

United States House of Representatives
United States Senate
Washington, DC

Dear members of Congress,

The Center for Rural Affairs pursues a mission to establish strong rural communities, and we are grateful for this opportunity to share with you our priorities for appropriations for fiscal year 2021. Robust funding for the below programs will provide important support for farmers, ranchers, and rural communities.

In particular, the Rural Microentrepreneur Assistance Program, or RMAP, offers valuable support for rural entrepreneurs. RMAP provides third-party organizations with the funds to offer training and small business loans to rural entrepreneurs, and in doing so allow them to create jobs and expand their businesses in rural communities. We are grateful that you provided \$6 million for RMAP in 2020, and ask that you maintain this funding in 2021.

Our appropriations priorities for 2021 are as follows:

1. **Rural Microentrepreneur Assistance Program** - \$6 million in discretionary funds
2. **Conservation Technical Assistance (CTA)** - at least \$759.2 million
3. **Working Lands Conservation** - No CHIMPS
 - a. Conservation Stewardship Program (CSP)
 - b. Environmental Quality Incentives Program (EQIP) - no CHIMPS
4. **Farming Opportunity Training and Outreach (FOTO)** program - \$5 million split equally between the two sub-programs of BFRDP and Section 2501
5. **Local Agriculture Market Program (LAMP)** - \$20m discretionary, split appropriately between two sub-programs of FMLFPP and VAPG
6. **Rural Business Development Grant (RBDG)** Program - \$37 million
7. **Sustainable Agriculture Research and Education (SARE)** - at least \$50 million
8. **Farm Service Agency Loans** - fully funded at President's Budget levels
 - a. Direct Farm Ownership - \$2.12 billion
 - b. Direct Operating Loans - \$1.63 billion
 - c. Guaranteed Farm Ownership - \$2.75 billion
 - d. Guaranteed Operating Loans - \$2.12 billion

We elaborate on these further below. Thank you for your consideration.

1. Rural Microentrepreneur Assistance Program (RMAP) - \$6 million

Appropriations Bill: Agriculture

Specific agency: Rural Development

Appropriations account: Rural Business–Cooperative Service – Rural Microenterprise Investment Program Account

Program: Rural Microentrepreneur Assistance Program

Amount requested for FY 2021 Appropriations: \$6 million discretionary

Amount requested in the President’s FY 2021 Budget: \$0

Amount provided by the FY 2020 enacted bill: \$6 million discretionary

The Rural Microentrepreneur Assistance Program (RMAP) supports the development and ongoing success of rural microentrepreneurs and microenterprises. Under RMAP, direct loans and grants are provided to Microentrepreneur Development Organizations, who then provide technical services and distribute microloans to rural microentrepreneurs. This support provides the path that rural entrepreneurs need to establish and build their businesses and create jobs in rural communities.

In many rural communities, rural entrepreneurs face challenges in accessing loan capital that are unique from those of their more urban counterparts. The number of small town banks has steadily decreased, and from our work with rural entrepreneurs, the Center for Rural Affairs has seen that remaining banks are less and less interested in offering small business loans. RMAP helps bridge these gaps by providing the technical training for small business owners to build and strengthen their businesses, and by offering them loan capital that is otherwise unavailable. In doing so, RMAP helps lay a path for these rural entrepreneurs to establish businesses and strengthen rural communities.

RMAP has provided this support for rural entrepreneurs across the country for over a decade. The 2018 farm bill removed RMAP’s mandatory funding, but Congress restored its funding through annual appropriations in fiscal years 2019 and 2020. We ask Congress to maintain RMAP’s funding at \$6 million in FY 2021 to continue the valuable support it provides to rural entrepreneurs.

2. Conservation Technical Assistance (CTA) - \$759.2 million

Appropriations Bill: Agriculture

Specific agency: United States Department of Agriculture - Natural Resources Conservation Service

Appropriations account: Conservation Operations

Program: Conservation Technical Assistance

Amount requested for FY 2021 Appropriations: at least \$759.2 million

Amount requested in the President's FY 2021 Budget: \$729 million

Amount provided by the FY 2020 enacted bill: \$735.76 million

Conservation Technical Assistance (CTA), a subset of Conservation Operations, is the backbone of USDA's conservation programs. Through CTA, NRCS field staff work one on one with farmers to develop and implement personalized conservation plans that address how farmers can best conserve resources on their farms. NRCS also uses CTA funds to assess conservation practices and systems, and to collect, analyze, and disseminate data on the condition of our nation's natural resources.

The Center for Rural Affairs has seen first-hand how valuable the support of working lands conservation programs is to farmers and ranchers. Programs like the Conservation Stewardship Program and the Environmental Quality Incentives Program offer valuable paths for farmers and ranchers to increase and strengthen their stewardship of natural resources.

Local field office staff at the Natural Resources Conservation Service are indispensable to implement these programs. Quite simply, without staff's availability to meet with farmers and ranchers, talk through their conservation options, and set out a plan for implementing conservation on their operations, these programs would have no impact.

The request to fund the CTA sub-account of Conservation Operations at \$759.2 million would provide much-needed support for these staff to conduct the invaluable ongoing work of implementing working lands conservation programs.

3. Working Lands Conservation - No CHIMPS

Conservation Stewardship Program (CSP)

Environmental Quality Incentives Program (EQIP) - no CHIMPS

Appropriations Bill: Agriculture

Specific agency: United States Department of Agriculture - Natural Resources Conservation Service

Appropriations account: Farm Security and Rural Investment

Program: Conservation Stewardship Program (CSP) and the Environmental Quality Incentives Program (EQIP)

Amount requested for FY 2021 Appropriations: no changes in mandatory program spending

Amount requested in the President's FY 2021 Budget: \$0 for CSP, \$1800 million for EQIP

Amount provided by the FY 2020 enacted bill: Received mandatory funding

The Conservation Stewardship Program is the nation's premier working lands conservation program. In the last ten years, farmers and ranchers have enrolled over 94 million acres of farm, ranch, and forest land in CSP. Farmers and ranchers enroll in five-year CSP contracts, which reward farmers and ranchers for existing conservation efforts on their operations and offers the financial and technical assistance needed to increase and strengthen their conservation efforts. Farmers and ranchers must demonstrate a baseline level of conservation activity in order to be eligible, and must have increased their conservation efforts by the end of a five year CSP contract. Conservation activities that CSP supports include cover crops, resource-conserving crop rotations, management intensive rotational grazing, and conservation buffers.

The 2018 farm bill made several changes to CSP, including increasing payment levels for certain practices such as cover crops, while also effectively decreasing CSP funding while switching from an acres to a dollars based funding structure. NRCS is in the process of rolling out CSP signups, and for the program to remain strong it needs strong funding.

As CSP has taken an effective funding cut under the 2018 farm bill, we ask Congress to not cut CSP funding further in the annual appropriations process, and we request no changes in mandatory spending to CSP.

EQIP is a valuable working lands conservation program that offers farmers and ranchers the opportunity to apply for technical and financial support to install individual conservation practices on their operations. EQIP supports a wide variety of conservation practices, including cover crops, manure management practices, grassed waterways, and wildlife habitat enhancement. Farmers and ranchers apply for EQIP contracts through NRCS.

The 2018 farm bill made a variety of changes to EQIP, including adding a new option of incentive contracts, changing the amount of funding set aside for livestock producers from 60 percent to 50 percent, and strengthening EQIP's option of offering advance payments to historically underserved producers.

The annual appropriations process has not changed the mandatory spending levels for EQIP for a few years. This provides much-needed stability for NRCS to effectively implement the program. We ask Congress to continue to make no changes in mandatory program spending so that NRCS can effectively roll out the changes to EQIP made by the 2018 farm bill.

4. Farming Opportunity Training and Outreach (FOTO) program - \$5 million split equally between the two sub-programs of BFRDP and Section 2501

Appropriations Bill: Agriculture

Specific agency: United States Department of Agriculture - National Institute of Food and Agriculture and the Office of Partnerships and Public Engagement

Appropriations account: Office of the Secretary

Program: Farming Opportunities Training and Outreach

Amount requested for FY 2021 Appropriations: \$5 million

Amount requested in the President's FY 2021 Budget: \$0

Amount provided by the FY 2020 enacted bill: \$5 million

The FOTO program includes two programs that were merged under the 2018 farm bill: Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers (Section 2501 program) and the Beginning Farmer and Rancher Development Program (BFRDP).

The Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers (Section 2501 program) is the only federal program explicitly dedicated to addressing the needs of producers of color and veterans. Over the past several decades, the Section 2501 program has invested millions of dollars into our nation's community-based organizations, land grant universities, and cooperative extension, to develop and strengthen innovative outreach and technical assistance programs and other resources targeted at historically underserved producers. In this time, the program has offered critical support for the country's African-American, Hispanic, tribal, immigrant, and refugee communities.

The Beginning Farmer and Rancher Development Program (BFRDP) is a competitive grant program that funds third party entities to provide education, outreach, and technical assistance to guide beginning farmers and ranchers with less than ten years of experience. Eligible project topics can include livestock and crop farming practices, land transfer, business training, risk management, marketing, and conservation. BFRDP-funded projects help beginning farmers and ranchers develop much needed foundational skills and knowledge. BFRDP is administered by the USDA National Institute of Food and Agriculture (NIFA). Since 2008, BFRDP has invested more than \$150 million in beginning farmer and rancher training projects nationwide.

Congress' investment in our nation's beginning, socially disadvantaged, and veteran farmers will help support the next generation of producers and bolster American agriculture. Despite long-term funding increases and permanency for the Section 2501 program and BFRDP under FOTO, there are short-term losses that require support through appropriations. Initial funding for FOTO started at \$30 million in FY 2019, split evenly between the two programs, and increases to \$50 million by 2023. As a result of the changes, these programs are experiencing a slight decrease in funding from former annual levels.

We request no changes in mandatory spending for Farming Opportunities Training and Outreach (FOTO), and \$5 million appropriated funds split equally between its sub-programs, Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers and the Beginning Farmer and Rancher Development Program (BFRDP). This investment will ensure that the next generation of producers is fully supported.

5. Local Agriculture Market Program (LAMP) - \$20m discretionary, split appropriately between two sub-programs of FMLFPP and VAPG

Appropriations Bill: Agriculture

Specific agency: United States Department of Agriculture - Agricultural Marketing Service and Rural Development

Appropriations account: Agricultural Marketing Service, Rural Cooperative Development Grants

Program: Local Agriculture Marketing Program (discretionary)

Amount requested for FY 2021 Appropriations: \$20 million

Amount requested in the President's FY 2021 Budget: \$0

Amount provided by the FY 2020 enacted bill: \$17.4 million

The Local Agriculture Market Program (LAMP) was created in the 2018 farm bill to streamline existing programs that support local and regional food economies. This new program includes three subprograms: the Value Added Producer Grant (VAPG) program, the Farmers Market and Local Food Promotion Program (FMLFPP), and the Regional Partnership Program.

VAPG offers grants to farmers and ranchers developing farm and food related businesses that boost farm income and create jobs in rural America. FMLFPP funds marketing grants that support the infrastructure needed to market local and regional foods. Both of these programs encourage the kind of entrepreneurship that enable rural communities to grow economically.

With the new changes in the 2018 recent farm bill, the VAPG and FMLFPP portions of LAMP are taking effective cuts. The requested funding would restore these programs to their previous levels and allow them to continue their needed support of rural producers of value-added products and local and regional food infrastructure.

6. Rural Business Development Grant (RBDG) Program - \$37 million

Appropriations Bill: Agriculture

Specific agency: United States Department of Agriculture - Rural Business and Cooperative Service

Appropriations account: Rural Business Program

Program: Rural Business Development Grants

Amount requested for FY 2021 Appropriations: \$37 million

Amount requested in the President's FY 2021 Budget: \$0 million

Amount provided by the FY 2020 enacted bill: \$37 million

The Rural Business Development Grant Program (RBDG) was created in the 2014 farm bill by combining the Rural Business Opportunity Grant Program and the Rural Business Enterprise

Grant Program. RBDG is administered by State USDA Rural Development Offices and supports rural small businesses with fewer than 50 employees and less than \$1 million in gross revenue. RBDG spurs economic activity in rural communities by providing new marketing opportunities, training, and resources to small businesses.

The requested funds will support USDA in offering grants to rural cooperatives and other institutions that allow them to develop and offer needed support to rural entrepreneurs in the areas of business and market analysis, construction of repairs or buildings, and other activities. With high demand for economic development in rural communities across the country, we ask for \$37 million for this program in FY2021 to meet this demand.

7. Sustainable Agriculture Research and Education (SARE) - at least \$50 million

Appropriations Bill: Agriculture

Specific agency: United States Department of Agriculture - National Institute for Food and Agriculture

Appropriations account: NIFA - Research and Education

Program: Sustainable Agriculture Research and Education

Amount requested for FY 2021 Appropriations: at least \$50 million

Amount requested in the President's FY 2021 Budget: \$37 million

Amount provided by the FY 2020 enacted bill: \$37 million

The SARE program is the only USDA competitive grants research program with a clear and consistent focus on sustainability and farmer-driven research. Eligible entities include producers, researchers, nonprofit organizations, and educators. SARE supports five areas of grants: research and education, professional development, farmer and rancher research grants, partnership/on-farm grants, and graduate student grants. For more than 30 years, SARE has been at the forefront of research and extension based on profitable and environmentally-sound practices developed with farmer and business input.

SARE has helped create more innovative farm practices that are adopted by farmers than any other competitive research program. Despite its popularity and demonstrated administrative efficiency, SARE has never been funded at its authorized level of \$60 million. We request funding of at least \$50 million in FY2021 to allow SARE to reach its full potential in supporting much needed sustainable agriculture research and education.

8. Farm Service Agency Loans - fully funded at President's Budget levels

Appropriations Bill: Agriculture

Specific agency: United States Department of Agriculture - Farm Service Agency

Appropriations account: Agricultural Credit Insurance Fund Program

Program:

- a. Direct Farm Ownership Loans - \$2.12 billion
 - i. Amount requested for FY 2021 Appropriations: \$2119 million
 - ii. Amount requested in the President's FY 2021 Budget: \$2119 million
 - iii. Amount provided by the FY 2020 enacted bill: \$1875 million
- b. Direct Operating Loans - \$1.63 billion
 - i. Amount requested for FY 2021 Appropriations: \$1633 million
 - ii. Amount requested in the President's FY 2021 Budget: \$1633 million
 - iii. Amount provided by the FY 2020 enacted bill: \$1550 million
- c. Guaranteed Farm Ownership - \$2.75 billion
 - i. Amount requested for FY 2021 Appropriations: \$2750 million
 - ii. Amount requested in the President's FY 2021 Budget: \$2750 million
 - iii. Amount provided by the FY 2020 enacted bill: \$2750 million
- d. Guaranteed Operating Loans - \$2.12 billion
 - i. Amount requested for FY 2021 Appropriations: \$2118 million
 - ii. Amount requested in the President's FY 2021 Budget: \$2118 million
 - iii. Amount provided by the FY 2020 enacted bill: \$1960 million

Access to appropriate credit is critical for farmers. FSA loan programs fill an important gap in financing for those unable to secure credit in the private market, and have been vital in providing access to credit for small and mid-size family farms.

Because credit plays such a critical role in farm and ranch viability, we ask Congress to fully fund FSA's loan accounts. Specifically, we support the President's Budget request levels for four loan accounts: Direct Farm Ownership Loans, Direct Operating Loans, Guaranteed Farm Ownership Loans, and Guaranteed Operating Loans.

Thank you for your consideration of these requests.

Many thanks,



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