

Dear House and Senate Appropriators,

The Center for Rural Affairs is a private non-profit organization, established in 1973 and based in Lyons, Nebraska. The Center works to promote social and economic justice, environmental stewardship and strengthen rural communities. A significant part of this work is engaging with people about the decisions that affect the future of their communities and the quality of their lives. Providing economic opportunities to new residents helps ensure that rural and agricultural communities will continue to thrive.

We appreciate the opportunity to submit to you our appropriations requests for fiscal year 2020. The following programs represent our appropriations interests:

1. **Rural Microentrepreneur Assistance Program (RMAP):** \$3 million in discretionary funds;
2. **Working Lands Conservation Programs:** No changes in mandatory program spending for federal working lands conservation programs, to include the Conservation Stewardship Program and Environmental Quality Incentives Program;
3. **Conservation Technical Assistance (CTA):** At least \$790.9 million;
4. **Farming Opportunity Training and Outreach (FOTO) program:** \$10 million in discretionary funds, split equally between the Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers Program (Section 2501 program) and the Beginning Farmer and Rancher Development Program (BFRDP), and no changes in mandatory program spending;
5. **Rural Business Development Grant (RBDG) program:** \$35 million in discretionary funds;
6. **Local Agriculture Market Program (LAMP):** \$20 million in discretionary funds, split equally between the Value Added Producer Grants (VAPG) program and the Farmers Market and Local Food Promotion Program (FMLFPP), and no changes in mandatory spending;
7. **Risk Management Education (RME):** No changes in mandatory spending;
8. **Community Food Projects (CFP):** No changes in mandatory spending; and
9. **Sustainable Agriculture Research and Education (SARE):** \$45 million in discretionary funds.

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

Thank you for your time and consideration.

Respectfully,

Cora Fox
Policy Associate
Center for Rural Affairs

1. Rural Microentrepreneur Assistance Program (RMAP)

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 2020 Appropriations: \$3 million discretionary

Amount provided by the FY 2019 enacted bill: \$3 million discretionary

The Rural Microentrepreneur Assistance Program (RMAP) supports the development and ongoing success of rural microentrepreneurs and microenterprises. Direct loans and grants are provided to Microentrepreneur Development Organizations, who then provide technical services and distribute microloans to rural microentrepreneurs to support their development and ongoing success. RMAP defines a “microentrepreneur” as a rural sole proprietorship or business with less than ten employees. Additionally, these potential borrowers are required to show that they cannot obtain funding from other lending sources due to lack of credit or limited business development experience. The microbusinesses must be located in a rural area.

In order for rural communities to thrive, there need to be stable jobs available to allow people to support themselves and their families. At the Center for Rural Affairs, we have seen many times that there are aspiring entrepreneurs in rural communities who are seeking to build businesses and create jobs. This program supports these rural entrepreneurs through providing them with both low-interest loans and the technical assistance and education necessary to help their business thrive. This program is capable of leveraging a relatively modest funding level and returning big gains for rural America.

The 2018 farm bill did not provide any mandatory funding for RMAP. In the 2014 farm bill, RMAP was provided \$3 million per year in mandatory funding. As a result of this loss, the program relies on discretionary funding to continue. Although RMAP has been authorized to receive \$40 million between 2009-2018, Congress has not yet funded it to this level. In FY 2019, RMAP received \$3 million through appropriations, which prevented a gap in funding for this important program. **For FY 2020, we are requesting \$3 million to continue the program at its current operating level.**

2. Working lands conservation programs, to include the Conservation Stewardship Program (CSP) and Environmental Quality Incentives Program (EQIP)

Appropriations Bill: Agriculture

Specific agency: Natural Resources Conservation Service (NRCS)

Appropriations account: Farm Security and Rural Investment Programs Account

Program: Mandatory Funding for Federal Working Lands Conservation Programs - CSP, EQIP

Amount requested for FY 2020 Appropriations: No CHIMPS

Amount provided by the FY 2019 enacted bill:

Conservation Stewardship Program, No CHIMPS

Environmental Quality Incentives Program, No CHIMPS

Privately owned crop, pasture, and rangelands account for nearly half of the landmass in the United States. Federal working lands conservation programs, such as the Conservation Stewardship Program (CSP) and the Environmental Quality Incentives Program (EQIP), give farmers the tools they need to practice effective stewardship of resources on their land. The stewardship practices in these programs can even help in reducing input costs—which is all too important in today’s agricultural economy. In addition, these programs help build soil health and improve water quality—all while maintaining productivity on their land.

The Center for Rural Affairs surveyed farmers in five states who participated in CSP, and found that farmers report satisfaction with the program. Here are some of the positive responses we received from farmers:

“I feel that conservation and farming need to work together for a holistic approach, so nature and farming can live and thrive for generations in the future.” - South Dakota producer

“Without programs like CSP, it would be very difficult to integrate new technology and practices that help enhance conservation efforts on our farm.” - North Dakota producer

“[CSP] is a high priority program that offers financial incentives to help conserve our soil, water, and wildlife that otherwise might not be done.” - Nebraska producer

The 2018 farm bill protected total funding levels for the Conservation Title, and made some positive changes to CSP and EQIP that help make farms more resilient and productive. The new bill increases payment levels for cost-effective, high return activities in CSP, such as cover crops, resource conserving crop rotations, and management-intensive rotational grazing. There is also an additional CSP payment for financial and technical assistance to support the development of comprehensive conservation plans. And, beginning and socially disadvantaged farmers using EQIP now have the option to receive 50 percent of their cost-share up front. These important changes will help America’s farmers better address natural resource concerns.

Despite these positive changes, working lands conservation programs will lose important funding—\$5.2 billion—in the next farm bill. While total conservation funding remains level with the 2014 farm bill at approximately \$60 million, a significant portion of those dollars have been shifted away from working lands conservation programs to fund other smaller conservation programs. Any additional cuts to mandatory spending for conservation in the interim will result in an increase in the number of farmers denied access to the programs that work on productive acres. **We therefore ask Congress to protect funding for federal working lands conservation programs, specifically CSP and EQIP, by making no changes in mandatory spending.**

3. Conservation Technical Assistance (CTA)

Appropriations Bill: Agriculture

Specific agency: Natural Resources Conservation Service (NRCS)

Appropriations account: Conservation Operations

Program: Conservation Technical Assistance (CTA)

Amount requested for FY 2020 Appropriations: At least \$790.9 million

Amount provided by the FY 2019 enacted bill: \$725.9 million (\$790.9 million when reflecting funding available through FPAC Business Center)

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.

From our work with farmers, we have heard time and again that under-staffed field offices lead to difficulties with participating in conservation programs. Farmers rely on the sound expertise that NRCS staff can offer. Here are statements from producers regarding the help they have received from NRCS field staff:

“[I] wanted financial and technical assistance to improve rangeland and wildlife habitats on my land with sound expert technical assistance from NRCS.” - Kansas producer

“Working with NRCS on CSP was educational to me on ways to improve my land. I believe there has been a resurgence of both pheasants and bobwhite quail on my farm because of the habitat restoration.” - Iowa producer

“I appreciate the assistance of our county NRCS conservationists in completing annual accounting and record completion.” - Kansas producer

Robust funding for this account is critical for supporting our nation’s farmers in accessing the conservation programs that they need. By accessing technical expertise from NRCS field staff, producers are better equipped to adopt conservation practices that make environmental and financial sense for their operations. **We urge Congress to provide at least \$790.9 million in order to ensure that farmers have the support they need to develop site-specific plans to address natural resource concerns on their land.**

4. Farming Opportunity Training and Outreach (FOTO), which includes the Outreach and Assistance to Socially Disadvantaged and Veteran Farmers and Ranchers Program (Section 2501 program) and the Beginning Farmer and Rancher Development Program (BFRDP)

Appropriations Bill: Agriculture

Specific agency:

Section 2501 program, Office of Partnerships and Public Engagement (OPPE)

BFRDP, National Institute of Food and Agriculture (NIFA)

Appropriations account: Office of the Secretary

Program: Farming Opportunity Training and Outreach (FOTO)

Amount requested for FY 2020 Appropriations: \$10 million discretionary, split equally between the Section 2501 program and BFRDP + no CHIMPS

Amount provided by the FY 2019 enacted bill:

2501 Program, \$3 million discretionary + no CHIMPS

BFRDP, No CHIMPS

Starting and maintaining a successful farm or ranch business is a challenge. Additional barriers impede the progress of farmers and ranchers of color and veterans in agriculture. The 2018 farm bill formally recognized these challenges, and provided much needed support for these populations through the creation of the Farming Opportunity Training and Outreach (FOTO) program.

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

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 starts 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, BFRDP will experience a slight decrease in funding for FY 2019 and FY 2020 from its former annual level of \$20 million. **We ask for \$10 million in discretionary funding in FY 2020 to be split equally between the two programs, and no changes in mandatory spending, to ensure the next generation of producers is fully supported.**

For more information on the two programs, see below.

Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers (Section 2501 program)

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. For example, the Center for Rural Affairs has used funding from the Section 2501 program to work with beginning Latino farmers and veteran farmers and help them access USDA resources in Nebraska.

Beginning Farmer and Rancher Development Program (BFRDP)

According to the USDA Economic Research Service, the average age of a farmer in the United States is nearly sixty years old. With an aging farmer population, it is of utmost importance that we support the next generation of producers.

Beginning producers face a host of unique challenges. Many beginning producers lack access to credit and land, are unaware of resources that can support them in developing a sound farm business plan, and lack technical expertise needed to grow crops or raise livestock. 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). 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.

Since 2008, BFRDP has invested more than \$150 million in beginning farmer and rancher training projects nationwide. More than 60,000 beginning farmers and ranchers have been directly impacted by BFRDP. BFRDP project leaders estimate that more than half of all BFRDP project participants have started farming, with nearly three-fourths being better equipped for success in farming. For example, with the help of BFRDP funding and partners, the Center for Rural Affairs has provided outreach and education on marketing, business planning, and other resources to beginning veteran farmers in Nebraska.

An evaluation of BFRDP published by the National Sustainable Agriculture Coalition in 2017, found several key indicators of success in BFRDP projects:

- Widespread farmer involvement in project development and implementation;
- Diverse projects that support Congress' intent to focus on production, marketing, business development, and technical assistance for farmers and ranchers;
- Collaborative projects that highlight strong partnerships;
- Exceeding the minimum of 25 percent of available BFRDP funds to be applied to underserved farmers and ranchers; and
- Geographical diversity across the country.

5. Rural Business Development Grants (RBDG)

Appropriations Bill: Agriculture

Specific agency: Rural Business–Cooperative Service

Appropriations account: Rural Business Program

Program: Rural Business Development Grants Program

Amount requested for FY 2020 Appropriations: \$35 million discretionary

Amount provided by the FY 2019 enacted bill: \$35 million discretionary

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.

RBDG supports rural small businesses with fewer than 50 employees and less than \$1 million in gross revenue. Grants are awarded to rural cooperatives, higher education institutions, communities, nonprofit organizations, and tribal organizations. There are two types of grants within RBDG—enterprise and opportunity. Enterprise grants are focused on building up or building existing businesses and markets through business planning, feasibility studies, acquisition or development of land, construction or repairs of buildings and/or equipment, and more. Opportunity grants are focused on identifying business opportunities, training and providing technical assistance to beginning entrepreneurs, economic development planning, and more. RBDG opportunity grants are limited at no more than 10 percent of total RBDG funds per year.

The Center for Rural Affairs has used RBDG funds to expand capacity in commercial-scale production of food, art, and other small business in the Omaha and Santee Sioux Nations. This program has helped entrepreneurs in these rural communities access economic opportunity through commercially focused and coordinated production to reach new markets.

RBDG has spurred economic activity in rural communities by providing new marketing opportunities, training, and resources to farmers and small businesses. The program is authorized up to \$65 million per year, but received \$24 million in FY 2017, \$34 million in FY 2018, and \$35 million in FY 2019. **With high demand for economic development in rural communities across the nation, we ask for \$35 million in discretionary funding for FY 2020.**

6. Local Agriculture Market Program (LAMP), which includes the Value Added Producer Grants (VAPG) program and the Farmers Market and Local Food Promotion Program (FMLFPP)

Appropriations Bill: Agriculture

Specific agency:

VAPG, Rural Business–Cooperative Service

FMLFPP, Agricultural Marketing Service

Appropriations account: TBD

Program: Local Agriculture Market Program

Amount requested for FY 2020 Appropriations: \$20 million discretionary, split equally between VAPG and FMLFPP + no CHIMPS

Amount provided by the FY 2019 enacted bill:

VAPG, \$15 million discretionary

FMLFPP, No CHIMPS

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.

With the new changes in the most recent farm bill, two of the programs in LAMP will take effective cuts. The 2014 farm bill gave VAPG a lump sum of \$63 million in mandatory funding to be spent over the life of the bill. Additionally, VAPG received between \$10.75 to 15 million in discretionary funding. In recent past, FMLFPP received nearly \$29 million in mandatory funding each year. The program now receives only \$23.5 million in mandatory funding—an approximate \$5 million cut. Although both programs now have permanency, they will be funded below previous years.

We request \$20 million in discretionary funding, split equally between VAPG and FMLFPP, and no changes in mandatory program spending, to ensure that LAMP has adequate funding in FY 2020 to capitalize on growing demand for locally and regionally produced foods.

For more information on VAPG and FMLFPP, see below.

Value Added Producer Grant (VAPG) program

The Value Added Producer Grant (VAPG) program offers grants to farmers and ranchers developing farm and food related businesses that boost farm income and create jobs in rural America. VAPG encourages the kind of entrepreneurship that enables rural communities to grow economically. Farmers may use these grants to develop business and marketing plans and feasibility studies or to acquire working capital to operate a value-added business venture or alliance.

Since 2001, the VAPG program has invested more than \$300 million into more than 2,300 value-added enterprises in every state across the country. According to a recent USDA Economic Research Service report, businesses that received VAPG funding were 89 percent less likely to fail within two years of receiving the grant, when compared to similar nonrecipient businesses. Additionally, VAPG-supported businesses were also found to be more likely to hire employees.

Despite its proven success as a driver of rural economic growth, without future discretionary funding, annual VAPG investments will shrink, just when farmers are struggling to keep afloat and looking for ways to generate additional income on their farms.

Farmers Market and Local Food Promotion Program (FMLFPP)

The Farmers Market and Local Food Promotion Program (FMLFPP) is designed to improve producer-to-consumer marketing channels. Program funding assists in market startups, operation, training and education, outreach, business planning, working capital, and more.

FMLFPP funds direct marketing grants and intermediated marketing grants. Direct marketing grants help build direct-to-consumer markets, such as farmers markets, community supported agriculture (CSAs), agritourism, and more. The intermediated marketing grants support local and regional food business enterprises that function as intermediaries between producers and buyers of commodities, such as processors, food hubs, distributors, and wholesalers. These entities help individual producers reach a broader consumer base.

The Center for Rural Affairs has seen the impact of FMLFPP in the Omaha and Santee Sioux Native communities of Nebraska. This funding has helped these communities develop farm-to-institution sourcing of locally grown, fresh foods. The positive impacts are helping the Omaha and Santee Sioux communities achieve sovereign and healthy food systems.

Local and regional food networks and direct producer-to-consumer outlets contribute to the economic vitality of rural communities. Outlets such as farmers markets and community supported agriculture both provide more options to consumers and keep much needed dollars in rural communities. The growth of these local food businesses relies on the storage, processing, and distribution infrastructure available to them. Without support for the development of marketing infrastructure, local food businesses are unable to scale and meet the demands of consumers.

7. Risk Management Education (RME), also known as Extension Risk Management Education; from changes in the 2018 farm bill now also includes the Risk Management Education Partnership program

Appropriations Bill: Agriculture

Specific agency: National Institute of Food and Agriculture (NIFA)

Appropriations account: Research and Education

Program: Risk Management Education

Amount requested for FY 2020 Appropriations: No CHIMPS

Amount provided by the FY 2019 enacted bill: No CHIMPS

Risk is inherent in every business, including farming. Uncertainty in weather, yields, prices, and other factors can make or break a farming operation. The goal of Risk Management Education (RME) is to educate producers about risk management tools, resources, and insurance products. Through RME, producers receive much needed access to education, resources, and tools that mitigate risk and support success in their farming operations.

The Risk Management Education Partnership Program (RMEP), formerly administered by the USDA Risk Management Agency (RMA), now functions under the purview of RME, which is managed by the National Institute of Food and Agriculture (NIFA). The purpose of RMEP has been to help underserved and underinsured producers understand and mitigate risks in their farming operations. Target audiences for the program include, but are not limited to: beginning farmers, livestock producers, veterans, women, organic farmers, and local foods producers. RMEP has facilitated partnerships between RMA and non-profit, private, and public organizations to provide risk management education to producers.

In 2017 and 2018, RMEP funded more than 100 education projects with a \$10 million investment. The Center for Rural Affairs has used this program to provide education on crop insurance to beginning farmers and women landowners through live webinars and peer-to-peer learning. RMEP funding has helped empower producers to manage their farming operations according to their stewardship and financial goals.

Now that RMEP will be administered in conjunction with RME, we want to ensure that the important work it has supported for several years will be able to continue. **We therefore ask for no changes in mandatory spending to**

RME's account in order to protect future investments that help producers soundly manage risk on their farms.

8. Community Food Projects (CFP)

Appropriations Bill: Agriculture
Specific agency: National Institute of Food and Agriculture (NIFA)
Appropriations account: Community Food Security Act
Program: Community Food Projects
Amount requested for FY 2020 Appropriations: No CHIMPS
Amount provided by the FY 2019 enacted bill: No CHIMPS

The Community Food Projects (CFP) Competitive Grants program, administered by the National Institute of Food and Agriculture (NIFA), is focused on funding projects that promote self-sufficiency and food security by addressing needs unique to low-income communities. Examples of CFPs include community food assessments, community gardens, value chain projects, and farmers markets. The program helps improve food distribution and outreach to food-insecure individuals.

The Center for Rural Affairs has seen the benefits of CFP firsthand. In 2016, CFP funding was awarded to establish and develop the Nebraska Food Policy Council. This council fosters regional food systems coordination work across Nebraska in order to improve food access for rural and low-income communities. The current food system in Nebraska favors large-scale food production, with consolidated distribution, and does not meet the needs of all Nebraskans—nearly 15 percent of Nebraskans are food insecure. This CFP grant is working to develop solutions to this growing problem.

CFP is a long-standing program that has helped low-income and food insecure communities for more than two decades. As of 2016, CFP awards had funded hundreds of projects nationwide. The demand for program funding was high enough to increase funding to \$9 million in the 2014 farm bill, but Congress chose to cut \$4 million from the program in the 2018 farm bill. **In light of the significant cuts to mandatory funding in the most recent farm bill, we ask for no changes in mandatory spending to CFP.**

9. Sustainable Agriculture Research and Education (SARE)

Appropriations Bill: Agriculture
Specific agency: National Institute of Food and Agriculture (NIFA)
Appropriations account: Research and Education
Program: Sustainable Agriculture Research and Education
Amount requested for FY 2020 Appropriations: \$45 million
Amount provided by the FY 2019 enacted bill: \$37 million

Investment in agricultural research is vital to continued productivity and innovation in American agriculture. The Sustainable Agriculture Research and Education (SARE) program is the only USDA competitive grants research program with a clear and consistent focus on sustainability and farmer-driven research.

For more than 30 years, SARE has been at the forefront of research and extension activities for farming systems based on profitable and environmentally-sound practices developed with farmer and business input. SARE has helped create more innovative farm practices that are actually adopted by farmers on the ground than any other competitive research program. One SARE grant, awarded to the Center for Rural Affairs in 2017, helped connect women beekeepers with women farmers for environmental and economic benefit. Another SARE project helped beginning Latino farmers learn about sustainable livestock production and marketing in Nebraska.

Farmers and ranchers help steer SARE's research priorities, ensuring that the program is constantly responding to the research challenges that farmers and ranchers face in their fields every day. SARE's regional delivery structure ensures that local needs are prioritized and all regions of the country benefit equally. Regional councils made up of farmers, business people, academic researchers, extension agents, and state and local governments make funding decisions. SARE research results are easily disseminated to farmers through an independently-managed online

portal that facilitates adoption of research findings at a rapid pace. Additionally, investing in agricultural research is a win-win for taxpayers with every dollar invested in publicly funded agricultural research, \$20 in economic activity is generated.

Despite SARE's popularity and demonstrated administrative efficiency, the program has yet to reach its full authorized amount of \$60 million. In order to meet future productivity challenges, farmers need cutting-edge research that is easily accessible and relevant to their farming systems—no matter where they farm or what they grow. **We therefore ask for \$45 million in discretionary funding for SARE.**