

April 20, 2022

United States House of Representatives
United States Senate
Washington, DC

Dear members of Congress,

The Center for Rural Affairs is a private non-profit organization that works to promote opportunity. We engage people in decisions that affect their community and the quality of their lives. This includes providing new and existing residents with the tools they need to help ensure that rural and agricultural communities continue to thrive.

We appreciate the opportunity to submit to you our appropriations requests for fiscal year 2023. The following programs represent our appropriations interests:

- **Rural Microentrepreneur Assistance Program (RMAP):** \$8M
- **Conservation Technical Assistance (CTA):** \$1.1B
- **Local Agriculture Marketing Program (LAMP):** \$20M, split appropriately between the Value Added Producer Grants (VAPG) program and the Farmers Market and Local Food Promotion Program (FMLFPP)
- **Farming Opportunities Training and Outreach (FOTO):** \$5M

The proposed funding levels would do a great deal to strengthen family farms, small businesses, and rural communities. The following pages include justifications for each of these proposals.

Thank you for your time and consideration.

Respectfully,

Johnathan Hladik
Policy Director, Center for Rural Affairs

1. Rural Microentrepreneur Assistance Program (RMAP)

Appropriations Bill: Agriculture and Related Agencies

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

Appropriations Account: Rural Microentrepreneur Assistance Program

Amount requested for FY 2023 Appropriations: \$8 million

Amount provided by FY 2022 enacted bill: \$6.5 million

The Rural Microentrepreneur Assistance Program (RMAP) supports the development and ongoing success of rural microentrepreneurs and microenterprises. Through RMAP, direct loans and grants are provided to Microentrepreneur Development Organizations (MDO), who then provide technical services and distribute microloans of \$50,000 or less 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 a growing number of rural communities, entrepreneurs face unique challenges not experienced in urban areas. 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. There are also fewer business assistance resources to help them start and grow. RMAP bridges these gaps by providing the technical training and 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.

Beyond these core barriers to rural entrepreneurship, the pandemic has continued to place a tremendous strain on the businesses serviced by RMAP. Often service-based, these businesses are a part of industries most impacted by lockdowns, restrictions, and lower consumer spending. Furthermore, RMAP loan recipients, unlike those with Small Business Association Loans, did not receive any emergency pandemic relief. As a result, they were more likely to default on a loan than an urban counterpart. In order to get small rural businesses back to speed, more resources must be placed toward facilitating their success. RMAP is the ideal program to address this need.

RMAP has provided this support for rural entrepreneurs across the country for nearly 15 years. The 2018 farm bill removed RMAP's mandatory funding, but Congress has continued to support its funding with annual appropriations. Since the start of the pandemic, studies have shown an uptick in entrepreneurial spirit, particularly in the sector of microbusinesses. Entrepreneurs nationwide have started 2.8 million more microbusinesses in 2020 than in 2019, and 62% of these businesses have reported needing less than \$5,000 to get started. We ask Congress to fund RMAP at \$8 million in FY2023 to continue needed support for these resilient, adaptable entrepreneurs in rural areas.

2. Conservation Technical Assistance (CTA)

Appropriations Bill: Agriculture and Related Agencies

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

Appropriations Account: Conservation Operations

Amount requested for FY 2023 Appropriations: \$1.1 billion

Amount provided by FY 2022 enacted bill: \$759.813 million

Conservation Technical Assistance (CTA), a subset of Conservation Operations, is the backbone of USDA's conservation programs. Through CTA, Natural Resources Conservation Service (NRCS) field staff work one on one with producers to develop and implement personalized conservation plans that help conserve resources on their land. CTA funds are also used 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 can be for farmers and ranchers, particularly if the resources are readily available. Programs such as 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 NRCS field staff are indispensable in implementing these programs. Quite simply, without staff's availability to meet with farmers and ranchers to discuss their conservation options and map out an implementation plan for their operation, these programs would have no impact. Unfortunately, staff capacity to serve each individual county and producer has declined, and field staff are spread across multiple counties. This has led to a backlog of design work for structural practices, a drawn out timeline to develop conservation plans, and a decline in the outlook of NRCS and its programs by some producers.

An increase in funding for CTA at \$1.1 billion would provide much-needed support for these staff to conduct the invaluable ongoing work of implementing working lands conservation programs. This funding would have valuable implications for the investments that are being made to implement climate-smart agricultural practices across the landscape.



3. Farming Opportunities Training and Outreach (FOTO)

Appropriations Bill: Agriculture and Related Agencies

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

Amount requested for FY 2023 Appropriations: \$5 million

Amount provided by FY 2022 enacted bill: \$4 million

Starting and maintaining a successful farm or ranch business is a challenge. Many beginning producers lack access to credit and land, meaning they often start off with small scale operations. In addition, they may be unaware of available resources that can support them in developing a sound business plan, and are often still building the technical expertise needed to grow crops or raise livestock. These and additional barriers impede the progress of BIPOC farmers and ranchers and veterans in agriculture as well.

The Farming Opportunities Training and Outreach (FOTO) program helps underserved producers start and manage their own farm and ranch businesses through two competitive grant programs: the Beginning Farmer and Rancher Development Program (BFRDP) and the Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers (OASD) program. Through these programs, third party entities receive grants to provide education, outreach, and technical assistance to these producers, and improve access to USDA programs.

In 2017, the average age of all U.S. farm producers was 57.5 years, increasing the likelihood that a large portion of American farmland will exchange hands in the near future as these producers enter retirement. This transition of land creates opportunity for a new generation of farmers and ranchers to take over, whether they are grandfathered into a family farming operation or first generation producers. In order to support these producers, and the new, innovative ideas they are likely to introduce, programs such as BFRDP and OASD are absolutely necessary.



4. Local Agriculture Marketing Program (LAMP)

Appropriations Bill: Agriculture and Related Agencies

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

Appropriations Account: Agricultural Marketing Service, Rural Cooperative Development Grants

Amount requested for FY 2023 Appropriations: \$20 million, split appropriately between VAPG and FMLFPP

Amount provided by FY 2022 enacted bill: \$20.4 million (\$13 million for VAPG, \$7.4 million for FMLFPP)

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: Value Added Producer Grant (VAPG) program, Farmers Market and Local Food Promotion Program (FMLFPP), and Regional Food System Partnership (RFSP) program.

VAPG offers grants to farmers and ranchers developing businesses that boost farm income and create jobs in rural America. This unique program specifically encourages agricultural producers to invest in business models that keep the processing of raw agricultural products close to home. 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 enables rural communities to grow economically.

As the disruption of our food systems caused by the pandemic illustrated the need for robust infrastructure on the local and regional levels, the Emergency Coronavirus Relief Act of 2020 provided VAPG and FMFLPP with an additional \$47 million each of “no-year” money. In addition, FMLFPP will receive American Rescue Plan Act funds in 2023. However, as these special funding allocations run out, it’s important these programs are monitored to ensure adequate levels of discretionary funding are maintained to support producers and organizations that continue to make rural communities more resilient in the face of future supply chain issues.