

**Public Promises Made  
Public Promises Broken:**

**The National Research Initiative  
How Well Is it Serving Small Farmers?**

By

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**Executive Summary**

In the recently released report, "*Food and Agricultural Policy: Taking Stock for the New Century*" Secretary Ann

Veneman discusses how current agriculture data showing the diversity and size of agriculture operations "clearly reveal a wide divergence in the realities of farming across the country, and just as clearly illustrate the shortcomings of 'one size fits all' agriculture policy. The needs, concerns, and opportunities of larger, commercially oriented farms differ from those of smaller, intermediate farms, regardless of location."

In the report she also describes how our, "broad-scale, commodity-oriented approach to farm support does not recognize existing wide differences in production costs, marketing, approaches, or overall management capabilities that delineate competitive and noncompetitive operations."

In our report, *Public Promises Made – Public Promises Broken*, we argue that if the National Research Initiative (NRI) continues to fail in meeting their promise to better serve small farms this "one size fits all" approach will be further perpetuated in research decision making.

Following the 1998 National Commission on Small Farms report *A Time to Act*, which stressed the need to address long ignored research priorities of small farms – the Center for Rural Affairs began a project to assess proposals funded by the NRI small farm initiative for their relevance to small farms after USDA publicly pledged \$3.5 million in 1998 and \$5 million in 1999 for NRI small farm research.

The Center for Rural Affairs conducted an independent review of 59 National Research Initiative (NRI) proposals obtained through a Freedom of Information Act (FOIA) request. Specifically we requested all 1998 and 1999 fully funded NRI proposals that were considered by USDA to fall under the NRI special small farm initiative (61 proposals in all). This review was undertaken to determine what proposals NRI was funding and to judge and evaluate USDA's pledge and commitment to research relevant to small farms and ranches.

In our analysis of the data obtained from reviewers of the 59 projects several key findings have emerged:

- Only 22 percent of the 59 fully- funded proposals that USDA claimed were relevant to small farms specifically referred to small farms in the body of the proposal and thus were rated as "small farm strong" in this study.

- We rated 4 proposals small farm strong in 1998. In 1999, we rated 9 proposals small farm strong.

- Of the \$3.5 million promised by USDA in 1998 only \$590,340 or 16.9 percent was actually spent on projects that were strongly relevant to small farms/ranches.

- Of \$5 million USDA promised for research relevant to small farms in 1999, only \$1.87 million or 37.4 percent was spent on projects that were strongly small farm relevant.

- The category of "potentially small farm" included 24 percent of the 59 projects reviewed. This category included projects that may have potential to help small farms and ranches but were not identified in the body of the proposed project as being explicit to them.

- Out of a \$100 million NRI FY budget in 1998, 0.06 percent was spent on small farm relevant research.

- In FY 1999 the NRI budget was raised to \$120 million; \$1.87 million of that was spent on small farm relevant research. Thus, expenditures on small farm relevant research totaled approximately two 2 percent of the entire 1999 NRI budget.

This report shares other key findings from the assessment of the 59 proposals that NRI staff funded and determined

to be relevant to small farms. We also make seven policy recommendations on how USDA and the NRI can further target research to meet the needs of small farms.

## **Introduction**

Following the 1998 National Commission on Small Farms report *A Time to Act*, - which stressed the need to address long ignored research priorities of small farms, and USDA's comeback promise of funding targeted towards small farms, the Center for Rural Affairs began an effort to assess proposals funded by the National Research Initiative (NRI) small farm initiative for their relevance to small farms.

The USDA promise which prompted our investigation came in an early 1999 public address in which then Deputy Secretary Richard Rominger declared the NRI goal to award \$5 million worth of NRI research addressing small farm needs. The goal for 1998 had been set at \$3.5 million. By our own assessment, we wanted to know how much of this promised \$8.5 million in research was actually directed to specifically benefit small farms.

The Center for Rural Affairs conducted an independent review of 59 National Research Initiative (NRI) proposals obtained pursuant to a Freedom of Information Act (FOIA) request. Specifically we requested all 1998 and 1999 fully funded NRI proposals that were considered by USDA to fall under the NRI special small farm initiative. The small farm initiative is housed within the Agricultural Systems area, one of nine research areas to which NRI grant proposals are submitted. Our research focuses on the special small farm initiative because of the promise that was made by USDA to target funds in that area.

Over the course of a year USDA, through the Freedom of Information Act, gathered first the abstracts and then the full proposals. The 1999 proposals could not be released until after the grantees were awarded the funds. We received the final packet of proposals in February 2000.

We designed a relevancy category system and a tool to evaluate each proposal for small farm relevancy. We then sought out the help of 22 reviewers who used the Center- designed relevancy category and evaluation tools to measure the 59 NRI research proposals funded by the NRI for their relevance and benefit to small farms.

We hope this report helps to guide the NRI to more adequately meet the needs of small farms as it distributes research funds in the future. We highlight research that is meeting the needs of small and mid-sized farms. Our assessment tools and approach might also guide future assessments of research and technology for relevancy to small and mid-sized producers.

In a positive move, NRI and USDA staff contacted our office in 2000 and requested the assessment tools used for this study. Staff indicated that these tools might prove helpful as they assess future proposals submitted to the NRI special small farm initiative. We commend USDA and NRI for this step. We look forward to working with NRI staff in the future with the goal of strengthening the submission, review and implementation processes with the outcome being an increasing number of funded proposals with a strong relevancy to small farms.

However, the partiality of many USDA programs towards larger farms has been well documented in previous reports (*Time to Choose*, 1981 and *A Time to Act*, 1998). At the same time we have seen a decline in the number of smaller farms. We believe that USDA's internal policy and program proclivity towards larger farms continues to leave smaller farms without the necessary research and services to increase their viability.

### ***Overview of Research Approach***

Each proposal was reviewed by at least two persons, and sometimes by three or four reviewers, to ensure the accuracy of the relevancy rating given to each project. Non-profit staff, farmers, ranchers, land grant researchers, USDA agency personnel, and others conducted the proposal reviews. Reviewers with a conflict of interest were not allowed to review the proposals. All reviewers used the same evaluation tool and relevancy categories using the same instructions.

### *Why Is an Independent Review Needed?*

While the NRI agricultural systems supplemental program description – which includes the small farm initiative – calls for proposals that address small farm and ranch issues, there is no specific request for researchers to state how their research is specifically relevant to small producers. The NRI abstracts obtained through our FOIA process begin with a brief two or three- sentence statement written by agency staff explaining, typically in vague terms, how a particular proposal is relevant to small farms.

The NRI developed no formal process for reviewing proposals submitted to the agricultural systems program for their relevance to small farms.

In conducting a review outside of the USDA, we offer another set of expert opinions on whether or not USDA met its goal and how it might meet and exceed prior year goals to address the research priorities of small farmers and ranchers. In this way, we intend to hold USDA accountable for how public taxpayer dollars are spent on research funded and conducted under its sponsorship.

### *Encouraging Signs at USDA*

The 1998 National Commission on Small Farms offered specific recommendations to USDA on how they might begin to more adequately address the research needs of small producers.

USDA efforts to meet the needs of small farmers are increasing. These efforts include:

- A Department-wide Small Farms Policy to establish "strategies, systems, and a Departmental framework for achieving and maintaining the viability of [small farms]."
- A Small Farms Council chaired by the Deputy Secretary of Agriculture (the new administration is still considering whether or not to continue this council).
- A small farm coordinator for each mission area. These leaders meet regularly to evaluate progress made towards addressing the needs of small farms.
- A special small farms initiative within the Agricultural Systems Program of the NRI.
- Targeting \$18 million towards farm profitability for small and mid-sized producers within the USDA Initiative for Future Agriculture and Food Systems (IFAFS) competitive grant program.

We applaud these efforts, but our research shows the need for:

1. Funding to be better targeted within NRI Agricultural Systems and throughout the NRI program for small and mid-sized farmers and ranchers to more specifically meet their research, marketing, education, credit, technical assistance, and other development needs.
2. Assessment of how research and technology outcomes affect the different segments of producers (small, mid-sized, large, corporate) and how new research and technologies can meet the unique needs of small and mid-sized agricultural producers.
3. More integration across USDA mission areas and departments that better serve the specific needs of small and mid-sized farmers/ranchers.
4. Efforts focused on increasing the profitability and share of the food dollar of this set of producers.

5. Inclusion of small and mid-sized producers in the development, implementation, and evaluation of research both on and off-farm.
6. Increasing the number of small and mid-sized producers on NRI technical and merit review panels.

In calls made to Agriculture Secretary Ann Veneman's office in September 2001 asking for any statement the administration might have on their position on small farms and their viability the USDA Secretary's office indicated that no statement was readily available. In a subsequent Internet search of USDA's website no specific statement on small farms was provided by the current Administration.

We urge the Secretary to assist small and mid-sized farmers and ranchers to seize market opportunities by providing the research, marketing, education, technical and other assistance they need so that they might continue to be a strong link in the viability of rural communities.

### ***What Is a "Small-Farm"?***

We are often asked what we mean by small, mid-sized, large, and mega farms. As a mission -driven private non-profit organization we advocate for policies and practices that benefit family farms. The farm and ranch families we work with vary in size from small to large. Our focus is not in saying who is "good" and who is "bad," rather we concentrate on establishing a policy environment that provides greater economic opportunity for family farmers and ranchers while caring for the land and the rural communities where they reside.

The small farm commission offers the following general definition of a small farm:

*Farms with less than \$250,000 gross receipts annually (and adjusted over time for inflation), on which day-to-day labor and management are provided by the farmer and/or the farm family that owns the production or owns, or leases, the productive assets.*

For this study the Small Farm Commission definition and the assessment tools designed by the Center for Rural Affairs are used to appraise how the research and resulting technologies related to the 59 NRI proposals will be used and who affect small farms.

### ***Determining Small-Farm Relevance***

Each NRI proposal considered by USDA to be relevant to small farms was reviewed using assessment tools developed by Center for Rural Affairs staff.

First, two separate reviews were conducted for each proposal. Using the "small farm assessment tool" provided by the Center, expert reviewers were asked to assign number scores related to appropriateness of the research to small farms.

This assessment tool served as a guide to reviewers as they considered a project's relevancy to small farms. The assessment tool also served as a back up if a project's relevancy score (see Appendix I) was difficult to determine. Each assessment question was given a score from 0 to 10. Scores were totaled, and an overall score was assigned to each project.

Reviewers were then instructed to assign a relevancy category to each proposal. If the first two reviewers did not agree on the relevancy category a third, and sometimes fourth, reviewer was found.

**Chart 1** below on the following page details the small farm relevancy categories used by the author and reviewers for the purposes of this study.

***CHART 1. Categories of Relevancy for NRI Review of 1998 and 1999 Small and Mid-Sized Farm and Land Management Systems Fully Funded Proposals***

Small and mid-sized farm/land management strong projects:

- 1. Small/mid-sized Farm/land management – Systems, Specific (SF+):**  
Multidisciplinary research specific to small farm systems. Designed to improve and/or increase understanding of small/mid-sized farm/land management, production practices; small scale specific and not neutral.
- 2. Small/mid-sized Farm/land management– Systems, Comparative (SF):**  
Multidisciplinary research into small farming/land management systems, part of a comparison to other systems. Increases knowledge of small farm/land systems dynamics.
- 3. Small/mid-sized Farm/land management– Educational (SE):**  
Demonstration and training projects, related to outreach and dissemination or economic/social analysis related to small farms.
- 4. Small/mid-sized Farm/land management – Component, Explicit (SC+):**  
Specific to small farm/land management systems but single disciplinary research. Designed to improve and/or increase understanding of small farm/land management production practices,

"Transitional" small mid-sized farm/land management projects:

- 1. Potentially small and mid-sized farm/land management (PS):** Projects that potentially may help small and mid-sized farms/land owners but not identified in the body of the funded proposal as specific to them. Also included in this category are those proposals that have potential relevancy to small and mid-sized farms or land owners but which would more appropriately be funded as basic research in another category within agricultural systems/NRI or by another area outside of agricultural systems.

Small Farm/land management weak projects:

- 2. Non-specified small and mid-sized farm/land management systems (NS):**  
Not specific to small farms, and not clear that there is potential for the funded research to benefit small and mid-sized farmers/land owners economically, socially and/or environmentally (minimum criteria for systems/sustainability).

Projects unrelated to small and mid-sized farm/land management:

- 1. Large Scale-Biased (LB):** Research more specific in scale to large farms/land managers. Projects in this category may actually lead to greater concentration in agriculture; posing an uncertain risk to the economic viability of small and mid-sized farms/land owners and to the degradation of rural communities and economies.
- 2. Unrelated (U):** Unrelated to small/mid size farm/land management and not using agricultural systems approaches.

In our analysis of the data obtained from reviewers of the 59 projects, several key findings have emerged:

□ Only 22 percent of the 59 fully-funded proposals that USDA claimed were relevant to small farms specifically referred to small farms in the body of the proposal and were thus rated as "small farm strong."

□ We rated 4 proposals small farm strong in 1998. In 1999, we rated 9 proposals small farm strong.

□ Of the \$3.5 million promised by USDA in 1998, only \$590,340 or 16.9 percent was actually spent on projects that were strongly or potentially relevant to small farms/ranches.

□ Of \$5 million USDA promised for research relevant to small farms in 1999, only \$1.87 million or 37.4 percent was spent on projects that were strongly small farm relevant.

□ The category of "potentially small farm" included 24 percent of the 59 projects reviewed. This category included projects that may have potential to help small farms/land owners and ranches but were not identified in the body of the proposed project as being explicit to them.

□ Out of a \$100 million NRI FY budget in 1998, 0.06 percent was spent on small farm relevant research.

□ In FY 1999 the NRI budget was raised to \$120 million; \$1.87 million of that was spent on small farm relevant research. Thus, expenditures on small farm relevant research totaled approximately 2 percent of the entire 1999 NRI budget.

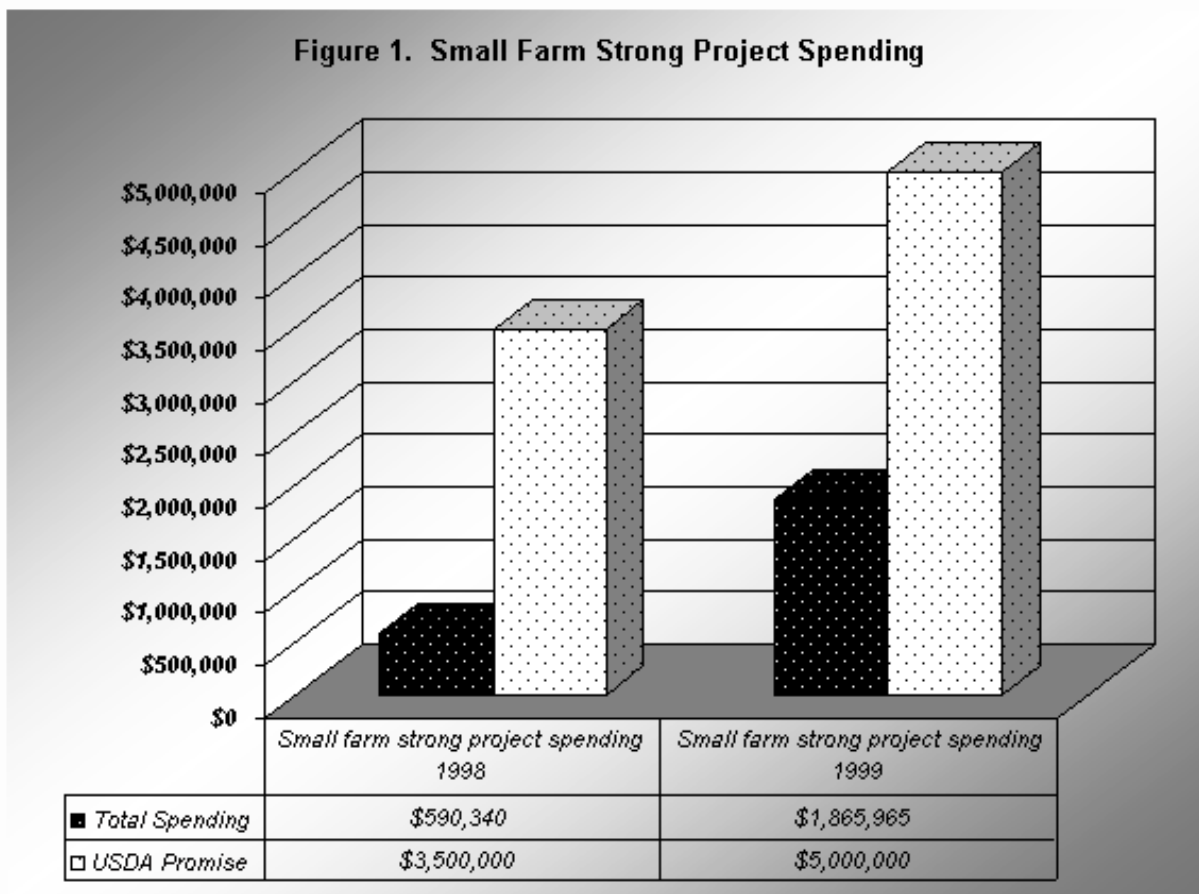
### ***Data Analysis***

In 1998 USDA spent \$590,340 on four NRI projects we rated as small farm strong (*see Figure 1. below*). In 1999 USDA spent \$1.87 million on nine projects we rated as small farm strong.

Despite an increase in funding for small farm relevant research from 1998 to 1999, USDA still fell woefully short of its public promise. Small farm relevant NRI project spending in 1998 fell \$2.9 million short of the \$3.5 million promised by USDA. That translates to just 17 percent of the promised \$3.5 million.

In 1999 just 37 percent (\$1.87 million) of the \$5 million promised to small farm relevant research was funded.

USDA simply must do a better job in meeting commitments and promises to address small farm research needs.



**Figure 1** compares NRI small farm relevant spending in fiscal years 1998 and 1999.

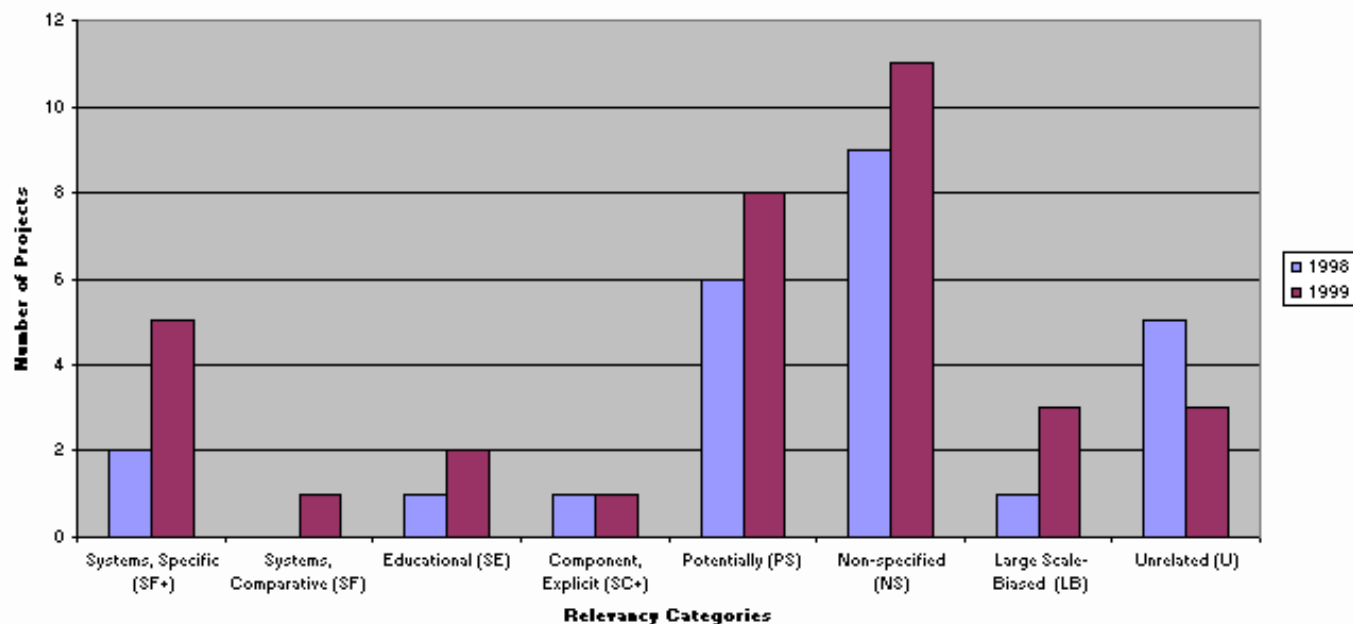
In comparing projects over two years, interesting patterns emerge. Each of the 59 projects we reviewed was given a relevancy category. Seven categories were established with the first four grouped under the rating "small farm strong."

All relevancy categories but two saw growth in 1999 (*see Chart 1, for detailed explanations of each category*). Small farm specific systems research (SC+) stayed the same while projects we rated as unrelated (U) to small farms dropped by two. We see this decrease in unrelated projects as a positive step taken by USDA – more funds were directed towards small farm relevant projects.

**Figure 2** below compares the total number of projects by relevancy category in 1998 with those in 1999.

Over the course of two years USDA made significant improvement in the number and relevancy of proposals funded under the small farm initiative. We applaud this effort. Our analysis showed five projects were rated as SF+ in 1999, up from only two projects in 1998. In 1998 one project was rated as SE; in 1999 two were given this rating.

In contrast to these positive moves, our findings show several disturbing trends. Consider the increase in the number of proposals labeled as potentially related to small farms (PS), not small farm specific (NS), and those more related to large-scale farms (LB). USDA should be held accountable for the misuse of money targeted for small farms. These funds should now be directed to specifically benefit small and mid-sized farmers/ranchers as promised by USDA.

**Figure 2. Comparison of 1998 and 1999 Relevancy Scores**

## Research Biased Towards Large-Scale Agriculture

**Table 1** examines research projects funded under the small farms initiative and that we rated as being more appropriate for large-scale agriculture operations. indicated by USDA in what was included in our FOIA request, All four of the projects listed in **Table 1** were funded by NRI small farm initiative funds.

**TABLE 1. 1998 and 1999 NRI Funded Projects Rated as Large- Scale – Biased (LB)**

Project Name	NRI Program Area	Institution	Year	Cost
Role of Cytokines in Immune Response to Paratuberculosis Vaccination in Cattle	Animal Health and Well-being	University of Pennsylvania	1998	\$300,000
Integrated Assessment of Sustainable Poultry Waste Management Systems	Agricultural Systems	University of Arkansas	1999	\$250,000
Closed-Loop Precision Irrigation for Improved Water Management	Natural Resources and the Environment	University of Idaho	1999	\$98,000
Effect of Subsurface Drain Depths on Nitrogen Losses to Surface Waters	Natural Resources and the Environment	North Carolina State University	1999	\$300,500

Our reviewers rated the four projects above as in **Table 1** as large-scale biased (LB) because they found them to be more specific to large-scale farms.

The overall project goal of "Role of Cytokines in Immune Response to Paratuberculosis (Johne's Disease) Vaccination in Cattle" was to determine the characteristics of the host immune response to *M. paratuberculosis* vaccination that result in susceptibility or resistance to Johne's disease. In assessing this project, the second reviewer of the proposal, a small dairyman, writes:

*Observations of practicing veterinarians point to the possibility that [various] environmental conditions (i.e. stress) may be a major factor in the onset of clinical expression of Johne's disease. If that is the case, confinement systems (generally more prevalent in large-scale operations) may be a contributing factor in clinical Johne's disease.*

In his review he adds that in the proposed study of Johne's disease, important questions dealing with the extent, effects, and contagiousness of subclinical Johne's disease were omitted. He offers that a systems study of Johne's disease should address questions such as: what is the extent of subclinical Johne's disease? what are the effects of subclinical Johne's disease? how contagious is [the disease]?; what factors are important in converting subclinical cases into clinical Johne's disease? and can improved testing procedures be developed for the disease? The omission of these questions points to the lack of assessment as to the scale of the research and who is benefited by the research.

The third reviewer of the same project writes:

*In one brief sentence, [the project proposal authors] provide a few statistics, which infer that the disease is more prevalent on large-scale dairies...close confinement of cattle may also favor transmission of the disease. The study also focuses on the use of vaccines to control the disease, which is a farm input that overall might have more benefits for large-scale dairy management [due to high cost of vaccines].*

Interestingly, two of the four projects listed in **Table 1** are directly or indirectly related to managing the inordinate amount of manure generated by large-scale animal confinement operations. These projects were funded under the areas of Agricultural Systems, and Natural Resources and the Environment for a total of \$550,500.

The objectives of the "Integrated Assessment of Sustainable Poultry Waste Management Systems" project were to analyze the existing phosphorus-flow system in the Lakes Eucha and Spavinaw watersheds, to identify alternative phosphorus management policies that may be employed, and to evaluate alternative phosphorus management policies in the watershed.

One reviewer of the project, had this to say in response to the project's relevance to small farms:

*[This] proposal considers only large-scale, vertically integrated confined poultry operations, with cow-calf operation on pasture or feedlot. The overall purpose is to assess the scope of the problem of nutrient phosphorus water pollution arising from geographic concentration of broiler and other poultry production facilities and to determine what will be 'acceptable' solutions to stakeholders.*

This reviewer also noted that references within the poultry waste project proposal repeatedly emphasized the close ties the principal investigators shared with the poultry processing industry.

The argument might be made that the poultry waste project benefits vertically integrated poultry growers whom could be considered small farmers. This same reviewer addresses this scenario accordingly:

*The proposal never addresses a key issue with regard to suggested phosphorus management and policy strategies – that is: will the poultry processor-integrator bear any of the costs of nutrient taxes, waste transport requirements, etc. or will costs be imposed only on growers and/or taxpayers? Even if vertically integrated poultry growers are considered as "small farmers," the research proposal does not address obvious issues of fundamental importance to the growers.*

Additionally, our reviewers rated the project "Effects of Subsurface Drain Depth on Nitrogen Losses to Surface

Waters" as large-scale biased.

The objectives of this project were to:

1. To experimentally determine effects of drain depth on nitrogen losses from a coastal plain soil
2. To determine if the use of shallow drains to reduce N losses will affect losses of sediment and phosphorus
3. To test and further develop models for predicting effects of drainage design and management on N losses from drained cropland

The third reviewer of this project made the following assessment:

*A problem with evaluating this study is reading between the lines and filling in the blanks. North Carolina coastal plain around the Neuse River [where this project is located] is an area of large-scale, concentrated hog factory farms, one of the most dense hog production areas in the country. Over-application of both N and P area is a significant concern, as are bacterial pathogens, antibiotics, etc. This study, with commercial fertilizer N source and no real accounting for P, appears to me to be a diversion of funds better directed to assessing the real problems of the region. ...I am also not convinced of the premise that high agricultural productivity [of corn] is the best use of poorly drained soils on the coastal plain. This may be a region where some greater attention to alternative, more diverse agricultural systems would be of much greater value both to individual farms and to rural communities.*

The questions we posed, in our external review of the 59 proposals, might serve as a template for future assessment of NRI proposals even though the special small farms initiative is no longer available (*see Appendix I*).

## Research that Is Small-Farm Strong

We rated five proposals SF+ in 1999 compared with two proposals in 1998. All but one of the seven proposals rated as SF+ (shown below in **Table 2**) were submitted to the Agricultural Systems program. From our review of these proposals it seems that six grantees specifically submitted their proposals to the small farm initiative area within the Agricultural Systems program of NRI. In all of the proposals listed in **Table 2**, below small farms were specifically mentioned.

**TABLE 2. 1998 and 1999 NRI Funded Projects Rated as Small Farm Strong (SF+)**

Project Name	NRI Program Area	Institution	Year	Cost
Cow calf production systems in Appalachia	Agricultural Systems	West Virginia University	1998	\$210,100
Integrated Post Harvest Strategies/Rural Apple & Cider Production	Agricultural Systems	Iowa State University	1998	\$132,000
Polyculture System Seaweed Shrimp and Fish at Small Farm Units on Molokai, HI	Agricultural Systems	University of Arizona	1999	\$185,965

Ecosystem Management in a Landscape Dominated by Small Private Ownership	Agricultural Systems	University of Massachusetts	1999	\$160,000
Strategies for Transition to Organic Systems: Ecological and Economic Indices	Agricultural Systems	North Carolina State University	1999	\$380,000
Effects of Organic Manures and Biodynamic Growth Regulators on Alternative Cropping Systems	Agricultural Systems	Michael Fields Agriculture Institute - Wisconsin	1999	\$380,000
Environmental, Economic and Community Impacts of Dairy Farms	Markets, Trade, and Rural Development	The Pennsylvania State University	1999	\$175,000

### A "Model" for Small-Farm Relevant Research

A 1998 project funded by the NRI and rated as small farm strong (SF+), exemplifies the type of project towards which for which agricultural systems and small farm initiative funds should be targeted.

Reviewer one of the project "Integrated Post-harvest Strategies to Assure Safety, Quality, and Profitability of Rural Apple and Cider Production" found that it, "utilized a systems approach to find low cost strategies that met domestic and export food safety standards. The overall goal of the project was to strengthen the economic viability of apple orchards and cider processors in rural communities."

This reviewer also found that food safety concerns were raised when *E. coli* outbreaks were traced to contamination of fresh apple cider. Many small Midwest and eastern apple growers found themselves facing increased public pressure to ensure the food safety of the apple products. At the same time growers were faced with regulatory pressure to reduce the environmental and health impacts associated with pesticides and fungicides they used to raise the apples.

"The apple project investigators looked at different technologies varying from pasteurization or chlorination – more economically suitable strategies for smaller producers – to irradiation, which might have higher economic costs," stated the reviewer of this project. The project took "A systems approach to solving the interlocking problems of cider safety, environmental stewardship, and a new regulatory environment in order to maintain the economic viability of small commercial apple producers and processors."

The reviewer found the novel approach taken by the project leaders "...ensured the continuation of business for many of Iowa's small apple growers and processors." In our study this project received the highest numerical score on the small farm assessment tool of any of the proposals – 155 total points.

Reviewers of the project "Ecosystem Management in a Landscape Dominated by Small Private Ownership" rated it small farm strong as well. The project was related to researching the impacts of adoption of a stewardship ethic for forestry management on small private land holdings. Project investigators proposed research into how perceptions of some landowners, for example perceptions that ecosystem management is an erosion of landowner rights, would effect the adoption of such a stewardship ethic. Dissemination of the results was targeted to policy makers.

The researchers were interested in how the idea of property tax incentives to increase the rate of adoption of an ecosystem management approach might play out. One reviewer of this proposal expressed his approval saying that the project addressed an important public policy issue and addressed questions like "How will states make up for revenues 'lost' by adoption of management strategies? Will urbanites protest?" The second reviewer stated:

*This project takes a systems approach by looking at the different players in the system.*

*They get the environment-economic-social connections that are a crucial part of any proposal aimed at small farmers or in this case small forest land-managers. The project is aimed at crafting voluntary policy instruments of direct benefit to the small forest systems owners it targets.*

## **Summary Comments and Recommendations**

We are not certain that those involved in these projects as principal investigators and researchers are aware that their projects have been categorized as relevant to small farms/ranches.

When we inquired, USDA staff indicated that there was no formal review process or formal assessment of the 59 NRI projects for relevancy to small farms. From our investigation and review of the 59 proposals it seems that the one or two sentence explanation of relevancy to small farms that we received for each of the 59 proposals was done without a formal review process.

This leads us to believe that the small farm review that was conducted by USDA was done so after the proposals had already been funded. It also seems that this review was in response to our specific FOIA request. USDA's review of the 59 proposals for small farm relevancy was cursory at best. We strongly criticize USDA for breaking their promise to target \$8.5 million in funding to small farm research and allowing funds meant for small farm research to be directed elsewhere.

Now that the Agricultural Systems special small farm initiative is no longer available, small farm relevant research funds should be set aside within USDA competitive grant programs whether it be within the National Research Initiative or the Initiative for Future Agriculture and Food Systems (IFAFS) or other appropriate location.

We argue that current directions in the NRI are leaving small farms behind and not adequately meeting their unique research needs. Not paying attention to the diversity of farm size, production cost and management capabilities when determining research priorities leads to the "one size fits all" agriculture research bias we now have. In the Administration's "Food and Agriculture Policy" report the Secretary further points out how differing farm sizes should be taken into account when setting agriculture policy in the new Farm Bill:

These circumstances clearly reveal a wide divergence in the realities of farming across the country, and just as clearly illustrate the shortcomings of 'one size fits all' agriculture policy. The needs, concerns, and opportunities of larger, commercially oriented farms differ from those of smaller, intermediate farms, regardless of location.

Paying heed to comments made by the current Administration in their report and by following the recommendations listed below, USDA can enhance the effectiveness of taxpayer dollars and better meet the research needs of small farmers.

### ***Recommendations***

1. Mandate \$5 million for fiscal year 2002 for small farm relevant research at USDA. This might include targeting funds within NRI, the Initiative for Future Agriculture and Food Systems (IFAFS) or other appropriate competitive research grant program. This could include extending the call for research that is small farm relevant to all program areas of the NRI Competitive Grant Program (NRICGP).
2. Increase the number of small farmers and ranchers on NRI technical and merit review panels.
3. Include a small farm relevancy assessment tool similar to the one used for this project (available from the Center for Rural Affairs) to strengthen the Request for Applications and to make explicit what criterion will be used to judge proposals for relevancy to small farms. Small producers should be included in the development of such a tool.

4. Make available the same technology assessment for those reviewing proposals to assess specific relevancy of research to small farms. Relevancy to small farms should be a major criterion in funding decisions.
5. Bring NRI and IFAFS and other appropriate Cooperative States Research Economics and Education Service (CSREES) administrators, staff and stakeholders together annually to identify actions to take to meet the priority needs of small farms within these two programs and across CSREES.
6. In the Request for Applications require that small farmers/ranchers be consulted and included in the design of proposals purporting to address small farm research issues.
7. Develop a more formal coding and evaluation system across USDA to code and record funded small farm relevant research proposals. Include small producers in the evaluation.

## **APPENDIX I**

### ***Questions posed in the small farm assessment tool:***

1. Are farmers included in the research design?
  2. Is on-farm research included in the project?
  3. Is the research/technology appropriate in scale to small farms?
  4. Does the project emphasize utilization of existing on-farm resources?
  5. Does the project emphasize improvement of management skills?
  6. Does the project improve quality of life on the farm/ranch?
  7. Does the project enhance opportunity for adding value to the farm product? Does it increase the farm share of the profit?
  8. Is land ownership likely to be further concentrated as a result of the project?
  9. Does the project take a multi-disciplinary approach?
  10. Are barriers to beginning farmers minimized in this project? Are beginning farmers encouraged?
  11. Will small farmers need other than moderate capital requirements to take advantage of the project outcomes?
  12. Does the project build rural marketing infrastructure? N: that means more tightly integrated value chains
  13. Does the project increase technology choices for small farmers?
  14. Are sources of farm income diversified as a result of the project?
  15. Are compliance costs associated with the farming operation reduced as a result of the project?
  16. Are farmer to consumer relationships improved as a result of the project?
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