

Enacting a New Farm Initiative

An increasing number of people in America, both urban and rural, are calling for changes to our food and agriculture system. They include parents concerned about the quality and freshness of their families' food, school administrators who know nutritious food means better academic outcomes, and community entrepreneurs and new farmers ready to tap into new markets and a growing consumer demand for local foods.

Public policy can play a role in advancing such change. The upcoming federal farm bill, which is up for reauthorization in 2007 and is now being debated, is an opportunity to enact a New Farm Initiative.

Key to understanding the New Farm Initiative is recognizing the places where agriculture is growing. Trends show the agriculture sector growing in two places: first, where new farmers are getting started on the land with low-cost operations and second, where new types of farms are growing for local or regional markets.

The agriculture sector has tremendous opportunities for growth, yet farm policy is clearly lacking when measured by its ability to foster a new generation of farmers and local business in rural communities. Current policies, in fact, reinforce barriers that often make starting or transitioning an agriculture-related business or farm enterprise a daunting proposition. Enacting a New Farm Initiative should be a top priority of Congress.

The New Farm Initiative is comprised of two themes: Supporting a *Beginning Farmer Initiative* and strengthening *Community-Based Food Systems*

Beginning Farmer Initiative

For new and transitioning farmers, barriers include difficulty finding viable farming opportunities, ineffective entry strategies, over reliance on debt financing, inability to acquire initial capital investment, difficulty obtaining credit and insurance for non-traditional farming enterprises and approaches to farming, shortage of farm mentoring opportunities, and lack of access to good training in the management, marketing and communication skills necessary for success in new and value-added market opportunities. We need the introduction and inclusion of a Beginning Farmer Initiative in the 2007 Farm Bill. Provisions of a Beginning Farm Initiative include:

1. **Funding and implementing a Beginning Farmer and Rancher Development Program (BFRDP).** The BFRDP would be a competitive grants program run by the USDA that will fund education, extension, outreach and technical assistance initiatives directed at new farming opportunities. With \$25 million a year in mandatory funding, the program would be targeted to collaborative local, state and regionally based networks and partnerships to support financial and entrepreneurial, training, mentoring and apprenticeship programs. Such networks and partnerships may include cooperative extension, community-based non-governmental organizations, relevant USDA and state agencies, universities, community colleges and other appropriate partners. Provisions should be included that ensure regional balance in allocation of funding and a specific funding setaside for refugee, new immigrant and socially disadvantaged farmers.
2. **Promoting Conservation and Stewardship Incentives for New Farmers and Ranchers.** The next farm bill should strengthen conservation incentives for new and beginning farmers. These include providing technical assistance and training for beginning farmers on sustainable farming practices, offering greater cost share rates for conservation programs like the Environmental Quality Incentives Program, and providing a substantial number of ranking points for beginning farmers within every farm bill conservation program that uses rankings systems.

3. **Expanding lending and saving provisions for new and beginning farmers.** This includes reforms to the Beginning Farmer and Rancher Down Payment Loan Program and Beginning Farmer Land Contract Program, which were both part of the 2002 Farm Bill, to make them more effective tools for beginning small and moderate-scale family farmers. In addition, Congress should establish a Beginning Farmer and Rancher Individual Development Account pilot program, which would use special matched savings accounts to assist those of modest means to establish a pattern of savings.

Community-Based and Regional Food Systems and Markets

Local food systems can be significant engines of economic development in a community, but the current farm policies are biased against rural communities and intent instead on subsidizing maximum commodity production and processing that extracts wealth and depletes soils, communities, and culture. Public policy can play a role in promoting local and regional foods systems which result in consumer dollars staying in rural communities and economies. When done right, community based food systems can also increase access to nutritious locally grown food for children, the elderly and low-income families where better diets can play important roles in alleviating overall healthcare costs.

1. **Support the Farm-to-Cafeteria Program with \$20 million in start-up funding for 2008.** Farm-to-Cafeteria projects link farms and schools to bring locally-grown food into school lunch programs. Across the country, these projects include salad bars filled with goods from the farmers' market; seasonal items incorporated into lunch menus; school gardens teaching children how to raise healthy food; and other positive nutrition education. Section 122 "Access to Local Foods and School Gardens" of the 2004 Child Nutrition Act was targeted to help school systems overcome barriers to serving fresh, locally-produced foods in school lunch programs, but it has never been funded. The program created competitive seed grants for schools for one-time grants of \$100,000 over three years to create new Farm-to-Cafeteria programs. The 2007 Farm Bill is an opportunity to reinvigorate the Farm-to-Cafeteria projects and dedicate \$20 million a year.
2. **Strengthen Farmers' Market Promotion Program (FMPP) and other direct marketing efforts by farmers and groups of farmers.** The FMPP was authorized in Section 10605 of the 2002 Farm Bill and makes grants on a competitive basis to farmers' market councils, farm coops, non-profit groups and others involved in direct marketing from producers to consumers. FMPP, which is under the Agricultural Marketing Service, is considerably under funded, at only \$1 million for 2006. This inadequate funding has severely hampered FMPP. Given the explosion of interest in direct marketing, more funding is needed to meet the need for new and expanded direct marketing opportunities for farmers and ranchers. Funding needs to be increased to \$5 million for 2008 and allocated at least \$10 million per year in 2007 Farm Bill. Additionally, in response to the expanding interest in a wide variety of direct marketing approaches, this program should set aside funds to assist in the development of other community-focused marketing efforts.
3. **Make the Value Added Producer Grant Program (VAPG) more equitable and workable for small and moderate entrepreneurs.** The VAPG program, administrated through the Rural Business Cooperative Service, is designed to help farmers and ranchers enter into activities that add value to the crops and livestock they raise. Authorized in the 2002 Farm Bill, as of 2006 it has dispersed about \$115 million in competitive grants. Yet, more funds need to be directed at smaller to moderate sized operations for the kind of projects that keep dollars in rural communities rather than exporting them out. Special attention needs to be paid to the obstacles, such as limited access to technical assistance, that small to moderate sized operations face when trying to complete a VAPG proposal.