business growth, such as access to much larger markets through direct to institution or wholesale.

The **Food Safety Certification for Specialty Crops Program**, an American Rescue Plan Act (APRA) program that received one-time funding of $200 million dollars in June 2022, recognized both the importance of and the costs associated with food safety certification for small and mid-sized businesses accessing new market opportunities. This program helped reimburse the expenses of certification, providing some welcome relief for farms that quickly adapted their businesses to respond to pandemic-related supply chain shocks, taking on the extra challenge and cost of obtaining food safety certification as they stepped up to fill gaps in the supply chain.

To continue to support the scaling-up of many small- and mid-sized farms, the Food Safety Certification for Specialty Crops Program should be permanently authorized, focusing on providing cost reimbursement for small and very small farms and prioritizing beginning, socially disadvantaged, and other underserved producers. The program would provide reimbursements for the direct cost of an audit service performed by AMS, an AMS-licensed state inspector, or an accredited third party auditor.

In addition to reimbursement for the costs of certification, the program should also provide noncompetitive cost-share assistance for small farms – with higher levels of assistance available for beginning, socially disadvantaged, or veteran producers –  for practices or equipment necessary to pass and maintain a Good Agricultural Practices (GAP) audit. The farm bill should direct USDA to consider setting reimbursable limits by region, to accommodate highly variable costs across the country.

As discussed in the VAPG section above, the 2018 Farm Bill directed USDA to establish such a food safety cost-share program as a subprogram within VAPG, which is itself  included under the umbrella of the Local Agriculture Market Program (LAMP). Whether USDA carries out its authority to establish a food safety cost share program as a standalone program or through the VAPG, the 2023 Farm BIll should direct USDA to act quickly to put this critical program in place.

### 10.2.3. Organic Data Initiative

**Provide $5 million in mandatory funding for the Organic Production and Market Data Initiatives (ODI) over the life of the 2023 Farm Bill.**

Organic farmers and ranchers, like conventional farmers and ranchers, need sound market data about the agricultural products they produce so that they can make informed planting and marketing decisions. USDA has historically provided a robust amount of information for many agricultural products produced with conventional methods; however, the collection and distribution of data on organically produced products is still quite nascent.

ODI is a multi-agency initiative that helps address this gap by facilitating the collection of organic market information, including price data, and survey, analysis and reports relating to organic production, handling, distribution, retail, and trend studies including consumer purchasing patterns.

The 2018 Farm Bill provided $5 million in mandatory funding for ODI over the life of the farm bill; however, USDA is unlikely to have any money remaining for the Initiative after 2023, meaning that ODI will need new mandatory funding in order to continue.

ODI is important for a number of reasons. First and foremost, farmers and ranchers in the US have been unable to keep pace with the growing demand for organic products; ODI can help address this by providing producers a window into market dynamics and opportunities. In addition to impacting producers, the lack of data has also limited the ability of USDA's Risk Management Agency to expand organic crop insurance offerings. In order to help farmers and ranchers keep up with changes in the market, and to ensure that USDA programs function efficiently, effectively, and equitably, the next farm bill should provide sufficient mandatory funding for ODI.

## 10.3. Reform Support for Organic Producers

Organic food and farming has grown into a multi-billion dollar industry over the last two decades and is one of the fastest growing sectors of agriculture. For farmers across the country, strong demand for organic food translates into new and growing market opportunities. Organic agriculture benefits consumers, the environment, and the farmers' bottom line. Studies have shown that organic is climate-smart agriculture because it uses less energy, sequesters carbon, and reduces greenhouse gasses compared to conventional systems. Considering the enormous potential organic practices have to increase farm revenue in our rural communities, preserve and enhance the environment, mitigate climate change, and provide healthy food to communities, federal policies aimed at assisting farmers' and ranchers' transition to organic production should be a priority.

While the farm bill currently authorizes USDA to offer several options for organic, notably organic certification cost-share, there has been no unified program that specifically supports organic. More can and should be done to assist and incentivize farmers to learn and implement organic production systems if they are to meet this growing consumer demand and adopt practices that mitigate and build resilience to climate change. Assistance should include transitional and organic technical and mentorship support to guide the operator through the transition process to help them better understand organic production practices, the organic certification process and federal organic standards, and to access organic markets.

In August 2022, USDA announced its Organic Transition Initiative (OTI) to offer "opportunities for new and beginning farmers and expanding direct consumer access to organic foods through increased production." This initiative aims to provide technical assistance, including farmer-to-farmer mentoring and financial assistance for market development projects, crop insurance, and conservation. OTI is a historic $300 million investment for organic and transitioning producers and represents a multi-agency collaboration between USDA's Agricultural Marketing Service (AMS), the Natural Resources Conservation Service (NRCS), and the Risk Management Agency (RMA). This multi-pronged approach to supporting organic is a critical first step to ensuring organic agriculture continues to grow while providing agroecological and climate resilience services to the food system.

### 10.3.1. National Organic Certification Cost Share

The National Organic Cost Share Program (NOCCSP) provides organic farmers and handling operations with a reimbursement to cover a percentage of their annual organic certification fees. The cost-share program is particularly important to small and mid-sized organic farms and those who are just starting out with organic certification. However, funding levels have not increased since 2008. Organic cost-share reimbursements should be increased to keep pace with inflation, and to make it easier for more farmers and ranchers to certify.

The 2018 Farm Bill provided new mandatory funding for NOCCSP, but, due to accounting errors, there was a funding shortfall for the program and in August 2020 USDA reduced the maximum 75 percent reimbursement rate to 50 percent of eligible costs up to a maximum of $500 per certified scope. This meant that organic farmers, already dealing with the strain of the pandemic and counting on the reimbursement for their certification costs, were left with a reduced payment. In June 2021, the agency announced it would provide up to $20 million in additional organic certification cost-share assistance through the Organic and Transitional Education and Certification Program (OTECP), as part of the USDA Pandemic Assistance for Producers initiative to supplement to reduced reimbursement payment from NOCCSP.

#### Increase NOCCSP Program Funding

While the domestic market for organic products continues to grow, U.S.-based organic production has lagged behind. As a result, foreign imports are filling gaps to meet national demand. The intent of the NOCCSP is to support the growth of domestic production so that U.S. producers can take advantage of growing market opportunities. Therefore, the next farm bill should reauthorize NOCCSP and increase the program's current funding level to $52 million per year in mandatory funding. USDA should re-integrate organic cost share into a single program.

Additionally, the program's 75 percent reimbursement rate should be increased to 100 percent of eligible costs up to a maximum of $1,500 per scope, thereby helping farmers keep up with increasing costs of certification and inflation. USDA should accept certifier statements as sufficient evidence of payment and extend to accredited certification agencies the option to enter into cooperative agreements with USDA to administer cost share.

#### Simplify the Application Process

USDA should work toward streamlining and simplifying the reimbursement process by having reimbursements go directly to certifiers rather than the current system where farmers pay the certification fee and apply to state departments of agriculture, FSA or their certifier for reimbursement. Any additional cost to the farmer beyond that paid by USDA as part of the cost share can be billed directly to the farmer. This will result in a more-timely reduction in certification cost burdens to organic operations and reduce paperwork burden on these operations. This provision is important for addressing challenges in certification for small and underserved operations, and BIPOC farmers since the upfront additional costs of certification are a barrier for these operations.

#### Enhance Program Oversight

Given the recent disruptions to NOCCSP, improved program oversight is imperative to increasing the program's effectiveness, outreach, and viability. The 2023 farm bill should direct FSA to train staff in organic certification and organic programs including certification cost share and improve its monitoring of NOCCSP utilization rates across states so as to better inform funding needs. Additionally, FSA should make publicly available annual accounting reports after the end of each fiscal year that accurately depict that year's utilization and growth rates.

We recommend enhanced oversight over NOCCSP to not only improve program accounting, reporting, and utilization rates, but also to increase communication to relevant stakeholders to improve outreach to producers.

### 10.3.2. Technical Assistance for Organic Producers

Historically, organic management systems have not been a focus of existing USDA training and technical assistance programs. Opportunities exist for the agency to improve its service to this growing sector of agriculture. To improve support for organic producers, USDA should increase the number of qualified organic service providers and partner with non-profit, non-governmental, and community-based organizations with experience working directly with farmers to provide training, education, mentoring, business training, and other outreach activities. Reforming existing programs and investing in new ones to increase organic producer enrollment in crop insurance and conservation programs, and to transition more acres to organic by supporting efforts to increase credit and land access to new and existing organic producers, is needed. USDA service providers must also be trained and knowledgeable in organic practices in order to best serve producers and increase accessibility to USDA programs including cost share.

USDA's new OTI program can provide much needed assistance to organic producers, and the next farm bill should build on this program in the following ways.

#### Increase Mentorship Opportunities for Organic Farmers

The 2023 farm bill should prioritize funding direct mentorship opportunities for transitioning farmers and ranchers, including farmer-to-farmer mentorship programs, in collaboration with community-based organizations to build and expand mentoring networks so that seasoned farmer knowledge of certification requirements, practices, and accessing organic markets can be capitalized.

## Title X: Horticulture

### Direct NRCS to Provide Financial and Technical Assistance for Organic Participation in Conservation Programs

Implementing organic conservation practices often involves major adjustments to the equipment needed on farm to complete field work. To better support organic producers, the next farm bill should provide financial assistance to help farmers acquire needed equipment or scale up county-level pilot programs in equipment sharing.

Expand funding for CSP and EQIP to support the organic transition process and incentivize the use of organic-specific conservation practices such as rotational grazing, cover cropping, and soil building practices that meet NOP standards. Both EQIP and CSP should continue to offer Organic Initiatives with separate ranking and funding pools for organic producers, and should make payment limits the same as for the general EQIP and CSP programs. State-by-state allocation of funding for the organic ranking pools should be based on numbers and acreages of certified and transitioning organic farmers in each state with growth goals for the sector.

### Expand Organic Markets and Market Access

Maintaining and enhancing the integrity of the organic label is an essential part of ensuring the organic market continues to grow. More can be done to extend organic into local and regional food systems. Regional food system programs that expand local markets for organically produced food can create more opportunities for new and existing organic farmers and ranchers. USDA should reform the procurement process for federal nutrition assistance programs to make them more accessible to small and mid-scale farms and handlers, and should increase procurement of organic products through those programs.

Investment is also needed to expand the processing capacity for organic meat and poultry and facilities for organic vegetables and fruits. As USDA develops details for plans to incentivize expansion of local and regional meat processing capacity, special attention should be given to the need for additional organic meat processing.

### Direct RMA to Remove Barriers to Crop Insurance for Organic Producers

Sustainable and organic farmers are over-charged in the current crop insurance system which does not accurately set organic insurance guarantees based on organic prices nor recognize that organic systems of production are likely to be at less yield risk than other non organic systems. USDA should provide a discount on federal crop insurance for farmers who use organic (and other soil health-based) practices while promoting Whole Farm Revenue Protection (WFRP) to organic farmers as a superior alternative to seeking commodity-by-commodity, multi-peril coverage.

For more recommendations on improving crop insurance access for organic producers and farmers transitioning to organic, see Title XI: Crop Insurance.

### Improve Credit Access for Organic Producers

Beginning and BIPOC farmers have difficulty obtaining financing for many reasons including a lack of credit history, the increased risk associated with lending to a new or young farmer, or unfamiliarity with small, diversified and organic farming operations. To meet their unique needs, FSA staff should receive additional training on these "non- traditional" operations and more robust data should be collected on these operations and the prices they receive for goods to better ensure these farmers can access capital as needed.

For more recommendations on improving access to capital for underserved producers, including organic farmers, see Title V: Credit.

### 10.3.3. Producers Transitioning to Organic

Programs to support organic transition should include organic agronomic research and extension and technical support including assistance with certification, conservation planning, business development, marketing, and mentorship services to ensure that farmers and ranchers transitioning to organic management have the knowledge and support they need as they learn a new production system. Producers transitioning to organic production, either from conventional production or as beginning farmers just getting started, face enormous technical, cultural, and financial shifts in going organic. Increasing the number of qualified USDA organic service providers by streamlining the process of becoming a TSP and accepting experience as qualifications, as well as partnerships with non-profit, non-governmental, and community-based organizations with experience working directly with farmers to provide training, education, mentoring, business training, and other outreach activities for transitioning farmers can go a long way in boosting successful organic transition. In addition, USDA staff should receive training in organic regulations and programs to supplement support provided by TSPs.

The 2023 farm bill should ensure that producers who make the transition have the resources and support they need during their transition period and during the few years that follow, increasing likelihood of long-term success. The bill should direct USDA to:

#### Increase Transition Mentorship Opportunities

Priority should be given to farmer-to-farmer mentorship programs that support and provide technical assistance to beginning and transitioning farmers that are culturally and linguistically appropriate. Farmer-to-farmer mentoring programs will fill this gap to help farmers learn organic management directly from successful organic producers. Farmers and ranchers just beginning their transition process can be paired with an experienced certified organic producer who will be compensated for the time and resources they provide to the transitioning producer. Transitioning to organic requires the development of a new set of skills and knowledge, and the mentors who can best share that knowledge are the farmers and ranchers who have already gone through the transition process, maintained their certification, and demonstrated the ability to provide training. These programs should prioritize underserved regions and BIPOC producers.

#### Direct FSA to approve cooperative agreements with Organic Transition Mentorship Programs

As part of an organic transition program, transitioning producers should be provided financial support to enroll in an approved mentorship program.

This direct mentorship model is powerful because it provides farmers access to localized knowledge, connects them to a well-respected resource network, and has the potential to provide long-term education and support for organic producers. To host an approved mentorship program, entities would be required to demonstrate organic expertise and the capacity to provide educational services, including translation services where applicable.

### Provide Transition Support Payments for Producers Transitioning to Organic

An incentive payment should be provided, contingent upon the producer's participation in the technical assistance component and the development of an Organic System Plan. Participants could use their incentive payment to help cover the costs of new production methods and additional infrastructure during the transition period.

### Support Increased Investment into Organic Research

To help organic farmers, particularly those transitioning to organic, overcome the challenges of transition, new investments are needed in organic research. Specifically, new funding and eligibility criteria for the Organic Transitions (ORG) research program, administered by NIFA, can help increase education and technical assistance to transiting farmers. As mentioned earlier (see Title VII: Research), ORG focuses on research that helps farmers overcome the barriers to transitioning to organic including policy, market, and supply chain-related challenges as well as the challenges of building soil fertility and managing pests and weeds without synthetic inputs. Additionally, increased research into developing seed and animal breeds regionally adapted to organic systems is needed. These seeds and breeds must be made publicly available so that farmers are able to access organic seed and animals to support their operations. Extension materials reporting on research outcomes should be translated into Spanish and other languages used by farmers in the region.

## Title XI: Crop Insurance

Americans rely on family farmers to put food on our tables, and we trust them to protect the lands they steward. Because of the important role farming plays in our lives and in our economy, it is in the public interest to help farmers address major risks, such as weather variability. There are many approaches a farmer may choose to manage risk, including crop, enterprise, and market diversification or investing in soil health and conservation. However, rather than invest in such strategies proven to reduce on-farm risk and improve resilience over time, current agricultural risk management policy focuses primarily on taxpayer subsidized crop insurance.

Federal crop insurance is an important cornerstone of a farm safety net to help protect producers from unforeseen disasters and sudden market volatility, but it must be improved to better serve all U.S. farmers and to provide returns on taxpayer investment. Currently, federal crop insurance policies are not accessible to many types of farms and farmers throughout the country, particularly beginning and non-conventional farmers including organic, diversified, and small and mid-sized farms. The program discourages and sometimes even penalizes the adoption of sustainable farming practices through complex rules which regulate their application while encouraging the use of unsustainable practices such as monocultures and short rotations.

Further, unlimited taxpayer subsidies which lower the premium farmers pay to purchase crop insurance policies mostly benefit the **largest and wealthiest commodity farms**; this concentration in turn leads to **heightened land and rent prices** and farmland consolidation, which have contributed to the hollowing out of rural communities for decades. And taxpayers are paying more to maintain this system every year. In 2022, crop insurance premium subsidies totaled $11.4 billion – **nearly twice what premium subsidies historically cost taxpayers.** Rather than improve on-farm resilience, without reform the rising taxpayer expense to subsidize crop insurance premiums (combined with Title I commodity and disaster payments) will continue to perpetuate the elevated risks associated with industrial farming by artificially removing risk from these farm businesses and discouraging innovation.

For family farmers to successfully weather the challenges of working in a volatile agricultural economy, they need a federal crop insurance program that is more responsive to the growing diversity of the industry, encourages good land stewardship practices, and uses public funds efficiently and effectively. To meet these needs, the 2023 Farm Bill must:

- Improve access to the safety net for small and mid-sized, beginning, organic, and specialty crop producers;
- Promote natural resource stewardship to help farmers reduce risk as returns on taxpayer investment; and
- Level the playing field for family farmers and ensure efficient use of taxpayer funds.

## 11.1. Improve Safety Net Access

According to the 2017 Census of Agriculture, just 19 percent of all farms are enrolled in the federal crop insurance program. While over 85 percent of cropland planted to corn, soybeans, wheat, and cotton is covered by crop insurance policies, very few small, beginning, organic, diversified, and specialty crop farmers **purchase crop insurance.** Low enrollment in federal crop insurance policies among these farmers does not reflect disinterest in participation; overwhelmingly, these farmers desire a safety net against unpredictable weather events and market variability. Rather, it highlights that non-conventional producers face significant barriers to access insurance as a risk management strategy. These obstacles are influenced by a range of factors, including insurance product designs, costs, implementation, and education.

Improvements to the federal crop insurance program are needed to guarantee that beginning, non-conventional, and limited-resource farmers are no longer forced to choose between purchasing crop insurance as a safety net or adopting on-farm, risk mitigating conservation practices to build long-term resilience. Both risk management strategies should be within reach and incentivized for all farmers.

## Title XI: Crop Insurance

### 11.1.1. Beginning Farmers

**Bring RMA's definition of a beginning farmer into conformity with the statutory definition used by all other USDA agencies except RMA, so that all benefits apply for a producer's first 10 years in operation rather than just five years.**

Beginning farmers who enroll in the federal crop insurance program are **eligible for certain benefits,** including a 10 percent premium subsidy bonus and waived fees for catastrophic coverage. These benefits, however, only apply for the first five years a beginning farmer is in operation. This creates a split against all other USDA programs, which define a beginning farmer as someone who has been farming for less than 10 years. The 2018 Farm Bill did take a step to expand the beginning farmer definition to those farming less than 10 years, not five, but only for Whole-Farm Revenue Protection. Because beginning farmers are particularly vulnerable to volatile fluctuations in weather, production, and the market during this initial growth period, and to reduce confusion which arises from the existence of competing definitions, RMA should define beginning farmers according to the 10-year benchmark across all crop insurance products.

### 11.1.2. Whole-Farm Revenue Protection (WFRP)

**Make modifications to the WFRP that simplify, streamline, and increase access to the product.** WFRP is a unique crop-neutral revenue insurance policy designed to protect the revenue of a farmer's entire operation, not just one commodity. This includes coverage for up to $2 million in sales for animal production. WFRP is the only federal crop insurance product available nationwide and includes additional premium discounts for operations insuring two or more commodities. In 2021, USDA's ***Action Plan for Climate Adaptation and Resilience*** cites WFRP as a key program to support farmers who use diversification to reduce risk and combat decreasing agricultural productivity. WFRP does indeed represent an important opportunity to combat such threats posed by climate change, but to fulfill this role, well-documented, historical barriers to access must be overcome and its strengths must be fully leveraged.

Unfortunately, WFRP became difficult to access for the large and small diversified farms whom the product was primarily designed to protect. Burdensome paperwork, opaque costs, expense monitoring and penalties, and a lack of education for both producers and insurance agents contributed to the program's **declining enrollment trends**. RMA announced significant improvements to the program effective 2023, most notably the elimination of previous expense report requirements, which in addition to renewed agency outreach and promotion are expected to improve producer's ability to access WFRP.

To continue to improve WFRP as a practical option to provide risk protection that encourages sustainable diversified systems of production, the next farm bill should direct RMA to:

- Prohibit the adjustment of price and production expectations at the time of a loss claim, an alarmingly common practice which destroys farmers' confidence in the product;

- Strengthen the diversification incentive by raising the eligible commodity floor from two to three commodities;
- Create or fund the creation of an online WFRP farmer-friendly premium calculator, like the AGR-Lite Wizard which served this purpose for the predecessor to WFRP;
- Improve the RMA Agent Locator tool by programming an option to filter agents who specialize in selling WFRP policies, or otherwise create a database for such agents;
- Release data on farm revenue insured under WFRP policies to boost farmer confidence and enhance program transparency; and
- Consider changes in compensation rate or model for agents who write WFRP policies.

### 11.1.3. Approved Insurance Provider Education

**Direct RMA to provide Approved Insurance Provider (AIP) agents and claims adjusters with continuing education on agronomic practices, particularly NRCS conservation practices and organic operations.**

Thirteen private companies, known as AIPs, are authorized to sell and service federal crop insurance policies to farmers as a feature of the FCIP public-private partnership. Insurance agents and claims adjusters are not, however, always trained and equipped with knowledge or experience to effectively serve farms that fall outside of conventional commodity farms. This becomes a barrier for farmers who adopt or may consider adopting agronomic practices but also wish to purchase crop insurance. RMA, in partnership with NRCS and through cooperative agreements, should provide all AIPs and claims adjusters with opportunities for continued education in these areas and, where appropriate, institute positive reinforcement for those who participate.

**Provide continued training for AIP agents and claims adjusters specific to selling and servicing WFRP, and explore reasons why some AIPs resist offering WFRP.**

Because WFRP is an RMA pilot, AIPs are required to offer WFRP to any producer who requests it. Research has confirmed, however, that some AIPs do not provide any information about WFRP on their websites and there are many agents who are either not familiar with the product or actively discourage its use. In addition, to ensure that WFRP is actively offered we recommend regular RMA oversight to explore reasons for resistance from AIPs and agents, including but not limited to insufficient agent training and perceived low compensation relative to other insurance policies. RMA should prioritize acting on any identified problems to remove as many barriers to WFRP access as possible.

### 11.1.4. Education and Risk Management Assistance

**Revive RMA's Risk Management Education Partnership program, including a funding authorization of at least $5 million per year.**

Risk management education projects help farmers identify resources and implement techniques to reduce risk and increase the financial stability of their operations. The 2018 Farm Bill removed explicit authorization for a risk management program implemented by RMA, known as the Risk Management Education Partnership (RMEP) program. Instead, funding for this RMA program was directed to a similar program implemented by the National Institute of Food and Agriculture (NIFA), which has become known as the Extension Risk Management Education (ERME) program.

In 2021, USDA leveraged its authority to temporarily revive the RMEP program. This move was a recognition that, in practice, these programs were tailored to unique audiences – RMA's RMEP to community-based organizations and nonprofits and NIFA's ERME to academic and extension institutions. The next farm bill should statutorily restore authorization for RMA's risk management education program with an authorized funding level of at least $5 million to be allocated through annual appropriations.

**Include a directive to provide technical assistance and education to farmers and federal crop insurance agents regarding the availability of WFRP.**

It should be an explicit aim for any risk management education program to provide technical assistance to producers who may be interested in purchasing WFRP, as a way to decrease barriers to entry for those producers who may have heard about WFRP but lack the resources or technical capacity to sign up for coverage. Likewise, education and technical assistance for crop insurance agents may enable groups with first-hand experience helping farmers access WFRP bridge the knowledge gap between said agents and farmers to promote greater program participation.

### 11.1.5. Organic Insurance

**Require NASS/RMA to conduct an organic production survey on a regular schedule.**

In recent years, significant advances have been made to provide risk management products tailored to organic production. To illustrate one such improvement, certified organic producers for select crops can opt for "price elections" that reflect organic price premiums in the marketplace. However, price elections are not available for all crops and are calculated using a formula derived from non-organic crop data. Requiring NASS to conduct an organic production survey on a regular schedule will help generate additional data for RMA, with the goal of moving towards organic price elections that are calculated using actual organic value. In support of these efforts, RMA should continue to release organic crop insurance data on a regular schedule, including usage data by state.

**Require RMA to provide organic insurance to producers transitioning to certified organic status without requiring an Organic Systems Plan.**

RMA and the National Organic Program (NOP) offer contradictory guidance regarding the adoption of an Organic Systems Plan (OSP) for farmers transitioning to organic production, which bars transitioning growers from purchasing organic insurance. NOP dictates that a transitioning producer may only adopt an OSP at the end of a three-year transition period, while RMA requires a transitioning producer to already possess an OSP to be eligible to purchase organic insurance options. Because NOP guidance must take precedence for a farmer to achieve certified organic status, this bureaucratic oversight contradiction leaves transitioning farmers effectively ineligible to purchase organic insurance.

Further, though a transitioning producers who insists on purchasing insurance will still be eligible for conventional insurance policies, they would find themselves out of compliance with RMA's good farming practices for conventional producers (which requires, among other measures, a minimum standard for applying chemical pesticides contrary to organic production) and be denied an indemnity payment in the case that a claim were made. For these reasons, the next farm bill should direct RMA to remove their requirement that producers transitioning to certified organic status produce an OSP to be eligible for organic insurance.

**Authorize the new Organic Grower Assistance Program in perpetuity to boost organic farmer participation in the federal crop insurance program.**

In 2022, USDA provided $25 million to the RMA for a new Organic Grower Assistance (TOGA) program as part of its broader Organic Transition Initiative. (For more on the Organic Transition Initiative, see Title X: Horticulture.) TOGA was designed to help support transitioning and certified organic producers' increased participation in crop insurance programs, including coverage of a portion of their insurance premium. Specifically, TOGA extends a 10 percent premium discount to farmers in transition to certified organic and to farmers enrolled in WFRP with any number of crops certified organic or in transition to organic. In addition, organic grain and feed crop producers can receive a $5 premium per insured acre.

The contradictions concerning expectations for producers to possess an Organic Systems Plan outlined in the previous recommendation hinders the implementation of these benefits for producers transitioning to organic. After addressing this contradiction which prevents transitioning farmers from accessing organic insurance, the next farm bill should ensure the support granted under the TOGA program is authorized in perpetuity.

**Remove artificial limits on the Contract Price Addendum.**

Recent farm bills have expanded an organic farmer's ability to choose to insure their crop through the Contract Price Addendum (CPA). Rather than using RMA organic price election or the projected market-value of an organic crop, CPA enables a certified organic farmer or transitional producer to insure their crop at a price specified in a written contract from a buyer. However, in many cases the CPA price can exceed an arbitrary cap established by RMA. Though it varies by crop, most crops insured using a CPA are allowed a maximum value of two times the announced conventional price election or 1.5 times the announced premium organic price election. NSAC believes that this artificial limit punishes organic farmers who find buyers willing to pay a higher price to secure organic commodities. If a buyer is willing to pay an organic farmer more than 1.5 times the organic value calculated by RMA, a farmer should be able to negotiate for or accept that price and still have access to the CPA.

**Create an Enterprise Unit (EU) by Practice option for organic status: certified organic, transitional, or non-organic/conventional.**

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Yield and revenue insurance policies are structured by "insurance units," or each parcel of land for which premiums are calculated and for which potential insurance claims are made. Farmers may choose from several options to divide their land to determine Actual Production History (APH) yields, loss payments, and premiums: basic, optional, and enterprise units. An **Enterprise Unit** (EU) consists of all insurable acreage of the same insured crop in the county in which you have a share on the date coverage begins for the crop year.

Presently, farmers may choose to elect separate EUs to insure their farm by the type of crop, irrigation practice (irrigated or non-irrigated), and cropping practice. NSAC proposes expanding these options to include an EU for organic practice, through which a farmer may specify if an EU is certified organic, transitional, or non-organic / conventional. This proposal is loosely based on a **recent expansion** to include an EU by type for sunflower seed (confectionary vs. oil). Because EUs are the highest subsidized insurance units, giving farmers the option to insure acreage according to organic status will help to make insurance more accessible for organic and transitioning producers.

## 11.2. Promote Natural Resource Stewardship

For family farmers to remain viable in the agriculture sector, they need a federal crop insurance program that is more efficient, effective, and responsive to the growing diversity of the industry. Currently, the federal crop insurance program takes a very short-term (single growing season) view of risk management on the farm, which ignores longer-term, system-wide strategies such as certified organic production as well as practices including cover cropping and crop rotation that build resilience and reduce risk. Research demonstrates that, over time, the implementation of better conservation practices improves soil health, improves yields, and reduces yield variability. Certain combined conservation practices can even reduce or sequester greenhouse gas emissions to combat the rising frequency of extreme weather events. This reduction of risk through improved on-farm resilience benefits both the farmer and provides returns on taxpayer investment by reducing the cost of the federal crop insurance program.

### 11.2.1. Remove Barriers to Conservation Practice Adoption

**Require that RMA recognize any farming and ranching conservation practices supported by NRCS as Good Farming Practices without any requirement that the farmer prove the practice will have zero yield impact.**

Farmers found to be out of compliance with RMA's definition of GFPs are not able to receive crop insurance indemnity payments. RMA partially recognizes practices defined and financially supported by the Natural Resource Conservation Service (NRCS) as GFPs, but maintains that a practice may not be considered a GFP if it reduces or adversely affects historic yields in any way. Temporary yield drags are customary on many farms when adopting new conservation practices. This sends contradictory signals to farmers and acts as a deterrent for some farmers who may otherwise consider adopting risk-reducing conservation practices.

**Update and liberalize the cover crop termination guidelines to better account for regional differences and farmer agency.**

NRCS publishes cover crop termination guidelines to help assure producers that their crop is insured and their cover cropping management decisions will be considered GFPs by RMA. However, as-written the guidelines are unclear and generally difficult to understand. This creates a disincentive for insured farmers to adopt cover crops and related practices, including interseeding and relay cropping, out of fear of losing the ability to claim an indemnity in case of disaster. The next farm bill should direct NRCS to update and liberalize the cover crop termination guidelines. Among other changes, it should be made abundantly clear that instead of using these guidelines, producers may rely on published materials from agricultural experts or request an exemption to the guidelines by receiving expert support in writing in accordance with RMA's GFP Handbook. The cover crop guidance should only be a guidance and AIPs should not use it to question coverage. Finally, the guidance should not push restrictive windows for termination as this is a decision that a farmer needs to make given their unique conditions.

**Establish a unique final planting date for certified organic crops, or build in a buffer period during which certified organic operations are not penalized for missing a final planting date.**

RMA determines regionally-appropriate final planting dates, wherein acres planted on or before this date receive the full yield or revenue guarantee that a farmer selected when purchasing their insurance policy. Organic and conventional operations are currently held to the same final planting date, even though certified organic farmers sometimes plant crops such as corn later than their conventional counterparts due to a number of agronomic factors. This sometimes includes avoiding cross-contamination with neighboring fields with genetically-engineered crops. Because the value of a yield or revenue guarantee is reduced day by day for farmers who plant after the final planting date, RMA should establish unique final planting dates for certified organic crops, or at least build in a buffer period during which these producers are not penalized.

### 11.2.2. Premium Discount for Risk-Reducing Practices

**Authorize a $5 per acre premium discount to farmers who adopt any practice from a menu of NRCS-designated regionally appropriate, risk-reducing conservation practices, including but not limited to cover crops.**

In 2021, USDA announced the Pandemic Cover Crop Program (PCCP), building from popular premium discount state programs in Illinois, Iowa, and Indiana which reward farmers $5 per acre planted to qualifying cover crops. There is a strong body of research which demonstrates the numerous benefits planting cover crops has on **crop yields, soil health, and farmers' bottom lines.** However, the benefits of cover cropping are not transferable to every farm in every climate. A federal program to subsidize premiums based on risk-reducing practices should not be limited to just cover crops, lest some farmers be left out or incentivized to adopt a practice that does not make sense for their farm.

To be eligible for a $5 per acre crop insurance premium discount, farmers should be able to choose from a menu of regionally-appropriate conservation practices designated by NRCS to build soil health, which may include but not be limited to cover crops. Additional conservation practices eligible for discount may include crop rotations and integrated pest management. This will empower farmers to choose the practice(s) that make the most sense for their unique operation. Funding for this proposal must not be taken out of Title II conservation baseline spending; Congress should instead look to repurpose savings from cost savings elsewhere in Title XI, if applicable.

### 11.2.3. Voluntary Adoption of Soil Health Plans

**Continue to provide full premium subsidies to farms that adopt and implement a soil health plan (defined by NRCS) covering all cropland no later than 2028, after which farmers who do not voluntarily choose to implement a soil health plan on all cropland will continue to receive premium subsidies at 50 percent the standard value.**

On family farms and ranches, healthy soils can boost production, reduce costs for inputs like agrichemicals, improve the quality of food grown, make farms more resilient to very wet or very dry years, and improve profits. Because taxpayers spend on average $8 billion per year to subsidize the cost of crop insurance premiums – and over $11 billion in 2022 – the federal crop insurance program should actively promote these net positive outcomes as returns on investment for both producers and consumers. NSAC thus proposes that the next farm bill continue to provide full premium subsidies to farms that voluntarily adopt and implement a soil health plan as defined by NRCS no later than 2028. Farmers who do not choose to implement a soil health plan within that five-year period will continue to receive a crop insurance premium discount at half the standard subsidization value. These farmers may still choose to adopt and implement a soil health plan post-2028 to resume full crop insurance premium subsidization.

**Expand NRCS technical assistance capacity and cooperative agreements to facilitate the broad voluntary adoption of soil health plans. Ensure Certified Technical Service Providers (TSPs) and additional third party agronomists, such as Certified Crop Advisors (CCAs), are able to assist in creating soil health plans reviewed and approved by NRCS.**

The widespread voluntary adoption of soil health plans will require significant technical capacity from professionals capable of writing plans with farmers. To address the volume of plans that need to be written, the Farm Bill should ensure that multiple categories of professionals are able to assist farmers. This includes NRCS: the next farm bill should ensure significant and durable funding for NRCS to hire technical assistance staff. This also includes TSPs and CCAs. The next farm bill should make clear that, while NRCS must approve all soil health plans, technicians and agronomists not directly employed by NRCS are able to use existing client data, collect additional data, and write and submit soil health plans to NRCS for approval.

### 11.2.4. Prohibit Subsidies to Unsuitable Land

**Prohibit any crop insurance premium subsidies on lands with a Land Capability Class of V-VIII, except for pasture, forage, and range policies.**

According to the 2017 Census of Agriculture, there are about 396 million acres of cropland in the United States. Of that, USDA has classified at least 20 million acres as unsuited for cropping via the land capability classification system. The federal crop insurance program should not incentivize planting land that USDA deems unsuited for cropping with premium subsidies. RMA should ensure that the system developed to prevent unsuitable land from receiving crop insurance subsidies does only that; suitable lands within the same field or on the same farm should be fully eligible even if a part of the field or farm is not.

### 11.2.5. Conservation Data

**Establish a secure data service to collect, link, and analyze data on conservation practices.**

Data sets and research are needed to show which conservation practices decrease yield variability and increase soil health and yields over time so that this information can be integrated into crop insurance actuarial tables. Currently, which conservation practices farmers have implemented are generally not included in the federal crop insurance program risk profile of all farmers in a given area. This disadvantages farmers who have engaged in conservation practices that have increased their resiliency versus their neighbor who has not implemented any conservation practices. Specifically, NSAC recommends that USDA be required to:

- Identify, collect, link, and analyze data on conservation and other production practices.
- Establish procedures and incentives for producers to voluntarily elect to submit data that may be useful in understanding the impacts of the adoption of conservation and other production practices on crop yields, soil health, ecosystem services, and production and income risk;
- Make soil health testing a standard part of CSP, EQIP, and RCPP contracts that involve soil health practices, and ensure results are delivered to the farmer and to USDA so USDA can assess the results of practices and suites of practices in different soils, regions and cropping systems.
- Establish a secure data center, clearly communicating with farmers how their data will be collected and shared; and
- Make anonymized and aggregated data available to qualified academic institutions and researchers (not private industries) for analytical and research purposes.

### 11.2.6 Sodsaver Expansion

**Expand Sodsaver to apply to the entire country, not just to Nebraska, Montana, Iowa, Minnesota, and North and South Dakota.**

Native prairies and grasslands are currently experiencing a rapid decline - **recent estimates suggest** that more than 10 million acres of U.S. land were converted to crop production between 2008-2016. These vital lands are important to preserve, however, as they provide crucial economic and ecological benefits.

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Native grasslands and rangelands directly support the livestock production economy, as well as recreational activities such as fishing, hunting, and wildlife observation. In combination, these recreational activities generate over $37 billion in economic activity each year. Ecologically, these lands provide valuable services, including: nutrient cycling, water filtration, flood control, soil preservation, and storage of atmospheric carbon. Grasslands also support biodiversity by providing habitats for wildlife, native plants, and threatened species. When cultivated for crops, however, grasslands can release up to 50 percent of their original carbon within the first 40 years. This leads to the contamination of surrounding water sources by sedimentation, dissolved solids, nutrients, and pesticide runoff.

In an effort to discourage the conversion of native grasslands, the 2014 Farm Bill included a Sodsaver provision, which limited subsidies on converted acres to the first four years of planting. The 2018 Farm Bill closed this "four-year" loophole, but did not expand Sodsaver to the entire country. Currently, the Sodsaver provision only applies to the six states that make up the Prairie Pothole Region (PPR) of the US: Iowa, Minnesota, South Dakota, North Dakota, Nebraska, and Montana. According to USDA and multiple independent studies, however, the PPR is not the only area of the U.S. where grassland is being converted into cropland. For example, Texas, the top state in terms of grassland loss in recent years, is not subject to Sodsaver.

Federal subsidies for crop insurance premiums make it easier for farmers to purchase risk mitigating insurance products. In doing so, they reduce the risk associated with bringing untilled, marginal land, such as native prairie lands, into crop production. The Sodsaver provision included in the 2014 Farm Bill addresses this unintended consequence by limiting taxpayer subsidies for crop insurance by 50 percentage points on land that is broken out of native prairie. Farmers can still purchase crop insurance on those acres; however, under Sodsaver, the taxpayer is responsible for less of the risk. A national Sodsaver policy would level the playing field for ranchers and discourage the conversion of increasingly rare native grasslands by removing taxpayer support from the equation. A national Sodsaver policy would also put the financial burden of this ecologically unfriendly practice where it belongs – onto the individual responsible for plowing up the native prairie and/or grassland.

### 11.3. Level the Playing Field for Family Farmers

A farm safety net backed by the federal government is a prudent and necessary means to help protect American producers from the many risks inherent to agricultural production. However, the modern federal crop insurance program uses taxpayer dollars to disproportionately support crop insurance companies and the largest, wealthiest commodity farms while under-serving small and midsize farms, diversified operations, and beginning and socially disadvantaged farmers. It encourages industrial farming practices that erode soil health and leaves conventional farms particularly vulnerable to extreme weather events and market shifts. Further, limitless subsidies and benefits for established farmers are known to **increase land prices and rent,** barring underserved or aspiring producers from farming. The way we design and subsidize federal crop insurance should not pick winners and losers.

A **2022 NSAC report** projects billions in taxpayer savings over 10 years if reasonable caps are instituted on federal subsidies paid to farmers who purchase crop insurance. These proposals would on average impact fewer than 3 percent of the country's largest farms, saving up to $20.2 billion and leveling the playing field for family farmers. Savings in federal expenditures can be reallocated to improve the delivery of federal crop insurance and other high priority farm bill programs, reduce burdens on taxpayers, or reduce the federal budget deficit.

### 11.3.1. Cap Premium Subsidies

**Implement a simple $50,000 payment cap on premium subsidies to commodity crops and pasture and rangeland policies, with a separate higher premium subsidy limit for specialty crops policies of at least $80,000.**

NSAC supports policy changes to establish an annual per farm limit on premium subsidies that provides full protection for the vast majority of farms but reduces support at the margin for the largest farms, in order to reduce program-induced farm consolidation and increase economic opportunity. This proposal simply limits crop insurance subsidies to a maximum of $50,000 per commodity farm, per year. Once a farm receives $50,000 in subsidy benefits, any further subsidy discounts are then removed from the insurance premium. Such a policy would impact only 3.53 percent of farms, but reduce total subsidies by 25.87 percent – amounting to $16.6 billion in taxpayer savings over 10 years. Congress should also consider a separate, higher cap of $80,000 for specialty crop farms to account for their **higher value per acre**. These payment caps may be gradually implemented over a period of years as necessary.

**Phase out premium subsidies starting at a 50 percent reduction on production exceeding $1 million and reaching 100 percent on production value (liability) exceeding $2.5 million.**

This proposal does not represent a sudden cliff, as does a simple payment limit, but gradually phases out subsidization for the wealthiest farms. In practice, all farms will receive full premium subsidization (at levels authorized in statute) up to $1 million in gross production value, at which point subsidies will be reduced by 50 percent and increased to a 100 percent reduction at the final $2.5 million cap. In other words, this proposal gradually reduces subsidies for farms with the highest production value. Note these highest earning farms will still be eligible for significant premium subsidization up until the $2.5 million ceiling, as described. In implementation, the value of production should be approximated using RMA's insurance liability metric. NSAC's 2022 report projects this policy would save taxpayers between $13.26 billion and $18.25 billion over 10 years, impacting just 2.46 to 4.72 percent of farms.[1]

**Include a strong actively engaged in farming rule that would set a strict limit of one subsidy limit per operation, regardless of farm size or the number of farm managers or non-farm investors.**

[1] Because value of production is not directly measured and reported on by RMA, the range of savings and farmer impact for this specific scenario in the report is an approximation measured by applying hypothetical subsidy limitations that correspond to the farms which may be impacted by such a cap.

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Any direct payment limitation on crop insurance premium subsidies must be accompanied by a strong actively engaged in farming rule to prevent the loopholes which plague Title I payment limits. See **page 17** for what may result without these protections.

### 11.3.2. Adjusted Gross Income Cap

**Eliminate or reduce by 50 percent premium subsidies for farms with an AGI above at least $750,000.**

Currently, any farmer or landowner, even multi-millionaires and billionaires, can receive unlimited premium subsidies. The federal crop insurance program is the only farm subsidy program without an AGI limitation. By comparison, for decades farmers with an AGI above $900,000 have not been eligible to receive any payments from Title I (commodity) and Title II (conservation) programs.[2] Limiting the ability of farmers with a high AGI to receive crop insurance premium subsidies is an ideal companion to caps on total premium subsidies; combined, these two policies ensure that federal crop insurance spending is targeted at the farmers most in need and do not benefit the largest and wealthiest farms.

**NSAC's 2022 report** projects that eliminating premium subsidies for farms above a specified AGI threshold would save $10.06 billion ($500,000 AGI cap), $5.81 billion ($750,000 AGI cap), or $4.58 billion ($900,000 AGI cap) over 10 years. Reducing subsidies by 50 percent for farms who exceed an AGI limit is projected to save $5.03 billion ($500,000 AGI cap), $2.90 billion ($750,000 AGI cap), or $2.29 billion ($900,000 AGI cap) over 10 years.

An AGI limit above $900,000 would impact just 1.28 percent of farms, an AGI limit above $750,000 would impact just 1.72 percent of farms, and an AGI limit above $500,000 would impact just 3.44 percent of farms. Of these proposals, Congress should act to implement a 50 percent premium subsidy reduction for farmers with an AGI above $750,000 given this scenario's immense taxpayer savings and minimal impact on farms.

**Apply AGI provisions in the same manner regardless of the tax filing status of the beneficiaries, and include a provision to reduce opportunities to evade the AGI limit through farm expansion.**

Even this modest means test is watered down by loopholes to evade the AGI limit, however, including married persons filing separately to effectively double the limit for their operation. Applying an enforceable AGI limit to the FCIP is a common-sense measure to promote equitable outcomes and combat wasteful taxpayer spending while implementing this policy.

### 11.3.3. Standard Reinsurance Agreement

**Remove the SRA renegotiation budget neutrality requirement from the 2014 Farm Bill to give RMA the flexibility to negotiate a fair deal for the American people.**

Private insurance companies (AIPs) deliver the federal crop insurance program. The terms and conditions under which the federal government provides subsidies and reinsurance on eligible crop insurance contracts sold or reinsured by the insurance company, as well as the administrative

[2] The Inflation Reduction Act of 2022 removes the AGI means test for Title II programs, effective after FY23. See **page 23** for more details.

fees the companies can bill to the government, are contained in the Standard Reinsurance Agreement (SRA). The SRA is renegotiated periodically between RMA and the AIPs. The 2014 Farm Bill, however, contains a provision that requires any future renegotiation of the SRA to be budget neutral. This effectively prohibits RMA from negotiating any further savings, locking in a minimum 14.5 percent rate of return for the AIPs at the expense of taxpayers.

**Reduce the target rate of return for private insurance companies to 12 percent, with savings thereby reinvested into crop insurance program improvements.**

The target rate of the return is the long-term goal for return to the insurance companies that deliver the federal crop insurance program. It can vary greatly year to year, but the goal is to hit the target over the long term. The actual rate of return has varied from negative numbers in 2012 to over 30 percent and has most often been above 14 percent. The current SRA includes a target rate of return for AIPs of 14.5 percent.

#### 11.3.4. Ability to Transfer Yields

**Eliminate the ability for an established farmer to transfer yields from their current farmland to farmland they have not previously farmed.**

Established farmers are allowed to transfer three years of yield history from their existing farm acreage to newly purchased or rented land located in the same county. This provides an incentive for established farmers to expand their operation, bidding up prices for even more marginal land and outbidding beginning farmers who can only afford lower quality land. The established farm's APH may eventually come down, particularly if the land is not of truly comparable quality, but the damage has already been done. This is an unfair system where an established farmer's current operations are weighed much more heavily than the actual capacity of the land they are acquiring, which harms beginning farmers by making even marginal lands more expensive.

## Title XII: Miscellaneous

The Miscellaneous title is a bit of a catch-all, encompassing a range of critical topics as outreach and assistance to beginning, socially disadvantaged, and veteran farmers and ranchers; agricultural labor and workforce issues; urban agriculture; and livestock. In the 2023 Farm BIll, the miscellaneous title should include provisions that focus on prioritizing support for beginning and historically underserved farmers, enhancing opportunities in urban agriculture, sustaining investments in local and regional food system technical assistance, rebuilding local and regional meat processing capacity, and restoring fair competition in agricultural markets.

### 12.1. Prioritize Support for Historically Underserved Farmers

Farming is a risky business and has become increasingly difficult to enter over the past few decades. For all farmers and ranchers, starting and managing a successful farming operation is fraught with great challenges. For beginning, BIPOC, and other **historically underserved** farmers, rising costs and limited availability of farmland, access to markets and infrastructure, limited or no built capital, discrimination, and the worsening impacts of the climate crisis and natural disasters are just some of the challenges these farmers face. Although federal resources are an important part of the farm safety net, BIPOC farmers have not historically participated in, or benefitted from, USDA programs to the same extent as other farmers. This disparity disadvantages these farmers in both the national and global economy and stifles the growth and prosperity of rural communities.

The 2018 Farm Bill established the Farming Opportunities Training and Outreach (FOTO) Program, the new umbrella program designed to coordinate USDA training and outreach to beginning, veteran, and socially disadvantaged farmers. FOTO enables its component programs – the Beginning Farmer and Rancher Development Program (BFRDP) and the Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers Program (aka "Section 2501") – to better serve their constituencies by establishing consistency in grant terms; prioritizing the work of non-profit and community-based organizations; improving transparency, accountability, and external peer review; and capping indirect costs for both BFRDP and 2501 grants. In addition to program changes, the 2018 Farm Bill also provided mandatory federal funding for FOTO with the directive that funds be divided equally between Section 2501 and BFRDP. This new, permanent funding has provided stability, ensuring the ongoing targeting of resources for beginning and socially disadvantaged farmers.

There is still much more work to be done to better serve beginning and socially disadvantaged farmers and the 2023 Farm Bill provides an opportunity to better streamline the services provided by FOTO; increase outreach and education to beginning and BIPOC farmers; improve targeted support as these farmers navigate the often complex programs that USDA provides; and boost financial assistance to launch successful careers in agriculture.

### 12.1.1 Assistance Navigating USDA Programs and Resources

BIPOC farmers, including immigrant and non-English speaking farmers, face greater challenges in accessing information due to language barriers, a lack of informed and culturally competent staff at USDA's local field offices, and racial discrimination. Challenges for non-English speaking farmers include a lack of translated materials and applications, inaccurate translations when translation does happen, overly complex and burdensome applications, and inadequate in-person assistance. Other challenges include lack of in-person assistance and program knowledge by USDA staff, digital-only options for program materials and applications that reduce access for farmers without internet access or phone-only internet, and lack of respect or understanding of cultural norms. Community-based and nonprofit organizations working with these farmers provide much-needed support and technical assistance, especially to immigrant farmers. They often translate materials - both written and verbal - to help farmers apply for programs, and provide education and training, but most importantly they are a trusted resource for the farmer.

There is an opportunity for USDA to collaborate with nonprofit and community-based organizations to expand and improve access to federal programs and provide appropriate assistance to non-English speaking producers. For instance, USDA's **American Rescue Plan Technical Assistance Investment Program** (ARPTAI), a new grant program aimed at providing historically underserved farmers, ranchers and other producers technical support in accessing USDA programs and services generated considerable interest. USDA invested $25 million to fund local organizations to work collaboratively with the agency through cooperative agreements to provide targeted outreach and technical assistance programs to underserved producers

Given that language access barriers are an equity issue and additional training for USDA staff directly serving BIPOC farmers is much needed, the 2023 Farm Bill should direct USDA to improve accessibility to its many programs. Specifically, the next farm bill should establish a Navigator Program, directing USDA to enter into cooperative agreements with community-based organizations, similar to ARPTAI, to develop and expand services targeted at beginning and socially disadvantaged farmers to assist in accessing agricultural programs and navigating often complex application processes. Such a program should:

- Provide translated materials (including USDA press releases) in languages identified for translation based on the language needs of that region, and have these resources available in a timely manner so that all farmers can meet application deadlines;
- Increase staff at field offices to provide verbal translation of materials rather than rely upon what may be inadequately-translated documents; and
- Provide technical assistance in preparing applications for agricultural programs.

### 12.1.2. Improving Land Access

**Invest in incentivizing farm transition and preventing land loss in communities of color.**

In addition to using credit as a tool to increase farmer's access to land, as discussed in Title V: Credit, USDA should invest in incentives that aid farm transition and prevent land loss in communities of color. As a first step, USDA should update the Tenure, Ownership, and Transfer of Agricultural Land (TOTAL) survey, and should seek input from the USDA Advisory Committee on Beginning Farmers and Ranchers (ACBFR), including recommendations previously developed by the ACBFR Land Tenure Subcommittee. USDA should also establish a new office and coordinating position with the Farm Production and Conservation (FPAC) mission area focused on equitable access to land and centering the needs of small, beginning, urban, and BIPOC farmers.

Additional focus and investments should include:

- Supporting state programs that connect beginning farmers seeking land access and landowners transitioning out of farm ownership, prioritizing outreach to socially disadvantaged farmers and heirs' property landowners;
- Helping farmers access and compete in the real estate market by improving access to credit. This includes programs that can help under resourced farmers consolidate and refinance debt, which can be a barrier in securing future credit and farmland (see the Credit Title recommendations above for more details);
- Continuing to invest in the Heirs' Property Relending Program; and
- Improving the accessibility of USDA programs to beginning and socially disadvantaged farmers (such as through the Navigator Program, described above).

### 12.1.3. Farming Opportunities Training and Outreach

**Continue to improve implementation of the Beginning Farmer and Rancher Development Program.**

The Beginning Farmer and Rancher Development Program (BFRDP) provides grants for education, training, outreach, and mentoring programs that will enhance the sustainability of the next generation of farmers. BFRDP helps new producers negotiate the multiple learning curves they face, including but not limited to crop and livestock production and protection, soil improvement, resource conservation, marketing, infrastructure, and business planning and management. As the growing climate crisis presents new and intensified challenges, BFRDP can and must prioritize funding for projects designed to help beginning farmers and ranchers prepare for, adapt to, and remain economically viable through ongoing and future climate disruptions. Increasing the number of beginning farmers and ranchers contributes to the redundancy required for a resilient U.S. agricultural system. Focusing training on **other key qualities** of resilient farming systems would make BFRDP even more impactful in helping farmers mitigate and adapt to the impacts of climate change.

The 2018 farm bill provided permanent funding for BFRDP through the Farming Opportunities Training and Outreach (FOTO). It also authorized a waiver to the matching grants requirements and created a new streamlined application for grants under $50,000. Building on this progress, the 2023 Farm Bill should direct USDA to:

- Develop a long-term strategic plan for BFRDP - building on expertise form the USDA Equity Commission and BIPOC-led and serving institutions - to identify needs within the program, both regionally and industry-specific, and establish consistent funding allocations to invest in innovative and multi-year programs that not only train the next generation of farmers but also build more resilient, climate-friendly, and successful models of farming;
- Implement requirements that BFRDP projects be driven by beginning farmers and ranchers, develop innovative approaches to reach new audiences of farmers through partnership with community-based organizations, and give priority to grant partnerships led by farmer-based non-profit and community-based organizations; and
- Commit to funding USDA state beginning farmer coordinators as full-time equivalent positions that report to the FPAC mission area, rather than as a collateral responsibility for existing staff, to expand their capacity, reach, and ultimate effectiveness in each state.

**Continue to improve implementation of the Section 2501 program.**

Since 1990, the Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers program - the "2501 program"- has been the only farm bill program dedicated to addressing the specific needs of minority family farmers and ranchers. Since 2010, the 2501 program has invested over $194 million into our nation's community-based organizations, land grant universities, and cooperative extension. The program has made significant strides in developing and strengthening innovative outreach and technical assistance programs targeted at historically underserved producers. However, there have been many challenges with the administration of the 2501 program over time, including funding cuts and significant delays in the publication of the funding announcement. These delays have at times given applicants only 30 days to prepare and submit complex and time-consuming grant applications.

The next farm bill should provide stronger oversight of program administration, improve accountability and transparency, and increase outreach and targeted support for underserved producers. Specifically, the 2023 farm bill should:

- Reform the administration and peer review of the program to ensure a more transparent, timely, and responsive process by establishing a consistent Fall/Winter application period, with a minimum 90-day application window to allow ample time for individuals to prepare and submit applications. Additionally, USDA should provide grant writing support to applicants, especially limited resource organizations;
- Ensure that all funding provided by Congress for the 2501 program exclusively supports projects that benefit farmers of color and military veterans, and focus on addressing disparities in access and success in agriculture; and
- Increase transparency and public access to program grantee and project information and make information publicly available on project outcomes, and impacts, including evaluation metrics and more robust evaluation and reporting requirements for project grantees. The 2501 program should leverage the agency's CRIS and REEport data reporting interface and online portal to ensure stakeholders and policymakers are able to obtain up-to-date information on the status and outcomes of funded projects.

### 12.1.4. Micrograants for Beginning and Socially Disadvantaged Farmers

**Provide scale-appropriate direct assistance through authorization of a microgrant program.**

While programs like FOTO provide grants to community-based organizations, Extension, and other partners to help train and provide technical assistance to beginning and BIPOC farmers, there is often little financial support provided directly to the farmer. Beginning and BIPOC farmers, ranchers, and other producers continue to face barriers in accessing land, capital, and new markets when they are launching their farming careers. These farmers have difficulty obtaining financing due to a lack of credit history, the increased risk associated with lending to a new or young farmer, or discrimination from USDA or other loan agencies. Other financial assistance options include onerous application processes and prerequisites that beginning farmers often cannot meet. Long-term costs of loans impede farmers from becoming successful, plunging them into debt.

Through the use of microgrants, these farmers will be able to expand their new farm business and thrive instead of simply surviving. Microgrants would offer financial assistance to beginning farmers that can be used to cover annual operating expenses (e.g., seeds and animals), purchase farmland, or purchase and repair equipment and other farm infrastructure. Most importantly, microgrants can provide direct, immediate assistance to farmers who may encounter unforeseen challenges on their farms and build equity that can help in future loan applications.

The 2023 farm bill should direct USDA to establish a microgrant program that provides small, direct grants that range in value from $5,000 to $30,000 to beginning and socially disadvantaged farmers (as defined at 7 U.S.C. §2279(a)(6)) through a streamlined application and reporting process.

## 12.2. Enhance Opportunities in Urban Agriculture

**Increase investment in the USDA Office of Urban Agriculture and its programs and activities to enhance local food security and provide agricultural opportunities for urban and suburban residents.**

Americans' interest in knowing more about where, how, and by whom their food is produced has been growing for many years and the coronavirus pandemic has shed new light on the serious shortcomings of our highly concentrated food production system. Along with the rise of the local food movement there has also been a building interest in urban agriculture. Urban agriculture gives urban and suburban residents a chance to purchase foods from farmers not just in their state, but sometimes right in their very own neighborhoods. Many of these urban farms are operated by and for people of color, unlike the broader farming sector. Urban agriculture also presents an opportunity to educate urban and suburban residents about the realities of farming, and contribute to climate resilience.

The 2018 Farm Bill established a small but impactful urban agriculture program, and the 2023 Farm Bill presents an opportunity to grow this program. The 2023 Farm Bill should:

- Provide mandatory funding for the Office of Urban Agriculture and its associated activities;
- Increase funding to the Urban Agriculture and Innovation Production (UAIP) grants program by ten times, to $50 million per year. Pandemic relief funds injected $70 million into the program simply to fund the backlog of applications, demonstrating the high demand for support, but these one-time funds are insufficient to sustain the ongoing demand and need for the program;
- Maintain program accessibility by continuing to not require a match for UAIP;
- Ensure urban agriculture is fully integrated across USDA mission areas and programs by highlighting programs and initiatives that explicitly serve urban agriculture (such as the recent FSA urban agriculture county committee initiative) and identifying linkages with other programs that may not be explicitly focused on urban agriculture, such as the FSA Increasing Land, Capital, and Market Access program, which has great implications for urban spaces;
- Increase financial and technical assistance for urban agriculture producers, including specialized technical assistance to navigate zoning restrictions, water and land access, and how to access city and county resources. The Urban Agriculture and Community Food Security Act, introduced by Representative Bobby Rush (D-IL-01), would do so by providing tools for improving stable access to land for community-based urban agriculture practitioners; loans and grants for urban agriculture microentrepreneurs; and additional funding for community food security projects;
- Provide funding for PFAS remediation for gardens and producers affected by contaminated municipal sludge or compost, or a clarification that existing grants can be used for this purpose;
- Provide for the establishment of tool and equipment sharing programs; and
- Expand opportunities to increase land urban agriculture microentrepreneurs.

## 12.3. Sustain Investments in Local and Regional Food System Technical Assistance

Resilient local and regional food systems require strong businesses, networks, and relationships to thrive. Significant philanthropic and government funding has been invested in developing the relationships, networks, and infrastructure necessary for successful local and regional food systems; investments that paid returns when local and regional farmers, businesses, and others along the value chain stepped up to fill supply chain gaps during the pandemic.

The **American Recovery Plan Act** (ARPA) provides significant investments to respond to and rebuild from the impacts of the COVID-19 pandemic. Among its provisions, ARPA includes funding for strengthening and building more resilience into our nation's supply chains, with a focus on supporting local and regional producers and markets impacted by the pandemic. Specifically, a portion of the ARPA funds were directed to provide one-on-one business technical assistance to farmers and food enterprises in the local and regional food sector to help them recover from the pandemic and take advantage of new market opportunities through coaching and support in business planning, financial literacy, food safety training, and more. Particularly for BIPOC, rural, and other underserved producers and communities, a focus on direct technical assistance - in addition to targeted funds for value chain coordination and support accessing capital through lenders like CDFIs or through federal grant opportunities – is critical to ensuring all farms and food businesses can equitably access new markets.

### 12.3.1. Regional Food Business Centers

USDA's Agricultural Marketing Service (AMS) recently announced the availability of $360 million to establish at least six new **Regional Food Business Centers** as part of the ARPA funding to provide coordination, technical assistance, and capacity building support to small and mid-sized farm and food businesses, with the goal of creating a more resilient, diverse, and competitive food system. The promise this funding holds for building up regional networks and infrastructure to support and strengthen local and regional food systems across the country is tremendous.

It will not be possible to evaluate the success of the program until after the Centers are selected and the work is underway, but the concept and goals for the Centers set forth in the Request for Applications showcases the great potential for this program to support community-led efforts to provide business support through trusted technical assistance providers already established in the community. The creation of regional centers that will serve as central hubs of training, technical assistance, capacity building, and regional food value chain development will undoubtedly have a significant impact for the next five to ten years.

However, it will take significant time effort to ensure the long-standing work and community leadership in regions are authentically engaged. Genuine outreach, listening, and partnership development is particularly important for the underserved communities this initiative is explicitly designed to support. Investing over $300 million to support outreach and relationship building in underserved communities and establish these regional networks of technical assistance providers is a crucial component of ensuring the resilience of our food systems; failure to sustain funding - and the partnerships formed through this funding - beyond the five-year period of the cooperative agreement will be a significant missed opportunity to complement existing USDA local food programs, and build true resilience into our food supply. The farm bill offers a pathway to carry forward the goals of the Regional Food Business Centers.

The 2023 Farm Bill should:

- Sustain this historic investment beyond the one-time infusion of funding from ARPA to ensure the networks and activities funded across regions continue beyond the life of the initial cooperative agreements funded through the Regional Food Business Centers RFA;
- Ensure ongoing funding prioritizes underserved producers, businesses, and communities, and require USDA to provide a report to Congress evaluating the degree, nature, and effectiveness of the Centers' engagement with BIPOC and other underserved producers, and make the data on which the report is based publicly available to support additional learning and transparency;
- Ensure sufficient geographic coverage, greater relationship development and maintenance, and more simplified administration by prioritizing support for a more, smaller centers versus fewer, larger centers, the latter of which would require significant intra-regional coordination and a network of connectors to just move information and conversation;
- Continue to prioritize funding for partnerships comprised of several entities and organization types and prioritize technical assistance providers that have a track record of working within the community they propose to serve, and experience in value chain coordination and local and regional food and agricultural business development; and
- Integrate community development financial institutions (CDFIs) into the approach to support small- and mid-sized farms and food businesses serving local and regional markets by deploying capital in disinvested places.

## 12.4. Rebuild Local and Regional Meat Processing Capacity

As the food system begins to recover from the impacts of the COVID-19 pandemic, there is a significant need for financial investments to address the backlog at small-scale slaughter and processing facilities utilized by thousands of farmers and ranchers across the country. The backlog in slaughter and processing access is not a new concern, and has been **exacerbated by the pandemic**. The **lack of scale appropriate processing infrastructure** in some areas of the country has been a significant issue for small livestock and poultry producers for the last several decades.

Congress and the U.S. Department of Agriculture (USDA) must continue to take steps towards building more resilient meat and poultry infrastructure. The COVID-19 pandemic has displayed this sector's infrastructure weaknesses. Recent **shutdowns**, which have also **highlighted the impact of consolidation**, caused livestock destined for **slaughter at large plants** to be diverted to smaller facilities that serve local and regional markets. This **strained the ability of small plants** to continue to process small, pasture raised, and grassfed livestock and poultry.

Small plants are critical infrastructure for food system resilience. Now is an opportune time for policymakers to help address a long-standing issue for thousands of small livestock and poultry producers because the pandemic has intensified the need for a more resilient supply chain, and Congress and USDA have committed funds to support this effort. The 2023 Farm Bill offers the opportunity to recommit support for the independent meat processing sector, address workforce shortages, and enhance opportunities for this sector to inform policy and programmatic decisions with and across agencies.

### 12.4.1. Meat and Poultry Processing Resilience Loans & Grants

**Direct USDA to sustain and strengthen recent loans and grants for niche meat processing with legislative authorization and permanent funding.**

Appropriately-sized and accessible application processes, loans, and grants have historically been and continue to be a barrier for small and very small plants to scale. The new Rural Development programs focused on processing infrastructure – namely, the Meat and Poultry Plant Expansion Program and the Meat and Poultry Intermediate Lending Program – as well as the Meat and Poultry Inspection Readiness Program administered by the Agricultural Marketing Service have done much to close this gap. However, these programs have no permanent legislative authority or funding allocation.

These one-time investments in building and sustaining the local and regional meat processing sector have nevertheless been historical. However, long term investments and long term access to varied funding sources **have been shown** to be a key determinant in allowing food systems actors to make a paradigmatic change in their operations. It is critical that the farm bill ensure this one-time investment is turned into long-term change in processing capacity on the ground. Long-term program support and funding are key signals to small and very small producers and processors that they will have support going forward, beyond 2024 when the current funding ends - allowing them to make strategic long-term decisions to enter or stay in the business.

The next farm bill should ensure that the Agricultural Marketing Service and Rural Development programs' current investments to strengthen local and value-added processing supply chains are maintained and improved. It can do so through targeted direct assistance, simplified and streamlined application processes, and expanded support for state departments of agriculture.

In addition to maintaining funding for meat processing plants, the farm bill should direct USDA to develop alternate, streamlined application processes for small and very small plants, especially for small grant applications. Emphasis should be placed on crafting approaches that feature extended application windows for small and very small plants that have less capacity to apply, and for applications requirements that reflect this reality. For grant applications seeking less than $100,000, the application and reporting process should be simplified and streamlined.

Additionally, priority for awards should be given to plants that: (1) are small or very small as defined in statute, (2) are enterprises owned and controlled by socially and economically disadvantaged individuals as defined at 12 U.S.C. § 5701(15) or (3) increase farmer and rancher access to animal slaughter options within a 200-mile radius of the location of the farmer or rancher.

Plants that require a different and additional set of processes to be in alignment with their processing claims such as organic, halal, humane, or other specific culturally-appropriate practices for underserved communities should also be given special consideration under the application requirements for this grant program.

Finally, Ccongress should ensure the matching funds requirements for these programs are not a barrier to access, particularly for members of Indigenous communities, acknowledging historical differences in ease of access to capital. Further information on this issue may be found in **Gaining Ground**, a report by the Native Farm Bill Coalition. To effectuate these priorities, the farm bill should authorize the Secretary to waive the match requirement if the Secretary determines doing so is necessary to effectively reach an underserved population or area.

### 12.4.2. Direct and Intermediate Lending Program Reforms

Both direct and intermediate lending programs geared towards development of small, very small, and medium sized individual plant capacity have been effective at helping make our meat processing systems more resilient following the COVID-19 pandemic.

However, the limitation on administrative costs to $125,000 or five percent of the grant amount, whichever is less, makes it difficult for an intermediary lender to make loans at a size appropriate to small and very small meat processors. As a result, many may be unable to offer the loan or technical assistance that small business entrepreneurs often need.

The 2023 Farm Bill can improve on the effectiveness of this program by maintaining these lending programs, but allowing a greater amount of funding to be allocated toward intermediaries' administrative costs. Such a change would enable recipients to pair these loans with other sources of funding to help them find the scale and diversity of operating techniques that their region might need.

### 12.4.3. Cooperative Interstate Shipment

**Grow participation in the Cooperative Interstate Shipment program through expanded outreach and financial assistance.**

While funding for small plant expansion and training support remains critical, much can be done to change demand for and procurement from these small plants as well. The Cooperative Interstate Shipment Program (CIS) is a program that allows for state-inspected plants to sell products interstate, as long as certain conditions are met. Because CIS enables state-inspected products to be sold across state lines, it dramatically increases markets for small to mid sized meat processing plants and their associated producers.

While the number of states participating in CIS has increased in recent years, only **10 out of 27 eligible** states are current participating in CIS. Both a current lack of outreach and a lack of funding contribute to this underutilization.

Increasing overall cost share available for states that participate in the program, reimbursing inspections done by state staff at a higher rate, and staffing more employees to coordinate outreach to explain these changes would likely change the involvement of states in this program, and would create greater market opportunities for small-scale producers and processors.

### 12.4.4. Meat Processing Workforce Development Funding

**Sustain funding for the Meat and Poultry Workforce Development Programs, with a focus on different modes, styles, and locations of training.**

Small plants over the last decade have been experiencing trouble securing, or being able to afford to train up, employees to the skill level needed - especially for smaller plants that process a wide variety of different livestock.

The National Institute for Food and Agriculture (NIFA) made a one-time investment in this workforce development program over the last year, primarily funding institutions of higher education. This initial investment is promising, but mandatory annual funding and a greater series of channels through which to build this workforce are needed. While these institutions can be remarkable sites for education, the focus on higher education does little to ease the logistical burdens to would-be skilled meat cutters, butchers, and entrepreneurs of rural operations.

To better meet the needs of diverse communities across the country, the options for locating these workforce training programs should be expanded to a variety of different institutions, including worker training centers, high school pre-apprenticeship programs, nonprofits serving a related need, food safety focused consultancies, and the businesses themselves.

The 2023 Farm Bill should authorize two different grant programs to serve both academic and experiential, on-the-job training programs, with mandatory annual funding at $10 million each. The grant programs should prioritize organizations and businesses that are BIPOC-led or primarily service BIPOC or other historically underserved communities.

### 12.4.5. Workforce Development Best Practices Study

**Direct USDA to study best practices across and impacts of the Meat and Poultry workforce development programs.**

NIFA has funded several meat and poultry workforce development projects, but has not historically had the funding to make continuing investments in a planned way that cover the entire country, nor to study the effectiveness of these grants at closing workforce skill-level gaps in different regions of the country.

To best distribute funding to communities underserved by previous USDA opportunities, and to best pursue effectiveness of funding in this area to increase training for the meat and poultry processing workforce, the farm bill should direct USDA to study the needs for meat and poultry processing workforce development in different states and regions, identify the gaps in workforce training across regions, and analyze the effectiveness and efficacy of various educational approaches to workforce development.

### 12.4.6. FSIS Small and Very Small Plant Training Study

**Study Training Needs for Inspectors of Small and Very Small Plants**

FSIS inspectors often begin their career at large and very large plants, learning how to enforce compliance in plants that differ drastically from small and very small plants in terms of throughput and control point responses to food safety concerns. To ensure inspection that follows the Federal Meat Inspection Act and Poultry Products Inspection Act while recognizing proper response can vary across the size of the plant and the degree employee capacity, FSIS should assess alternative training for inspectors of small and very small plants.

The 2023 Farm Bill should direct FSIS to pursue alternative training programs geared towards small, very small, and diverse livestock processing facilities, with funding to support any added costs of doing so. Small and very small plants represent several thousand facilities, and FSIS enforcement employees - generally Public Health Veterinarians - should be trained on how to enforce food safety in a scale-appropriate manner that considers the unique needs of small and very small plants.

### 12.4.7. Small Meat and Poultry Advisory Group

**Direct USDA to form a Small Meat and Poultry Processing Advisory Group to advise and provide feedback on relevant programs to the Food Safety Inspection Service, Rural Development, and Agricultural Marketing Service.**

There are many ways in which small and very small plants operate differently from large plants, such as the spend on labor vs. equipment, manner of corralling and holding animals, and method of slaughter. They also differ significantly in their capacity and availability to respond to regulatory directives or funding opportunities. As the average size of plants has increased over time, and more plants are operated by a smaller group of organizations, the food safety and support programs of the USDA in this area have come to reflect this reality. While the Food Safety and Inspection Service, Rural Development, and other USDA agencies have done much to introduce new services and programs for small and very small plants, they have at times lacked coordination in their approach due to lack of input from small and very small processors.

Without proper representation in conversations with relevant departments of USDA, programs and policies directed towards small and very small plants may not be coordinated as well or pursued as effectively. Synchronizing government support and enforcement to this subset of processors, which is the largest group by number of plants, would enable more effective support and regulatory programs.

While the National Advisory Committee on Meat and Poultry Inspections serves part of this purpose, it is focused specifically on food safety inspections, not lending, grants, or TA - and serves processors of all sizes, not small and very small specifically. Similarly, the FSIS Roundtables serve part of this purpose for food safety issues - but are under-equipped to fully receive lending, technical assistance, or grant feedback from such constituencies, as that is not their current design. An advisory committee composed of representatives of the small, very small, and niche meat processing sector,tasked with and interested in providing policy advice to multiple agencies that serve small-scale processing would help eliminate many redundancies in seeking feedback from this sector.

Specifically, the farm bill should direct USDA to establish an advisory group that:

- Meets on quarterly basis to provide advice on issues facing small and very small meat and poultry plants and opportunities to rectify these issues if the agencies and departments choose to do so;
- Is comprised of 12 individuals, including:
    - At least one representative from each FSIS processing district, which may overlay with any of the other identities required to be represented;
    - At least 3 seats held by owners or operators of small and very small plants, with different ownership styles such as an employee stock ownership plan, single proprietor, and cooperatively held plants represented;
    - At least one representative from each of these economic relationship groups, which may overlap with other representational needs:
        - an employee or organization representing employees of said small plants;
        - a producer or representative of producers who utilize small or very small plants; and
        - an individual or organization that provides technical assistance to such plants.
- Moreover, social identity should be considered, with special priority given to candidates who represent members of BIPOC and other historically underserved communities.

## 12.5. Restore Fair Competition

The food and agriculture industry has become highly concentrated over the past 50 years. To illustrate, **just four corporations** are responsible for 65 percent of sales in the global agrochemicals market, 50 percent of the seed market, and 45 percent of farm equipment sales. In the United States, just four companies represent 73 percent of beef processing, 67 percent of pork processing, 54 percent of chicken processing, and 45 percent of the retail grocery market. Economists agree that an industry is no longer competitive when the market share of the top four companies is 40 percent or higher, and that ceiling has been clearly exceeded across the agriculture industry.

This concentration hurts farmers, consumers, and rural communities while returning maximum profits to multinational corporations. It **inflates the prices** that farmers must pay for inputs, drives down commodity prices, and restricts the ability of farmers and ranchers to compete in the marketplace to the point where farmers today receive on average **less than 15 cents** of every dollar that consumers spend on food. The next farm bill should seek to reverse this trend through policies to strengthen antitrust enforcement, promote fair competition through market transparency, and modernize the Packers and Stockyards Act.

### 12.5.1. Packers and Stockyards Act (PSA)

**Support and reaffirm the ongoing USDA rulemaking process to modernize the PSA to give a fair shake to livestock and poultry growers.**

The Packers and Stockyards Act was passed in 1921 to combat anticompetitive practices in the livestock and poultry industry as corporate meatpackers and processors (also known as integrators) consolidated and amassed substantial power over producers. In the century since the bill's passage, corporate integrators have abused vague guidance from the USDA, incorrect interpretations by some courts, and lax enforcement of its provisions to further consolidate and reamass undue influence over growers. When one party in a contract negotiation has all the power due to extreme levels of consolidation that leave growers with few or no other options for buyers, the results can be unjust and economically burdensome.

The poultry tournament system, to illustrate, pits farmer against farmer in determining pay and bases the selection of winners and losers on factors outside the control of contracted producers and determined solely by big chicken companies (e.g. the quality of feed and chicks). Integrators **have been known** to manipulate these two variables in order to punish contract growers who have spoken out against industry abuses, and almost systematically against **farmers of color**. Further, large investments can be simply stranded, leading to bankruptcy, by premature termination of a contract without cause or by contracts that do not guarantee delivery of animals despite long-term significant debts taken on by growers to get started in contract production. These imbalances and economic losses negatively impact rural communities as well as farmers.

Attempts to strengthen PSA have **spanned the last decade**, prompted by a 2008 Farm Bill mandate to publish rules to better define prohibited practices to facilitate the enforcement of key provisions, but were largely unsuccessful due to obstruction in Congress and agency inaction. Most recently in 2021, the Biden Administration announced its intention to publish a new suite of rules to strengthen the PSA as part of an Executive Order on Promoting Competition in the American Economy. Congress must actively support and if necessary reinforce USDA's mandate to complete these rulemakings to afford livestock and poultry growers a fair shake. The finished rules must:

- Prohibit the tournament system altogether, or at least improve the poultry payment system by guaranteeing transparency measures for producers and guaranteeing a base rate of pay that cannot be lowered by deductions;

- Clearly identify practices in the livestock and poultry sectors that are unfair, unjustly discriminatory, or deceptive in violation of the PSA, and which may not be justified as a legitimate business decision;
- Reinforce that the PSA does not require a livestock or poultry grower to prove "competitive injury" when bringing a claim of undue or unreasonable preference, or provide evidence that the act harms competition in the industry overall; and
- Make it illegal for packers to retaliate against a producer who speaks out or joins a grower organization.

Congress must resist any attempts in the next farm bill and in annual appropriations bills to in any way block or impede the ongoing PSA rulemakings.

**Create an Office of the Special Investigator for Competition Matters in the USDA Packers and Stockyards Division, which oversees PSA implementation.**

To complement USDA's ongoing efforts to modernize and strengthen enforcement of the PSA, Congress should establish an Office of the Special Investigator for Competition Matters. The USDA Special Investigator will have a team of investigators, with subpoena power, dedicated to addressing anticompetitive practices in the meat and poultry industries and enforcing antitrust laws. They will work in coordination with, and act in consultation, with the Department of Justice (DOJ) and the Federal Trade Commission (FTC).

NSAC helped to draft the first iteration of this idea as a bill introduced in the Senate in 2007, to be included in the livestock title of the 2008 Farm Bill. It did not make it into the final version of that farm bill or any since, but the idea remained alive – and now its implementation would prove as critical as ever. The new USDA rules will have little effect if Congress does not authorize USDA to build a team of professionals and lawyers dedicated to implementing and enforcing those rules.

### 12.5.2 Market Transparency and Consumer Agency

**Restore mandatory country-of-origin labeling (MCOOL) on all beef.**

Mandatory country-of-origin labels for meats, poultry, vegetables, fruits, and some nuts were included in the 2002 Farm Bill, which were then expanded in 2008. MCOOL provides consumers with additional and more accurate information about the source of their food, enabling people to make choices aligned with health needs and values. However, a 2011 World Trade Organization (WTO) ruling required the United States to amend its MCOOL provisions in order to comply with WTO restrictions. This led to the exemption of meat products from MCOOL by Congress in 2015.

Underlying the entire WTO ruling was a fundamental flaw: according to the panel's ruling, the consumers of imported beef and hogs are not those of us who ultimately eat products from these animals. Rather, the consumers are the concentrated animal feeding operations (CAFOs) and packinghouses, which are controlled or operated primarily by large multinational corporations that object to the COOL rule because they prefer that we not know the origins of these products. This opacity enables corporate integrators to sell finished products at higher market values that far exceed the costs of their inputs when they can undercut U.S. cattle producers by sourcing cheaper imported cattle and cuts of beef. Indeed, we have seen cattle prices fall as beef prices rise for several years; that means the beef supply chain is exploiting both consumers and cattle producers. MCOOL will help restore the relationship between retail beef prices and cattle prices. In the next farm bill, Congress should restore MCOOL on all beef by inserting "beef" and "ground beef" back into the existing statute, which continues to require country-of-origin labeling on other foods. U.S. farmers and ranchers are proud of what they produce and should be allowed to promote their products. In addition, consumers deserve clear, direct, and informative labels. Providing more accurate labels with more information is a win-win situation for producers and consumers alike.

**Implement reforms to livestock markets, including changes to the Mandatory Price Reporting Act, to improve transparency.**

The consolidation in livestock markets has led to a lack of market transparency for farmers. Cattle are being sold through formula and grid pricing schemes at an increasing rate and fewer cattle are passing through public auction markets. Thinner markets, fewer cattle, and fewer futures trades means less transparency and bigger opportunity for packers to manipulate the market to lower prices paid to producers. This unfair market power can also be used to freeze independent producers out of the market and cause consumer food prices to increase. To address these issues, Congress should:

- Update the Livestock Mandatory Reporting Act to capture prices transacted under new cattle procurement methods such as delayed delivery, after-hour, and premium over current cash-price purchases. The update should also require reporting from all regions, regardless of the number of known buyers operating in the region.
- Restore the cattle futures market to its original purpose of providing risk-management to cattle sellers and buyers by requiring the cattle futures market to be asset-based. This will prevent casino-type gambling by speculators and futures market price manipulation by dominant meatpackers.

**Require manufacturers of agricultural equipment to make the same tools, parts, and documentation available to owners and independent repair providers.**

Similar to the livestock and poultry industries, the farm equipment sector is highly consolidated. Four companies, chief among them John Deere, control at least 45 percent of global farm machinery sales. They exert this market influence in a number of ways: by using patents to prevent farmers from repairing their own heavy machinery through independent repair technicians or from continuing to maintain equipment that is no longer supported by the manufacturer. This multiplies the profit streams for companies and perpetuates the need for farmers to continue to invest in the newest available equipment.

In recent years, farmers have launched a "right to repair" movement to combat this practice. Congress should include a provision in the next farm bill to require manufacturers of agricultural equipment to make the same tools, parts, and documentation available to owners and independent repair providers. This complements a provision from President Biden's Executive Order on Promoting Competition in the American Economy, which directs the FTC to limit powerful equipment manufacturers from restricting people's ability to use independent repair shops or do DIY repairs.

### 12.5.3 Antitrust Enforcement

**Ban and reverse anticompetitive mergers in the food and agriculture industry or at least impose a moratorium on large agribusiness mergers.**

The evisceration and shallow enforcement of antitrust regulations and statute for nearly half a century has directly harmed farmers, ranchers, and consumers as stakeholders within the food and farm system, and is a fundamental issue which shapes all others in that supply chain. It is past time that the FTC and DOJ set a renewed course, reaffirming the original intent of Congress when its members passed the Clayton, Sherman, and Federal Trade Commission Acts to address the loss of farms, rising land and input costs, inequitable environmental harm, and the hollowing of rural communities which has taken place across this country. These effects, among others, are the direct result of unchecked corporate concentration and consolidation which has substantially reduced competition across the agriculture industry.

The next farm bill should ban the biggest, most anticompetitive agribusiness mergers and give the DOJ and FTC stronger tools to reject deals and establish procedures to conduct retrospective reviews and break up harmful deals. Short of this, Congress should place an indefinite moratorium, or pause, on acquisitions and mergers in the food and agriculture industry until Congress acts on recommendations from a bipartisan commission to improve anticompetitive merger enforcement and antitrust oversight.

# COMPREHENSIVE INDEX OF RECOMMENDATIONS

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