



**RURAL COALITION/COALICIÓN RURAL  
AND  
FEDERATION OF SOUTHERN COOPERATIVES/  
LAND ASSISTANCE FUND**



**A TIME TO CHANGE:**

**A REPORT BY THE ASSESSMENT CONVERSATIONS TEAM  
(ACT REPORT)**

*By Rural Coalition/Coalición Rural  
And  
The Federation of Southern Cooperatives/Land Assistance Fund*

**September 22, 2010**

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## PREFACE

The release of this long-awaited report is the culmination of a long journey. The content was collected during 5 USDA/Community Based Organization Partners Meetings, the latest of which was held in August 2008 just as USDA was beginning to implement the 2008 Farm Bill. The compilation and design of the structure of the report, begun just as President Barack Obama was taking office, was completed in Spring 2009 in cooperation with the USDA staff who served as members of the Assessment Conversations Team. The authors completed writing in September 2009 at which time the final report was submitted to the new Secretary of Agriculture, Tom Vilsack.

USDA has used the report findings in its internal work but refrained from official public release. It has however agreed that the authors, whose work was entirely supported by their respective organizations, may release the report at this time. In the almost one year since the writing was completed, many recommendations have been implemented. Yet much else still needs to change to assure that the people of color farmers, ranchers, farmworkers and rural and urban communities of color benefit from the fruits of the labor and the care they invest in their land and communities.

We offer this ACT report as a final summary of the five-year USDA-CBO Partners Process. USDA and communities of color might productively use the findings and recommendations to measure both forward motion and sticking points encountered on our journey into the “*New Era of Civil Rights in Agriculture*” that USDA Secretary Tom Vilsack has initiated. We extend our gratitude to all who participated in the Partners process and who provided input into this process. We hope the work presented here reflects the depth of our discussions and the wisdom shared by the many organizations that have sacrificed so much to support socially disadvantaged communities and assure their continued presence on the land and contribution to production agriculture. We commend and thank the Assessment Conversations Team and the Partners Planning and Solutions Teams (listed in Appendix V) for their dedicated efforts.

The report identifies discriminatory practices and long-standing barriers to fair access to USDA programs. It summarizes the comprehensive statutory changes adopted in the 2008 Farm Bill, largely at the behest of the CBO partners, to provide USDA stronger tools to assure accessibility and accountability and to measure performance. The report’s recommendations address what change should look like, and outline specific changes in statute, regulation and program delivery that have been made and still need to be made to assure USDA programs are fairly administered in compliance with existing civil rights and related laws. The new Minority Farm Advisory Committee authorized in the 2008 Farm Bill is now being formed, and we call upon that Committee to utilize this report to help guide their work. The report should also help guide the priorities of all USDA agencies as they work to make the structure of USDA more accessible to this important sector of agriculture.

We further offer this document as a potentially useful basis for analysis and recommendations to both the Administration and Congress regarding funding levels and regulatory and statutory changes that should be considered before and during the 2012 Farm Bill deliberations.

Sincerely,

**Lorette Picciano, Rural Coalition/Coalición Rural**  
**Edward Pennick, Federation of Southern Cooperatives/Land Assistance Fund**

July 7, 2010

## TABLE OF CONTENTS

<b>PREFACE</b>	<b>2</b>
<b>TABLE OF CONTENTS</b>	<b>3</b>
<b>INTRODUCTION</b>	<b>4</b>
<b>ISSUE # 1: EQUITABLE ACCESS TO USDA PROGRAMS AND SERVICES</b>	<b>7</b>
<b>ISSUE # 2: EQUITY AND USDA’S RELATIONSHIP WITH AMERICAN INDIAN TRIBES</b>	<b>16</b>
<b>ISSUE # 3: IMPROVED COORDINATION OF USDA OUTREACH AND ADVOCACY</b>	<b>24</b>
<b>ISSUE # 4: FARMWORKERS, USDA, AND U.S. AGRICULTURE</b>	<b>30</b>
<b>ISSUE # 5: NEW AND EMERGING FARMERS AND RANCHERS</b>	<b>35</b>
<b>ISSUE # 6: ACCESS TO USDA GRANT AND COOPERATIVE AGREEMENT PROGRAMS</b>	<b>44</b>
<b>ISSUE # 7: RISK MANAGEMENT</b>	<b>50</b>
<b>ISSUE # 8: DISASTER PREPAREDNESS AND RESPONSE</b>	<b>55</b>
<b>ISSUE # 9: RURAL DEVELOPMENT</b>	<b>62</b>
<b>ISSUE # 10: RENEWABLE ENERGY</b>	<b>69</b>
<b>ISSUE # 11: CONSERVATION AND FORESTRY</b>	<b>77</b>
<b>ISSUE #12: COMMUNITY FOOD SECURITY AND NUTRITION ASSISTANCE</b>	<b>85</b>
<b>ISSUE # 13: FOOD SAFETY AND INSPECTION SERVICE</b>	<b>91</b>
<b>ISSUE # 14: NATIONAL ANIMAL IDENTIFICATION SYSTEM (NAIS)</b>	<b>96</b>
<b>ISSUE # 15: SPECIALTY CROPS AND ACCESS TO MARKETING PROGRAMS</b>	<b>101</b>
<b>ISSUE # 16: ACCESS TO CREDIT</b>	<b>108</b>
<b>ISSUE # 17: SETTLE OUTSTANDING CIVIL RIGHTS CLAIMS AND HALT FORECLOSURES, ACCELERATIONS, AND SALES</b>	<b>116</b>
<b>ISSUE # 18: COMMODITY PROGRAMS AND COUNTY COMMITTEES</b>	<b>122</b>
<b>ISSUE # 19: USDA ADVISORY COMMITTEES AND BOARDS</b>	<b>128</b>
<b>CONCLUSION: DEFINING THE CHANGE WE SEEK</b>	<b>132</b>
<b>APPENDIX 1: SUMMARY OF REPORTS RELATED TO EQUITY IN ACCESS TO USDA PROGRAMS AND SERVICES</b>	<b>134</b>
<b>APPENDIX II: SOME CURRENT USDA ADVISORY COMMITTEES</b>	
<b>APPENDIX III: GLOSSARY OF DEFINITIONS AND TERMS</b>	
<b>APPENDIX IV: LIST OF THE ASSESSMENT CONVERSATION TEAM (ACT) MEMBERS</b>	
<b>APPENDIX V: USDA-CBO PARTNERS AND SOLUTIONS COMMITTEES</b>	

## INTRODUCTION

In February 2009, Acting Deputy Assistant Secretary for Civil Rights Robin E. Heard charged a group of U.S. Department of Agriculture (USDA) employees to work with identified representatives of community-based organizations (CBOs) to assess findings from the USDA/CBO Partners Meetings, an annual forum in which USDA listens to the voices and concerns of its underserved constituents and with those constituents identifies real and tangible solutions. Outreach and Diversity Director Carl-Martin Ruiz assembled the USDA team and led this effort on behalf of the Department with Geraldine Herring and staff from many USDA agencies assisting. CBO Partners Planning Team Chair Shirley Sherrod assigned Jerry Pennick of the Federation of Southern Cooperatives/Land Assistance Fund and Lorette Picciano of the Rural Coalition to coordinate the input of the CBOs in the monumental undertaking that has resulted in this report. (See Appendix IV for full list of team members).

The USDA/CBO group, named the Assessment Conversation Team (ACT), reviewed, assessed, integrated, and analyzed all documents from past Partners meetings, including the 22 conversations—dialogues focusing on strategies to remove barriers that reduce the economic capacity and the well-being of small, beginning, socially disadvantaged, and limited-resource farmers and ranchers, as well as landowners, farmworkers, and other low-income individuals, and rural and urban communities—as well as accomplishments resulting from the conversations.

Secretary Thomas J. Vilsack reiterated the importance of the assessment in his April 21, 2009, memorandum to USDA employees, “A New Civil Rights Era for USDA,” in which he called for a report summarizing the information gleaned from previous Partners Meetings, to be used in an analysis of the Department’s program delivery “to ensure that programs are delivered equitably, and that access is afforded to all constituents, with particular emphasis on socially disadvantaged farmers, ranchers, and other constituents.”

When Dr. Joe Leonard was confirmed and joined USDA as the new Assistant Secretary for Civil Rights, he and Deputy Assistant Secretary for Civil Rights Mary McNeil, assumed leadership of the process.

For the CBOs, this has been a very long journey, in some cases dating back many decades. Most of the reports written since 1965 by the US Civil Rights Commission and other government entities (see Appendix I for list of reports) that have addressed inequitable service by USDA have relied heavily on the input of the CBOs. The CBOs have also been involved in Congressional hearings, listening sessions, and other USDA reports, such as the series of reports and studies on inequities with respect to American Indian agriculture. The CBOs have successfully developed and championed legislative changes beginning with the 1985 Farm Bill.

Most recently, the CBOs, through the Farm and Food Policy Diversity Initiative, were able to secure language in some 30 sections of the 2008 Farm Bill aimed at equity and

structural change. For instance, the Farm Bill includes provisions to help Socially Disadvantaged Farmers and Ranchers (SDFRs) restore and preserve their communities' land, reduce loan accelerations and foreclosures on farms, and which improve, expand and add set-asides in order to ensure access by SDFRs. The bill also strengthens tools that ensure equitable access to USDA programs and provides for settlement of ongoing civil rights claims; expands food security, nutrition education, and other assistance; and increases support for the CBOs who represent SDFRs and farmworkers in USDA grant programs.

Since 1993, and especially in 1996 and 1997, the CBOs as a group have approached USDA to seek systemic change. As a result, reports were issued and meetings were held. The CBOs made significant contributions to the development and implementation of the 1997 Civil Rights Action Team report and the Small Farms Commission's report. Changes of administration, farm bill debates, and the necessity to seek court action were important phases in this work and the CBOs' evolution.

In 2003, USDA's Office of the Assistant Secretary for Civil Rights (OASCR) was established as a result of a provision in the 2002 Farm Bill strongly supported by the CBOs. OASCR worked with the CBOs to initiate innovative strategies to open dialogues with small, limited-resource, and socially disadvantaged farmers and ranchers, and other underserved communities. These strategies included listening sessions with African-American, Latino, Asian-American, and American Indian organizations in the communities where members of those groups lived and worked, across the United States. The sessions provided a venue for OASCR and the CBOs to address issues in the areas of civil rights and equitable access to USDA programs and services.

USDA and the CBOs—the Partners—have worked closely together to open channels of communication between the Department and its stakeholders, creating a collaborative process that could be used to address systemic problems in the delivery of programs and services. This process has included Partners meetings, held annually in Washington, DC, since 2004. Over eighty conversations and training sessions were held during this period involving diverse community based organizations and producers from across the country. The Partners meetings served as a call to action for CBO leaders and USDA to work together and think through solutions to problems faced by socially disadvantaged farmers and ranchers.

As a result of the Partners meetings, there have been proposals for actions that have not been effectively communicated to nor implemented by USDA agencies, and therefore have not solved the fundamental problems of equitable access or contributed to improving the conditions of USDA's relationship with many groups of small and disadvantaged farmers and ranchers, as well as the CBOs that represent them.

The Assessment Conversations Team welcomes the opportunity to cure this deficiency by presenting this report with our recommended changes to ensure that all socially disadvantaged farmers, ranchers, farmworkers, and their communities receive equitable service from the U.S. Department of Agriculture (USDA). This report provides

comprehensive recommendations that can be used proactively by USDA in redressing the Department's long and documented history of discrimination, and to build a more equitable future in America's food and agriculture system for socially disadvantaged farmers and ranchers and farm workers and their communities.

With a new administration and new authority from the 2008 Farm Bill, we have another opportunity to work together to implement these long-awaited changes. The CBOs have observed the commitment to change expressed by Secretary Vilsack and believe his proactive leadership is essential to securing equity. As the Secretary has stated: *"We will be guided by the values that President Obama has outlined for this Administration: **transparency, participation, and collaboration**. We have an obligation to the public to make our programs as open as possible so that everyone can participate. We need to engage the public in conversation, discussion, and debate about policy decisions. In particular, we need to reach out to underserved constituencies and other groups who have been left out of the process, so that there is no question that the Department serves everyone and not just the special interests."*

The report will also be useful in establishing the structure, format, and agenda for future Partners meetings or whatever new processes are instituted. USDA has expressed its commitment to working with its CBO partners and communities to build bridges for strengthening rural America. Through continued dialogue and effective relationships, we believe that SDFRs, farm workers, and their communities will enjoy more opportunities that will foster their personal dignity, cultural integrity, and economic well being.

## **ISSUE # 1: EQUITABLE ACCESS TO USDA PROGRAMS AND SERVICES**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The local offices and program delivery systems of the U.S. Department of Agriculture (USDA) are often closely intertwined with the dominant social and economic interests and systems in local communities. For many years, socially disadvantaged farmers and ranchers (SDFRs) have been discouraged from applying for USDA services with comments such as “this program is not for you” or “we are out of money.” Such rejections have been reported throughout the United States, although they seem to occur more frequently in some regions, states, and localities.

The challenges that SDFRs face in gaining equitable access to USDA programs have been raised repeatedly by the community-based organizations (CBOs) and exhaustively documented in countless reports, Congressional hearings, and lawsuits over the years, starting with a 1965 report by the U.S. Commission on Civil Rights and continuing through the 2008 Government Accountability Office (GAO) report on civil rights at USDA. All the reports demonstrate that these problems are systemic, and all have recommended specific and substantive actions needed to reverse inequities. USDA has failed to address these concerns over the years and has not utilized authorities and mandates that have been available since the passage of the Civil Rights Act of 1964.

The participation of SDFRs and Indian tribes in U.S. agriculture and the value of their economic contributions to their states and communities have also been historically underreflected in the Census of Agriculture and reports of the Economic Research Service (ERS). As a result, these communities are left with far fewer tools to make the case for increased Federal investment.

The CBOs have also raised the continuing need for better coordination of outreach across USDA, while emphasizing that sharing of information about USDA programs will not achieve the desired impact without creating the data systems and other tools necessary to hold local and state offices accountable for actually serving the producers who come through their doors. Many producers are struggling, and their access to services is complicated by USDA’s multiagency program delivery system. But SDFRs in particular suffer from persistent discrimination and neglect. This well-documented and costly history demonstrates the need to objectively and continually monitor the participation of the nation’s socially disadvantaged producers in USDA programs, and gaps in the service SDFRs receive.

For more than a decade, the CBOs have called for the institution of an independent data collection and documentation process to ensure transparency and accountability. USDA has had the authority to utilize real data to assess equity within its systems for many years. However, the Department has failed to publicize these data and use them to conduct compliance reviews and document gaps between the number of producers of a particular race, gender, or ethnicity and those producers’ participation in USDA programs at all levels, from the national to the county.

Without real compliance reviews and analyses of gaps in service, the burden of changing the system fell to SDFRs, who could seek relief only by filing individual or class action lawsuits, at great risk to their operations. Without an independent data system, complaints essentially become one producer's word against that of the relevant USDA agency, with the producer regularly denied access to the data needed to support his or her claim.

For every producer who was denied a loan, countless other producers were turned away from USDA without being given the opportunity to apply. USDA has lacked any system to record these requests and denials of service and has failed to act while SDFRs were, and still are, effectively denied billions of dollars in farm program benefits. The CBOs have contended for years that a data collection system was essential to holding USDA employees accountable for inequities in program and service delivery by linking data on service delivery to performance reviews.

During the Partners process, the net impact of this failure to reach to SDFRs has also been repeatedly discussed. While some of the problems relate to gaps in statutory authority, there remain serious problems in service delivery and accountability that can profoundly impact the viability of farm and ranch operations. The CBOs have stressed that instead of allowing agencies to deny that problems exist, USDA must place a high priority on solving problems so that the unique needs of SDFRs can be met.

SDFRs should not have to rely only on USDA grant programs for support—they should have equitable access to all applicable USDA programs and services.

USDA has not yet fully implemented the transparency and accountability provisions in the 2002 Farm Bill and previous legislation. At the urging of the CBOs, in 2008 Congress strengthened and clarified these requirements by making them mandates. Implementation of these new tools, including a receipt for service, remains an urgent priority.

Additionally, the CBOs have also raised concerns about the overall accuracy of USDA data systems. The Farm Service Agency (FSA) recently reported at a 2008 Farm Bill implementation meeting that the FSA Service Center Information Management System (SCIMS) list now includes 13 million individuals and entities, compared to some 2 million farm operations counted in the Census of Agriculture. Some of the difference is explained by the facts that the criteria for data collection differ for SCIMS and the Census of Agriculture, and that some of what FSA counts as multiple entities are counted as single farms by the National Agricultural Statistics Service (NASS). However, a discrepancy of this magnitude is cause for concern, particularly because the SCIMS list is used to collect the data that will form the basis of reports that will meet the transparency and accountability requirements of Section 14006 of the 2008 Farm Bill and will be used for many other purposes.

## **AGENCIES AFFECTED**

Policies that have been adopted in the 2008 Farm Bill and elsewhere require the involvement of virtually every USDA mission area, agency, and office to ensure equitable access to services and programs.

## **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

There is no clear relationship between USDA and the CBOs. Most of the Department's efforts thus far to grant equitable access to USDA programs have been token at best, especially at the state and local levels.

USDA has made no overall effort to require accountability at all levels. In too many cases, its contractors and technical service providers do not reflect the demographics, cultures, and languages of the communities they serve.

### **Recommended Actions**

1.1) The Secretary should immediately implement Section 14006, Improved Data Requirements for Monitoring Participation in USDA Programs, first passed as Section 10708 of the 2002 Farm Bill but never been fully implemented, and

1.1 a) Employ expanded authority for data collection and reports by race, gender and ethnicity, for routine use as the basis for planning, evaluation, and analysis from the local to the national level, providing a system that establishes norms for service and identifies gaps in services.

1.1 b) Report on discrepancies in regular reports that compare the application and participation rate data to data from the Census of Agriculture to the county level. Local and state USDA staff and the CBOs should be trained to use both the census and the transparency and accountability data for their program planning, as well as evaluations of outreach and programmatic efforts.

1.1 c) Utilize the data to implement the many set-asides for socially disadvantaged producers provided in the 2008 Farm Bill in conservation, Rural Development (RD) and other programs for socially disadvantaged and beginning producers.

1.2) The Secretary should further use the Section 14006 reports and the Census of Agriculture in meeting the targeting provisions contained in agriculture credit programs dating back to the 1987 Agriculture Credit Act, and

1.2 a) Provide more information to CBOs on what numbers Farm Service Agency (FSA) uses to govern targeting in farm operating loan programs including how and when it updates required targets for farm ownership loans—based, as required, on the proportion of the overall population in any area that is socially disadvantaged according to the U.S. Census.

1.2 b) Review the reports to help CBOs understand this system and the importance of achieving accuracy in the U.S. Census as well as the Census of Agriculture.

1.3) The Secretary should implement Section 14003, Require a Receipt for Service or Denial of Service for all Transactions, and require FSA, the Natural Resources Conservation Service (NRCS), RD and other agencies with programs serving farmers and ranchers, to provide, upon request, a receipt to current or prospective producers and landowners requesting assistance, to include the time, date, and place of the request; actions taken; and applications made, or service denied.

1.3 a) Since the Section contains no prohibition preventing further action, the Secretary should further require all USDA offices to offer and file this receipt for every transaction, including how the request was handled and any information or instruction given to the producer, since the Section 14003 contains no prohibition against additional action,

1.3 b) The Secretary should use the receipts as a vital tool at the field office level to assess the quality of service provided to all producers, and to help ensure that every request is handled the same way every day, to identify offices where requests exceed staff capacity, and to help curtail practices that result in the inequitable allocation of funds.

1.4) The Secretary should immediately implement Section 14007, Transparency and Accountability, that requires the use of data collected under Section 14006 to conduct oversight of civil rights compliance and Section 14010, Civil Rights Oversight and Compliance, that requires an annual report on the number of civil rights complaints by agency, the number of discrimination findings, and the number and type of personnel actions taken.

1.4 a) The Secretary should delegate the authority for Sections 14007 and 14010 to the Office of the Assistant Secretary for Civil Rights (OASCR) and use the data and reports prepared under the sections to hold agencies accountable for performance and to measure and document progress in the participation of SDFRs in USDA programs.

1.4 b) The report mandated in Section 14010, with first submission due in May 2009, should be prepared annually and released to the public, as well as being reviewed by the Secretary with the head of each mission area and agency.

1.4 c) USDA, especially the relevant agencies and the Assistant Secretary for Administration (ASA), should also use the 14006 and 14003 reports as an integral part of the performance reviews of field and program staff, their supervisors, and agency leaders. Norms for service and performance goals should be established and monitored, and appropriate action should be taken when they are not met.

1.4 d) The Secretary should provide authority to the Assistant Secretary for Administration (ASA) to include the data collected according to Sections 14003 and 14006 in performance measures during personnel reviews.

1.5) The Secretary should immediately implement Section 14005, Accurate Documentation of SDFRs by the National Agriculture Statistics Service (NASS) and the Economic Research Service (ERS). The section requires that the Census of Agriculture and ERS studies accurately reflect the number, location, and economic contributions of SDFRs.

1.5 a) The Secretary should issue regulations for public comment that specify how this section shall be implemented by NASS and ERS.

1.5 b) The ERS should establish working relationships with the CBO Partners and commit funding for collaboration with CBOs to identify strategies for ensuring that ERS studies accurately reflect the role and economic contributions of SDFRs, Indian tribes, and farmworkers.

1.5 c) The NASS-CBO partnership, including collaborations with the state statisticians, should be continued. Their collaborative experience on the 2007 Census of Agriculture should be evaluated for results, and NASS should seek adequate resources to continue to work with CBOs on the utilization of data from, and on ongoing methods to increase participation in, the Census of Agriculture. A comprehensive work plan and adequate budget for the 2012 Census of Agriculture should be developed no later than 2010.

1.5 d) USDA should develop a memorandum of agreement (MOA) with the U.S. Census Bureau that recognizes the ability of CBOs to recruit skilled census enumerators with the appropriate cultural and language skills and familiarity with communities. The MOA should specifically give priority to CBO members and encourage them to apply, receive training, and participate as enumerators in the 2010 U.S. Census in socially disadvantaged and farmworker communities, and on Indian reservations.

1.5 e) NASS should expand the number of trained enumerators from CBO communities with the capacity to reach producers in their diverse communities, and report by state on the numbers trained and hired by state departments of agriculture. If diversity is not expanded, alternate contracting arrangements should be developed to train and deploy enumerators.

1.6) USDA should immediately restore the funds cut from the Community Outreach Program of the Risk Management Agency (RMA) and provide RMA with authority to make multiyear grants (see Issue # 7, Risk Management).

1.7) The Secretary should prepare and publicly release an annual report on staff diversity for each agency at every level, from headquarters to the field, and include

diversity hiring practices and data on program access. Each agency's staff demographics should more closely mirror the communities the agency serves. USDA agencies should, where needed, be required to develop specific plans to diversify their workforces, using existing models of employment and program outreach.

1.8) The Office of Advocacy and Outreach (OAO) should work with the CBOs to develop a definition of outreach and a departmental regulation on it, with public comment.

1.8 a) OAO should also develop a CBO registry compiled from national, state, and local contact lists and CBO recommendations, with appropriate privacy controls that should be regularly updated and shared with all agencies.

1.8 b) OAO should establish a working group—including CBOs—with appropriate cultural competence to review implementation of the Executive Order on Limited English Proficiency. OAO should also guarantee the acquisition of adequate translation equipment and services for USDA events.

1.9) The Secretary should ensure that the President's budget places priority on equity, including advocating for full funding of all programs serving Indian tribes, SDFRs, and farmworkers for FY 2010 and subsequent years. The CBOs' input should be sought and considered, and CBOs should educate policymakers on the needs that such funding would address, and the results being achieved in the programs.

1.10) USDA should investigate and disclose to the CBOs and the public the reasons for the large discrepancy between the 13 million entities included in the SCIMS list and the number of farms counted in the Census of Agriculture, and determine whether action is needed to ensure that all producers—especially SDFRs—are being accurately counted.

1.10 a) FSA needs to improve its practices for updating and ensuring the accuracy of the SCIMS list, and should review data at the county level from SCIMS list with CBOs to assess the data's accuracy.

1.11) USDA must halt its routine practice of promoting or transferring—rather than reprimanding, sanctioning, or firing—staff whose actions have made USDA (and the taxpayers) liable for large payments in discrimination cases. The Secretary should institute policies and practices that hold supervisors, managers, state directors, and agency leaders directly accountable for the actions of their staffs.

## **PROGRESS TO DATE**

Working together, the CBOs have developed and shared with USDA and Congress proposals to address the problems in this area for more than 40 years, and have used their proposals to impact USDA programs and policies since at least 1985.

The CBOs proposed and worked to secure the creation of ASCR and to include the transparency and accountability requirements which Congress adopted in Section 10708 of the 2002 Farm Bill.

The CBOs worked to develop proposals adopted in some 30 separate sections of the 2008 Farm Bill to address issues raised in the Partners process. These achievements were detailed in *A Seat at the Table*, a widely circulated report by the policy team of the Farm and Food Policy Diversity Initiative.

USDA and the CBOs have held hundreds of meetings leading up to and since passage of the 2008 Farm Bill, covering almost all of the bill's titles. Areas of discussion for USDA have included: country of origin labeling, the Supplemental Nutrition Assistance Program (SNAP), specialty crops, school nutrition assistance, forestry, the Chesapeake Bay watershed, conservation, the Bio-Preferred Labeling Program, bioenergy, the Beginning Farmer and Rancher Development Program (BFRDP), the National Animal Identification System (NAIS), and biotechnology. Priority areas for the CBOs center on the need for equity and accountability measures.

Another accomplishment that emerged directly from the Partners process is the CBO-NASS partnership that focused on improving the accuracy of the 2007 Census of Agriculture. As a result of joint workshops and outreach activities funded by NASS and conducted with the CBOs, an increased number of SDFRs were included in that census. The partnership has continued with the active engagement of the agency and of a group of state census directors, who have created new relationships with CBOs in their states. In several states, enumerators were hired from the CBO community. The most recent NASS-CBO partners workshop in April in Kansas City, MO, focused on using findings from the census in the work of the CBOs, on the coordination of data collection across USDA, and on the process of engaging enumerators recommended by CBOs in the U.S. Census and in future censuses conducted by NASS.

Most recently, the new Administration has since the transition phase reached out to CBOs and has made priorities both the resolution of past injustices and the improvement of USDA functions. The new Secretary has moved quickly to implement change by establishing a more diverse leadership with the expertise needed to solve longstanding problems. The Secretary has also laid out, in a landmark memo released May 4, 2009, a plan to secure a new era in civil rights. This plan gives thoughtful attention to implementing proactive solutions to some of the most critical issues that the CBOs and others have raised for years.

Sections of the 2008 Farm Bill that directly address the problems raised in the USDA-CBO Partners process include:

- Section 14003, Receipt for Service or Denial of Service from Certain Department of Agriculture Agencies, which requires FSA, NRCS, and RD to provide upon request a receipt to current or prospective producers and landowners requesting assistance. The receipt should include time, date, and place of request; actions

taken; applications made, or service denied the receipt for service. USDA has established a working group to address this issue. Authority for implementation of this section was recently redelegated to ASCR instead of the program agencies, and work is proceeding on establishing the necessary procedures and rules. The CBOs are providing input to USDA.

- Section 14005, Accurate Documentation in the Census of Agriculture and Certain Studies, which requires that the Census of Agriculture and Economic Research Service (ERS) studies accurately reflect the number, location, and economic contributions of SDFRs. National Agricultural Statistics Service (NASS) is working on measures to increase the accuracy of the Census of Agriculture.
- Section 14006, Transparency and Accountability for Socially Disadvantaged Farmers or Ranchers, which strengthens data requirements first adopted in Section 10708 of the 2002 Farm Bill for monitoring SDFR participation in USDA programs. Section 14006 requires the Secretary, using NASS technology, to collect and publish data on the application and participation rate in USDA programs of producers by race, gender, and ethnicity at the county level, and provides authority to the relevant agencies to collect the necessary data. Privacy protections are included. The data are to be compared to the data from the Census of Agriculture at the county level. The Secretary must make this report readily available to the public in electronic and paper form. The requirements of the 2002 Farm Bill have never been fully implemented. USDA has now established a working group involving all key agencies to collect the required data, and to secure additional authorities necessary for the full implementation of the relevant sections of the 2008 Farm Bill. The CBOs are providing input to USDA.
- Section 14007, Oversight and Compliance, which requires the Secretary, through ASCR, to use the reports as described in Section 14006 to conduct oversight and evaluation of civil rights compliance.
- Section 14010, Report of Civil Rights Complaints, Resolutions, and Actions, which requires the Secretary to issue an annual public report on program and employment civil rights complaints by agency, and the number of discrimination findings and number and type of personnel actions taken following the resolution of the complaints.

### **DEFINING CHANGE**

Change would mean a system is in place to hold USDA staff accountable for providing equitable service, and the diversity and cultural sensitivity of USDA agencies are measurably improved.

Change would mean an increase in the number of small and socially disadvantaged farmers and ranchers who participate in USDA programs, and sustaining that increase over time.

Change would mean making USDA programs more suitable for small farmers, who—according to the most recent Census of Agriculture and additional ERS data—are a growing and increasingly viable part of U.S. agriculture.

## **ISSUE # 2: EQUITY AND USDA'S RELATIONSHIP WITH AMERICAN INDIAN TRIBES**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The United States has a unique legal relationship with Indian tribal governments, as set forth in the Constitution, treaties, statutes, Executive Orders, and court decisions. Despite this relationship, American Indian tribes were long excluded altogether from the federally funded services of the U.S. Department of Agriculture (USDA), or given inadequate access to these services because delivery systems at the state and county levels failed to recognize the right of the tribes to receive these benefits. USDA did not secure the authorities needed to correct these inequities.

Although the Federal government has a direct government-to-government relationship with Indian nations, USDA lacks a formal structural relationship with tribes. Many Federal agencies have offices at the secretarial level to allow direct intergovernmental relationships with tribal coordinators in many agencies and mission areas. Although the first Director of Native American Programs in the Bush Administration was physically housed in the Office of the Assistant Secretary for Civil Rights (OASCR) for a time, the position was structurally located in the Office of External and Intergovernmental Affairs (OEIA) in the Office of Congressional Relations. The fact that USDA appeared to have relocated the position to OASCR diminished the government-to-government relationship between USDA and Indian nations.

American Indians living on reservations do not have equitable access to the agricultural extension services provided by the 1862 land-grant institutions. Even with the 1990 establishment of the Federally Recognized Tribal Extension Program (FRTEP)—previously called the Extension Indian Reservation Program, which has received \$3 million in funds—less than 4 percent of America's over 563 tribes have dedicated cooperative extension programs. In comparison, over 96 percent of all counties in the United States have offices that offer extension services. These county-based extension offices that are not on reservations are prevented by their funding protocols and historical relationships from conducting meaningful agricultural extension programs on reservations. Agriculture extension inequities of this magnitude place Native Americans at a significant disadvantage in starting or maintaining agricultural enterprises.

While county-based extension programs have received dedicated formula funding since 1914, FRTEP programs must compete every year for funding through a formal process specified by the Cooperative State Research, Education, and Extension Service (CSREES). Changes in legislative authorities, coupled with the lack of a strong initiative by USDA to seek necessary authority and expanded appropriations, have imperiled needed progress in FRTEP.

USDA's current administration and funding of FRTEP have led to the virtual elimination of three critical programs, on the Navajo, Zuni, and Jicarilla reservations. All three are central to meeting the energy production, human nutrition, and agricultural needs of

young farmers on these reservations. Although the programs were afforded a temporary lifeline, the three affected tribes have yet to be notified that their long-term programs were defunded. The government-to-government consultation process with Indian tribes was not followed. CSREES did not work through its FRTEP consultative panel, as the law requires.

Community-based organizations (CBOs) representing Indian tribes have long raised the issues of severe undercounts of Indian producers and the underrepresentation of their economic contributions to the agriculture sector in the Census of Agriculture and studies conducted by the Economic Research Service (ERS).

### **AGENCIES AFFECTED**

The Office of the Secretary, as well as CSREES, ERS, FNS, FSA, and NASS. In addition, all USDA agencies have a responsibility to properly follow the departmental regulations requiring tribal consultation.

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

The structures and processes of USDA control of land and program delivery reflect the injustices that characterize the relationship of tribes and Indian people with the Federal, state, and county governments of the United States, especially the abrogation of treaties made with Indian nations. This context must be remembered as changes are implemented to transform USDA's relationship with Indian nations.

Several rapidly implemented changes resulting from the 2008 Farm Bill will imperil, not advance, equity. Three existing FRTEP programs that were threatened with the loss of all funds were given a six-month extension, but their full reestablishment remains a matter of urgent concern, as does addressing the structural problems that threaten all of FRTEP.

While other USDA agencies have found ways in recent years to support staff and offices on many reservations, FRTEP is a puzzling exception and remains a small, underfunded, marginalized program.

New authorities to address the issues mentioned above were secured in the 2008 Farm Bill and should be implemented expeditiously.

USDA also needs to improve its relationship with tribes and fully implement the Executive Order on Tribal consultation.

The need for additional authorities and mandates to improve federal nutrition programs on reservations, to promote Indian management of Indian resources, to ensure access to public lands, and to otherwise improve the relationship of USDA with the tribes should be considered in a consultative process.

## Recommended Actions

2.1) USDA should improve its relationships with tribes at the departmental level by establishing a permanent USDA structure for a direct government-to-government relationship with tribes, with adequate staff and resources.

2.1 a) A revised Department-wide tribal consultation program should be implemented and its procedures followed in compliance with existing departmental regulations.

2.1 b) Additional tribal coordinators should be added to USDA agencies and mission areas to enhance the consultative process throughout USDA.

2.1 c) The most appropriate location for the Director of Native American Programs and the USDA/1994 Programs, which was established in OASCR in January 2005, should be determined in consultation with the tribes, and the office located and funded there.

2.2) The Secretary should immediately utilize the authority provided in Section 14001 to require that the Farm Service Agency (FSA), the Natural Resources Conservation Service (NRCS), and other relevant agencies establish a consolidated suboffice at or near tribal headquarters on Indian reservations where there is a demonstrated or petitioned need.

2.2 a) The Secretary should further ensure that, as nonreservation USDA offices are realigned, USDA should consult with the tribes and develop strategies to expand services to them, with funded consolidated suboffices on reservations to reach Indian producers.

2.2 b) The Secretary should coordinate with FSA, NRCS, Rural Development (RD), and CSREES to ensure that adequate funds are provided for these purposes, and that this issue is addressed in the roadmap process in CSREES, related to the national assessment of FRTEP.

2.3) USDA should immediately meet the requirements of Section 14002, Moratorium on Foreclosures, by enacting a moratorium on all adverse actions against Indian tribes and individuals and stopping all sales of Indian-owned or tribal land.

2.4) The Secretary should immediately consult with the Attorney General to develop a plan to expeditiously settle all outstanding claims as provided in Section 14011, Settle Outstanding Civil Rights Claims, including the Keepseagle case (see Issue # 17, Settle Outstanding Civil Rights Claims and Halt Foreclosures, Accelerations, and Sales).

2.5) With respect to implementing the language in Section 5501 regarding the loan program for purchases of highly fractionated land, FSA has begun to implement this

program as a separate program rather than as a part of the existing program for tribes, without employing the tribal consultative process. FSA should revise the implementation by expanding the existing loan program to include insuring loans to individual Indian producers. In the Secretary's FY 2010 budget submission to the Congress, the Secretary should recommend and set aside a contingency fund to carry out this program. FSA should follow the consultative process with the tribes on the implementation of this program.

2.6) The Secretary should ensure consultation and coordination with the tribes with respect to the implementation of Section 4211, Food Distribution Program on Indian Reservations (FDPIR), and ensure that adequate funds are available to carry out the program. The required report to the Secretary on food preference in the program should be completed expeditiously.

2.7) The Secretary should implement the provisions in Sections 8101-07 designed to provide access to forest land, and to increase cultural respect and equity for Indian nations and people. (See Issue # 12, Conservation and Forestry).

2.8) With respect to Section 14005, Accurate Documentation, work should continue between the Tribes and the National Agricultural Statistics Service (NASS) to improve the accuracy of the Census of Agriculture, and action should be taken to improve accuracy of ERS studies (see Issue # 1, Equitable Access).

2.9) The Secretary should recognize that new FRTEP programs would enable tribes to better utilize new authorities in the 2008 Farm Bill that support the procurement of traditional or locally grown food in the programs that provide food distribution on Indian reservations, and that expand community development, 4-H, and youth development programs, as well as resource, economic, and leadership development and education programs in Indian country. Enhanced relationships with USDA agencies and the land-grant institutions gained through FRTEP will also improve the tribes' capacity to identify, assess, and resolve issues relating to natural resources and the environment.

2.9 a) FRTEP should be fully funded and reestablished as a self-standing extension program, on institutional parity with county-based extension programs. It should be expanded immediately to all 85 Indian reservations larger than 120,000 acres whose sustenance remains agriculture—as intended in the enabling legislation in the 1990 Farm Bill.

2.9 b) USDA should maintain programs and relationships in all current areas and should ensure that the three FRTEP programs on the Navajo, Zuni, and Jicarilla reservations are immediately restored and permanently funded. Funding sources might include FY 2009 salaries and expense accounts, as well as authorities to designate Indian extension services as a high priority research extension activity and to establish cooperative agreements to further USDA's extension work.

2.9 c) In addition, the Secretary should ensure that the President's FY 2011 budget request includes no less than the \$15 million needed to extend FRTEP from 24 to at least 85 reservations in the next fiscal year, to address current imbalances and enable the creation of 60 new professional positions on participating reservations.

2.10) The Secretary should ensure that the roadmap specified in Section 7404 is completed and addresses the future of FRTEP. CSREES should also establish a consultative panel specifically charged with conducting, by April 1, 2010, the analysis required under Section 7405, Budget Submission, to assess the demand for and the status of extension services on Indian reservations.

2.10 a) At least \$500,000 in discretionary funds should be allocated for the consultative panel, which should include representatives from several of the state-level extension programs that are the most involved with work on Indian reservations, as well as the Southwest Indian Agriculture Association (SWIAA), and the Intertribal Agriculture Council (IAC).

2.10 b) The panel's recommendations should address not only how many programs to establish, but also a modified organizational, institutional, legal and cooperative financial model for extension work in Indian country, with a plan to permit this program to meet the needs of all Indian nations in the future.

2.10 c) The Secretary should reflect those needs in future USDA budget submissions and use the panel's findings to document the need for authority to allow FRTEP to operate in parity with other extension programs.

2.10 d) USDA should report on the outcome of the panel's consultations with the tribes, on agreed changes, and on the timetable for their implementation.

2.11) USDA must consider recommendations from the tribes and intertribal organizations with respect to the USDA-CBO Partners process, and all other issues pertaining to the tribes' relationship to outreach, advocacy, and technical assistance programs and functions.

2.11 a) The CBOs and USDA should support joint strategies to help improve the relationship of the tribes to the Office of Advocacy and Outreach (OAO) and to other CBOs representing socially disadvantaged farmers and ranchers (SDFRs).

## **PROGRESS TO DATE**

There has been some progress with respect to the 2007 Census of Agriculture. Due to the collaboration of NASS with the CBOs, new data show a 50 percent increase in the number of Indian producers on reservation lands, highlighting the need for expanded funding of FRTEP and other services for Indian tribes.

Where FRTEP has been implemented, it has provided a model for more positive and productive relationships between the federal government and the tribes. In the handful of places where FRTEP operated in the early 1990s, extension agents were responsible for making initial contacts with Indian agriculture producers, leading to the level of access to USDA programs that Indian producers and tribes have today. On the 24 reservations where FRTEP now operates, its agents play a major role in assisting American Indian producers with on-farm technical assistance that improves farm-gate income potential. FRTEP also conducts valued programs in youth development, 4-H, human nutrition, and family services, much like what is readily accessible in many non-Indian and nonreservation communities. This new access would not have happened without the long-term efforts of these extension agents. Other USDA agencies—such as NRCS, FSA, and the Risk Management Agency (RMA)—have a presence in Indian country because of the pioneering work of FRTEP.

The following 2008 Farm Bill provisions, many enacted with support from the CBOs and tribal organizations, grant new authorities to the Secretary specifically related to tribes. In addition to the specific provisions noted below, all other provisions relating to SDFRs also afford rights to, or have implications for, Indian producers.

- Section 4211, Food Distribution Program on Indian Reservations (FDPIR), explicitly makes tribes eligible to manage food distribution programs, establishes a Traditional and Locally Grown Food Fund that allows the purchase of foods designated as traditional or locally grown, supports the procurement of the foods by Native American farmers and ranchers up to 50 percent where practicable, and allows for the purchase of bison meat from Native American bison producers and producer-owned cooperatives of bison ranchers. The section also specifies that the Secretary should conduct a survey to determine which foods are most desired, and directs the Secretary to submit a report to Congress, within 180 days of enactment, assessing the nutritional value of the FDPIR food package, how foods are selected, and how the Secretary plans to update the packages or if not, why.
- Section 5501, Loans to Purchasers of Highly Fractionated Land, gives the Secretary authority to allow this program to be utilized by individual Indians to purchase highly fractionated parcels of land according to the Indian Land Consolidation Act amendments of 2004. In addition to loans to tribes, FSA may now make and insure loans to individual American Indian farmers and ranchers to keep tribal lands in agricultural production.
- Section 6007, Tribal College and University Essential Community Facilities, reduces the matching funds requirement for tribal colleges by stipulating that the Secretary may not require non-Federal support greater than 5 percent of the total cost of the facility.
- Section 6009, Water Systems for Rural and Native Villages in Alaska, reauthorizes the program and authorizes \$1.5 million in funding to the Denali Commission to provide assistance to municipalities.

- Section 6105, Substantially Underserved Trust Areas, creates a discretionary initiative to improve utility service and programs in a Substantially Underserved Trust Area (SUTA) by making Rural Utilities Service (RUS) loans available with interest rates as low as 2 percent, and allowing the Secretary to waive nonduplication restrictions and matching funds requirements, and give the highest funding priority to designated projects in SUTAs.
- Section 6110, Access to Broadband Telecommunications Services in Rural Areas, creates a new broadband fund to provide loans and loan guarantees for the development of broadband service in rural areas, with priority to areas with no incumbent providers. This provision applies to many tribal areas. The broadband fund is authorized at \$25 million a year.
- Section 7504, Roadmap, calls for the Secretary to produce a roadmap for agricultural research, education, and extension that no single entity within USDA would be able to address individually. Although the language in the section does not refer specifically to tribes, it is broad and would incorporate all the issues related to identifying current trends, constraints, and major gaps with respect to FRTEP.
- Section 7505, Budget Submission and Funding, outlines priorities and processes for USDA budget submissions. The statement of the managers requires consultation on emerging problems, including the adequacy of FRTEP funding, explaining that the managers “expect the Secretary to review, in conjunction with the consultative panel on the Extension Indian Reservation Program (also known as the Federally Recognized Tribes Extension Program), the demand for and status of extension services on Indian reservations and reflect that need” in future budget submissions.
- Sections 8101 to 8107, Cultural and Heritage Cooperation Authority, authorize the Secretary to implement procedures to ensure cultural and heritage cooperation authority for Indian tribes, including providing for the reburial of human remains and cultural items on National Forest System land; preventing unauthorized disclosure of information regarding burial sites, as well as other culturally sensitive information, under the Freedom of Information Act (FOIA); allowing the temporary closure of National Forest System land for traditional and cultural purposes with approval by the Secretary; allowing free gathering of forest products for cultural and traditional purposes; increasing the availability of Forest Service (FS) programs and resources to Indian tribes; and otherwise strengthening support of traditional practices in accordance with the American Indian Religious Freedom Act.
- Section 14001, Improved Program Delivery by Department of Agriculture on Indian Reservations, authorizes the Secretary to require that FSA, NRCS, and any other offices and functions the Secretary chooses to include establish a consolidated

suboffice at tribal headquarters on Indian reservations, where there is a demonstrated need. The section strikes a requirement enacted in 1990 that requires a tribe to provide office space for USDA staff in consolidated suboffices on reservations if it wishes to participate in the program.

- Section 14011, Sense of Congress Relating to Claims Brought by Socially Disadvantaged Farmers or Ranchers, states that the Secretary should resolve all claims and class actions brought against USDA based on racial, ethnic, or gender discrimination in an expeditious and just manner, including the Keepseagle class action law suit, filed on November 14, 1999, for Indian producers.

## **DEFINING CHANGE**

Change would mean that USDA establishes and staffs an appropriate structure to conduct government-to-government relationships with tribes. A Department-wide tribal consultation program would operate in compliance with existing departmental regulations.

Extension services would finally, after nearly 100 years, reach all tribes and Indian producers who need them. Fractionation issues would be solved. The Census of Agriculture and ERS studies would accurately reflect the economic contributions of Indian agriculture. Equitable access to programs, services and decision-making structures would be ensured. The Keepseagle class action lawsuit and all outstanding civil rights claims for American Indian producers would be resolved with justice.

RD and other programs would provide increased investments to develop an infrastructure for the provision of services that have been denied to Indian nations and people. Access to forest lands and other public lands would be ensured, as would the protection of culture.

Farming and ranching would thrive on Indian lands, contribute to the economic base of Indian communities, and supply culturally appropriate food to nourish all Indian people.

## **ISSUE # 3: IMPROVED COORDINATION OF USDA OUTREACH AND ADVOCACY**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The subject of outreach to socially disadvantaged farmers and ranchers (SDFRs) has been a continual topic of discussion by community-based organizations (CBOs). Outreach and outreach funding programs by the U.S. Department of Agriculture (USDA) have been relocated repeatedly since their initial establishment in the mid-1980s. Priorities have changed over the years, and at times, the outreach function has been used more as a public-relations tool in the area of USDA's civil rights performance than as a way to ensure access to programs.

This lack of a permanent location has hampered the ability of the CBOs to build a productive relationship with USDA. The CBOs worked hard to get the position of Assistant Secretary for Civil Rights (ASCR) created in the 2002 Farm Bill. USDA outreach functions were located in this office following its establishment. However, the CBOs have long raised concerns about the need for a permanent and appropriate placement of outreach functions, pointing out the importance of separating these functions from the civil rights duties of USDA.

For many years, relationships between USDA and the SDFR sector have been primarily and necessarily focused on problems related to the failure of USDA to provide equitable access to services. The just settlement of discrimination cases and the implementation of systems of transparency and accountability to prevent the occurrence of such cases in the future remain critical tasks for USDA. In order for this emerging sector to succeed in the complex agriculture system of today, a wide range of connected programs and services is necessary.

CBOs have worked productively for many years with outreach and small and beginning farm coordinators, and with the working groups and offices responsible for coordination among them. But these offices and coordinators have often lacked the power and authority within their agencies to evaluate programs and policies, to build connections with other agencies, and to close the gaps in services they have witnessed or learned about from SDFRs and CBOs.

The 2008 report by the Government Accountability Office (GAO) on beginning farmers and ranchers (BFRs) pointed to the need for better interagency coordination in program delivery. A significant proportion of SDFRs and BFRs are concentrated in the specialty crop sector, where USDA services are scattered across agencies. The growing numbers of SDFRs, BFRs, and farmworkers urgently need the real support that only program coordination can provide them.

### **AGENCIES AFFECTED**

OAO, as well as ASA, ASCR, CSREES, the Office of the Secretary, and all program agencies

## **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

The Office of Advocacy and Outreach (OAO) established in Section 14013 of the 2008 Farm Bill will become only another in a long line of public-relations tools and will not advance equity for SDFRs unless it has the authority to evaluate and propose changes to farm programs, to fill gaps, and to provide coordination of vision and function across USDA agencies.

### **Recommended Actions**

In consultation with the CBOs, the Secretary should:

3.1) Establish OAO as authorized, with two branches to ensure coordination of outreach, advocacy, and other programmatic services to SDFRs and farmworkers:

3.1 a) A Socially Disadvantaged Farmers and Ranchers Group, which would be responsible for the Outreach and Technical Assistance Program for Socially Disadvantaged Farmers and Ranchers (OTASDFR), also known as the 2501 Program, the Advisory Committee on Minority Farmers, the Farmworker Coordinator, and the functions and duties previously assigned to the Office of Outreach and Diversity under ASCR.

3.1 b) A Small Farms and Beginning Farmers and Ranchers Group, which would be responsible for the current functions of Small and Beginning Farms Coordination, the liaison to the Beginning Farmer and Rancher Development Program, and the Advisory Committee for Beginning Farmers and Ranchers.

3.2) Utilize OAO to ensure that small farmers and ranchers, BFRs, and SDFRs are able to participate in USDA programs and services, by assigning the following duties to OAO:

3.2 a) Establishing and monitoring USDA's goals and objectives to increase participation in Departmental programs by small, beginning, or socially disadvantaged farmers and ranchers.

3.2 b) Assessing the effectiveness of USDA outreach programs.

3.2 c) Developing and implementing a plan to coordinate USDA outreach activities and services.

3.2 d) Providing input to USDA agencies and offices on programmatic and policy decisions.

3.2 e) Measuring the outcomes of USDA programs and activities on small farms and ranches, BFRs, and SDFRs.

3.2 f) Recommending new initiatives and programs to the Secretary.

3.2 g) Carrying out any other related duties that the Secretary determines to be appropriate.

3.3) Select staff for OAO from the career service with backgrounds and expertise in farm and conservation programs, and a demonstrated commitment to SDFRs and farmworkers.

3.4) Establish the position of Farmworker Coordinator (see Issue # 4, Farmworkers, USDA, and U.S. Agriculture) and assign functions to that position to ensure that farmworkers' needs are met, and additional services are provided to farmworkers wishing to establish farm operations.

3.5) Delegate to OAO the full authority provided in the 2002 and 2008 Farm Bills, under Section 2501 of the 1990 Farm Bill as updated, not only to provide long-term contracts and cooperative agreements with CBO partners through the 2501 Program, but also to bundle resources from other agencies to ensure adequate support for an integrated package of technical assistance (see Issue # 6, Outreach Programs).

3.6) Establish a Minority Farmer and Rancher Advisory Committee authorized in Section 14013 to provide advice on the implementation of the 2501 Program, methods of maximizing participation in USDA programs, and civil rights activities within the Department and should seek nominations for this committee from the CBOs.

3.7) Work directly with mission area and agency heads to ensure that the success of the sector of producers served by OAO is a priority, and that regular attention is paid to developing and monitoring programs, actions, and providing public reports:

3.7 a) Require OAO, with ASCR, to review the results of the data collected on program participation, as required by Section 14006 of the 2008 Farm Bill, to evaluate changes in participation and in consultation with the CBOS and the USDA agencies, recommend improvements in programs and outreach as needed.

3.7 b) With the CBOs, complete an assessment of all agency outreach efforts and grant programs of the agencies and determine how these resources could be better programmed to fill gaps in service to SDFRs, BFRs and other small producers. Programs should be measured by the access they give these producers.

3.7 c) OAO should use the authority granted by Congress to recommend how farm programs could better serve SDFRs and propose restructuring of USDA programs to reflect the type of production in which SDFRs are engaged. For

instance, many SDFRs engage in small livestock or diversified fruit and vegetable operations. More programs that focus on these areas of production are needed.

3.7 d) Work with Farm Service Agency (FSA) and other agencies to establish more user-friendly office hours in areas heavily populated by SDFRs and BFRs, including possibly opening local USDA offices on Saturdays once a month and assure the staff of FSA and other agencies are in the field more, and should attend CBO conferences and other events.

3.7 f) Require OAO to work with CBOs and USDA agencies to define the needs—and seek changes in authority and procedures to address them—producers who are able to secure only shorter-term leases and informal leases, which are standard for SDFRs and many BFRs. In addition, USDA agencies should work with the CBOs to educate producers on strategies to legally secure the land they farm.

3.7 g) Require OAO to provide additional assistance to the CBOs, as they have requested. For example, if a CBO applied for a specific grant and was denied, USDA should notify the applicant of other available grants appropriate to the CBO's profile.

3.8) Develop a structure, mission, and goals for the USDA-CBO Partnership, and provide the Partnership adequate resources to accomplish its critical tasks including:

3.8 a) Implementation of a strategic process to regularly exchange information on outreach plans, and the current status of programs in state and local USDA offices, and provide for the direct involvement of the CBOs in all activities under recommendation # 3.7.

3.8 b) Develop, and disseminate among CBOs and USDA agencies general guidelines for essential knowledge and skills sets needed to foster equitable access for SDFRs to the various programs and services offered by USDA agencies, and how these services are related and accessed,

3.8 c) Provision of regular support to the CBOs to help implement the outreach and technical assistance plans necessary to increase program participation to meet goals established.

3.8 d) Development of tools and approaches to identify best practices in program delivery, and in farming and ranching.

3.8 e) Otherwise ensuring that SDFRs who are affected by the farm bill and the stimulus bill have direct input into changes in their provisions and the regulatory process.

3.8 f) Maintaining an updated registry of CBOs for use by USDA agencies.

3.9) Ensure that USDA staff and agencies support and participate in regular events by CBOs and other USDA constituents, and also that meetings and distribution of brochures and fliers are considered an addition to, but not a substitute for USDA staff providing one-on-one service to SDFRs.

3.10) Initiate proactive strategies to increase cultural sensitivity and understanding by USDA agencies of CBOs and the populations they serve, including

3.10 a) Proactive use of tools such as Interagency Personnel Agreements (IPAs) to exchange personnel between the CBOs and the Department. Field placements with CBOs should be made part of mentorships and executive leadership programs.

3.10 b) Ensuring access to programs and services, which the Executive Order on Language Accessibility makes an obligation for USDA. With the CBOs, USDA should develop a specific plan to reach producers with limited English proficiency and should invest in adequate translation equipment and services for use at meetings.

3.10 c) Require USDA agencies to utilize media like Spanish or Hmong radio programs and newspapers to reach out to producers who speak these languages.

3.11) The Secretary should work with the President and the CBOs to ensure the President's budget includes a request for full funding for the OAO. The CBOs should actively support full funding. OAO should issue annual reports summarizing goals and accomplishments in order to support the funding requests and should share these reports with the CBOs.

## **PROGRESS TO DATE**

In 2008, GAO, with input from CBOs representing SDFRs and BFRs, outlined the need for better coordination across USDA agencies in their reports and testimony to Congress on civil rights and beginning farms at USDA.

In the 2008 Farm Bill, at the behest of the CBOs, Congress responded by providing new authority for USDA to enhance coordination within the department by establishing OAO. Congress made clear that the new office is to be led by members of the career service, and given a permanent location.

The authority links outreach to advocacy and the programmatic functions that SDFRs and farmworkers so urgently need, specifically authorizing the new office to work across all mission areas and agencies and to link the many outreach, small and beginning farmers, and tribal functions already in place across USDA. The 2008 Farm Bill also mandates that the 2501 Program (see issue # 6, Access to USDA Grant and

Cooperative Programs) and its contracting authorities be located in OAO.

The new authority in the 2008 Farm Bill is in Section 14013, Office of Advocacy and Outreach (OAO); its specific actions have been described above. In general, the establishment of this office will help coordinate and improve programs and services for SDFRs and BFRs, and help USDA address the issues and problems raised in GAO reports on the beginning farmer program and on civil rights. The Cooperative State Research, Education, and Extension Service (CSREES) has authority to administer the Beginning Farmer and Rancher program, which has targeted funding for SDFRs, in coordination with OAO.

### **DEFINING CHANGE**

Change would mean that OAO creates a structure to organize USDA programs and services into a seamless web, designed to serve the full range of needs of SDFRs, BFRs, and farmworkers. This investment in their success would increase the supply of culturally appropriate fresh foods and vegetables, as well as specialty meat products, and contribute to the economic foundation of rural communities where these products are most needed.

Integration and improved function of grant programs would provide ongoing support for the CBOs to continue their important functions without interruptions.

The Farmworker Coordinator (see Issue # 4, Farmworkers, USDA, and U.S. Agriculture) would assume functions assigned to that position in the 2008 Farm Bill and would ensure that farmworkers' needs are met, helping farmworkers who so desire to become farmers and ranchers.

Change would mean that all socially disadvantaged producers are served equitably, and that new farmers and ranchers can more easily enter agriculture. The average age of farmers and ranchers would be significantly reduced.

## **ISSUE # 4: FARMWORKERS, USDA, AND U.S. AGRICULTURE**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The nation's four million farmworkers are fundamental to the viability of the agriculture and food system. This important sector remains marginalized within agriculture, with no place at the table. Its interests should be directly represented so that its members are treated with dignity and have fair working conditions. Many issues that affect farmworkers are addressed under labor, environmental, and immigration laws not administered by the U.S. Department of Agriculture (USDA). Exempted from many Federal and state labor requirements, the agriculture industry has not increased wages or provided benefits in order to maintain a stable supply of U.S. farmworkers, so it depends on immigrant workers—some of whom are recruited legally under guest-worker programs that offer few, rarely enforced labor protections, and some of whom are undocumented aliens who have no protections at all. Despite these immigrants' years of work in the United States, current immigration policies treat them as outsiders rather than as contributing members of our society. As a result, farmworkers remain the least protected and most exploited workers.

USDA, which has the strongest relationship with the agriculture system, could make immediate improvements in farmworkers' lives. Since the inception of the Partners process between USDA and community-based organizations (CBOs), the CBOs have called for the establishment of a Farmworker Coordinator position at USDA to begin the process of dialogue and coordination on the many issues within agriculture that affect farmworkers.

The CBOs have also called for the relocation, expansion, funding, and improved implementation of an emergency grant program to ensure that farmworkers, like producers, receive relief when they are affected by natural disasters. The need for better coordination of disaster response among USDA agencies with respect to farmworkers was also noted (see Issue # 8, Disaster Preparedness and Response).

The inadequacy of statistics on the number and status of farmworkers remains a primary concern, with the termination of previous Department of Labor studies opening a large gap in understanding the contributions and critical role of farmworkers in agriculture.

The CBOs have pointed out the special needs of farmworkers with respect to housing. Farmworkers across the United States have inadequate housing, and they face special risks in time of disasters. Many farmworkers reside in rented trailers that do not meet the new standards set to reduce the impact of disasters. The trailers often lack working smoke alarms and may have security bars installed on all windows, which prevent escape from fires.

The CBOs are also concerned about child labor; the operation of the farm-labor contracting system, which removes responsibility for working conditions from producers

and processing and packing plants; physical dangers prevalent in the workplace; sexual harassment; and farmworkers' lack of access to health insurance and workers' compensation protection. Other issues raised in the Partners process include the need for improved protection from pesticides, and for ways to better engage farmworkers in the overall agriculture sector. Improved policies and coordination are necessary; for example, to give farmworkers the opportunity to buy land and access to new programs that will help them become producers.

### **AGENCIES AFFECTED**

The Farmworker Coordinator and OAO, as well as CSREES, ERS, FNS, FSA, NASS, NRCS, RD (especially RHS), and RMA

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

Farmworkers are being denied an active voice and role in decisions that affect them. USDA is not engaging farmworkers as active partners in the agriculture sector, and therefore their role and participation in the food and agriculture system is not being accurately reflected.

### **Recommended Actions**

4.1) The Secretary should expeditiously establish the Farmworker Coordinator position authorized by the 2008 Farm Bill in the Office of Advocacy and Outreach (OAO).

4.1 a) A Farmworker Coordinator with appropriate knowledge, background, and dedication should be hired expeditiously and should assume the specific functions and purposes assigned to that position by the 2008 Farm Bill, including serving as a liaison to CBOs working with farmworkers, and coordinating the work of the CBOs and USDA agencies to ensure that farmworkers' needs are met.

4.1 b) The Coordinator should work with USDA agencies to establish processes to meet farmworkers' needs during disasters and other emergencies, in conjunction with the other disaster response activities that USDA regularly conducts (see Issue # 8, Disaster Preparedness and Response).

4.2) The Secretary should delegate authority for managing the emergency grants for farmworkers program and other programs such as those in Sections 14024 and 7402 of the 2008 Farm Bill to the Farmworker Coordinator or—in the case of the 7402 Program—managed by the Cooperative State Research, Education, and Extension Service (CSREES) with input and liaison assistance from the Farmworker Coordinator.

4.2 a) These programs should be implemented and funded as expeditiously as possible. The Secretary should ensure the President's budget includes a request for adequate funds as authorized for the Farmworker Coordinator function, as well as

for the emergency grants to farmworker program and the programs authorized in Sections 7402 and 14024 of the 2008 Farm Bill.

4.2 b) Program staff should work with the Farmworker Coordinator and the CBOs to ensure that appropriate outreach is provided for eligible groups, and that CBOs representing farmworkers make up a significant proportion of any review panels.

4.3) USDA should collaborate with the CBOs to ensure that adequate resources and authority are developed to take an accurate count of farmworkers.

4.3 a) The National Agricultural Statistics Service (NASS) and the Economic Research Service (ERS) should, in consultation with the CBOs, improve data collection and analysis related to farmworkers and their economic contribution, including additional questions in the 2012 Census of Agriculture.

4.3 b) Data collection efforts should include a guarantee of confidentiality, which is necessary for an accurate count.

4.3 c) ERS should issue a report on the rural development impact of farmworkers and should combine datasets to better depict the numbers and needs of farmworkers and workers in the food industry, in order to determine their status and contributions in agriculture.

4.4) Agricultural mediation programs should be expanded to assist farmworkers in resolving issues such as wage and hour violations and the failure of employers to provide adequate housing.

4.5) USDA should help the CBOs address health and safety issues in coordination with the Occupational Safety and Health Administration (OSHA), the Environmental Protection Agency (EPA), and the National Institutes of Health (NIH). CSREES, the National Institute of Environmental and Health Sciences (NIEHS), and other entities within NIH should analyze health issues related to unsafe chemicals and support community participatory research projects.

4.6) Organic agriculture standards, good agricultural practices, and food safety standards should specifically address the protection of farmworkers' health and safety. USDA and the CBOs should expand efforts to educate socially disadvantaged farmers and ranchers (SDFRs) and other small-scale producers on how to meet all regulations related to farmworkers.

4.7) Laws and regulations that protect farmworkers should be fully enforced. Safety and health disparities between that sector and others in agriculture—including in the areas of worker protection standards, and enforcement of standards for pesticide application and field sanitation—and the need for health insurance for farmworkers should be addressed.

4.8) The Farmworker Coordinator should work with CBOs representing farmworkers to develop specific proposals for how USDA can improve farmworkers' access to safe housing, health and safety training, adequate nutrition, jobs, credit unions, economic development, and other services.

4.9) USDA should take steps to reduce barriers and expand assistance for farmworkers who want to become farmers or ranchers.

4.9 a) Specific outreach programs and strategies should be developed to assist farmworkers to acquire land. These programs should include funding authority with adequate support for grants to CBOs that work with farmworkers to help them transition to farm ownership.

4.9 b) Farm Service Agency (FSA) programs for beginning farmers should be revised to recognize farmworker experience in its criteria for creditworthiness. If authorities to do so are inadequate, new authority should be requested.

## **PROGRESS TO DATE**

The CBOs worked to achieve significant new authorities and coordination in the 2008 Farm Bill, including the following:

- Section 14013(f), Farmworker Coordinator, establishes within USDA the position of Farmworker Coordinator to ensure access to services and support for low-income migrant and seasonal farmworkers. The section details responsibilities and authorizes funding for this position, and specifies that it be located within OAO.
- Section 14013(f)(2)(A), Administration of Emergency Grants to Assist Low-Income Migrant and Seasonal Farmworkers, assigns responsibility for administering the emergency grants to farmworkers program to the Farmworker Coordinator.
- Section 14204, Grants to Improve Supply, Stability, Safety, and Training of Agricultural Labor Force, directs the Secretary to make grants to assist agricultural employers and farmworkers with services, including agriculture labor skills development, transportation, short-term housing, workplace literacy and English as a Second Language (ESL) training, health and safety instruction, and other services as the Secretary deems appropriate. The section provides authority for the appropriation of such sums as are necessary for the program, and limits administration expenses to operate the program to 15 percent of the funds provided.
- Section 7204 (subsection 38), Agricultural Worker Safety Research Initiative, defines the initiative as a High Priority Research and Extension Area and provides authority to make grants to study and demonstrate methods to minimize exposure to pesticides of farm and ranch owners, pesticide handlers, and agriculture workers, and to address concerns of farmworkers related to long-term pesticide exposure. The section also provides authority to make grants for the development of rapid tests

for on-farm use, to better inform farmers, ranchers, and workers of when it is safe to reenter fields on which pesticides have been used.

The Secretary has retained a special assistant to cover labor issues, including those of farmworkers, and has begun to seek the funds needed for the grant programs and functions noted.

### **DEFINING CHANGE**

Change would mean that the position of Farmworker Coordinator is established and permanently assigned to OAO, and the grant programs discussed above are delegated to the Farmworker Coordinator and funded.

Change would mean that farmworkers' needs are routinely considered and addressed in times of agriculture disaster, a strategic relationship with farmworkers and the CBOs representing them is in place, farmworkers' housing is adequate and safe, and comprehensive policies and programs exist to help farmworkers who desire to become farmers or ranchers.

Finally, change would mean that Federal laws are in place to afford farmworkers the same protections enjoyed by other workers, safety in agricultural workplaces is improved, and immigration policies are in place that protect farmworkers and allow them to secure an equitable place at the table in our society.

## **ISSUE # 5: NEW AND EMERGING FARMERS AND RANCHERS**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

Prospective producers in the United States come from a variety of backgrounds and may be either re-entry or new entry farmers. Data from the 2007 Census of Agriculture indicate that socially disadvantaged farmers and ranchers (SDFRs) and farmworkers aspiring to become farmers and ranchers comprise a large sector of the new and re-entry farm population. These new and returning farmers have much to contribute to their communities, but they need better access to the programs and services of the U.S. Department of Agriculture (USDA).

According to data compiled and released under Section 10708 of the 2002 Farm Bill, in 2003, 92.5 percent of participants in the Beginning Farm Down Payment Loan Program of the Farm Service Agency (FSA) were non-Hispanic white males, and 3.9 percent were non-Hispanic white females. Curiously, in 2005, the percentage of non-Hispanic white males declined to 59 percent, while the percentage of non-Hispanic whites of unknown gender increased to 36.5 percent, with no other category (including non-Hispanic white females) making up more than 3 percent. It appears that people who used to be counted as non-Hispanic white males are now being counted as non-Hispanic whites of unknown gender, or that more down payment loan funds are going to new-entry corporate farms. What is clear is that SDFRs were not accessing funds from the program designed to help new-entry producers buy land.

FSA's youth lending program showed slightly more SDFR participation. In 2005, the only year for which data have been released, 3.9 percent of youth loans went to African-American males, 3.2 percent to American Indian and Alaska Native males, and 31.1 percent to non-Hispanic white females. However, no Hispanic youth in the country received a loan.

New and emerging farmers and ranchers face numerous challenges, including lack of information about financing options, financial management skills, and the availability of resources critical to their success. Other concerns raised by the community-based organizations (CBOs) include:

- New farmers find it difficult to understand the regulations and legal issues associated with new markets and nontraditional farm enterprises (such as agrotourism). Immigrant producers also face language barriers and lack access to technical assistance.
- The legal definition of a beginning farmer and rancher (BFR) is problematic for SDFRs: any person farming for 10 years or less is a beginning farmer, but a SDFR must have three years of experience, which does not at present include experience as a farmworker. The definition of a beginning farmer also differs from the definition of a limited resource farmer for determining eligibility for assistance. And the Natural

Resources Conservation Service (NRCS) definition of a beginning farmer has no monetary restriction, so the owner of a large, multimillion-dollar farm can qualify.

- The average age of U.S. farm operators increased from 55.3 in 2002 to 57.1 in 2007. The majority of farmers and ranchers are nearing retirement age, and there is a need to increase the numbers of new and emerging farmers and ranchers, who tend to be younger. Women and immigrant producers are the fastest growing source of new producers, and American Indian producers have doubled since the last Census of Agriculture.
- The 25% matching grant program in the Beginning Farmer and Rancher Development Program is a significant barrier to SDFR participation.
- The lack of adequate data on the number of SDFRs, including American Indian producers and new immigrant farmers, creates numerous impediments to the SDFRs' ability to gain equitable access to USDA programs. CBOs have long raised concerns that data from the Census of Agriculture seriously underrepresents their socially disadvantaged constituents. USDA has not released Section 10708 data since 2005 and has only released percentages of participation, not numbers or amount of loans received. The lack of clear numbers has severely reduced the willingness of Congress to address gaps and to fund programs for SDFRs.
- While the benefits of the Environmental Quality Incentives Program (EQIP) are of unique importance to BFRs, their participation in the program has been severely hampered by its prohibitive cost share requirements, and its requirement that funds be invested up front for the installation of conservation practices covered under programs for later reimbursement.
- The lack of a diverse, multilingual USDA field office staff restricts access by SDFRs to program funding and other resources and services.
- The Advisory Committee on Beginning Farmers and Ranchers that advises the Secretary on BFR issues is not sufficiently diverse, and the CBOs should be allowed to recommend more nominees.
- Many SDFRs remain suspicious of FSA, which continues to deny them access to programs.

### **AGENCIES AFFECTED**

CSREES, FSA, NASS, NRCS, OAO, RD. and RMA, as well as ASCR and OIG

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

While all BFRs need support, USDA programs and services at present better serve new producers who are engaged in commodity programs and other more-traditional forms of production, and who are therefore largely non-Hispanic white males.

## **Recommended Actions**

5.1) USDA needs to coordinate across agencies and mission areas to provide optimal support to new producers. As called for in the 2008 report from the Government Accountability Office (GAO) on new and beginning farmers, USDA must establish Department-wide strategic goals and reportable outcomes for new farmers' access to services.

5.2) USDA and CBOs need to fully review what barriers are posed by program procedures and requirements to the participation of specific groups of new entry farmers and ranchers, especially SDFRs.

5.3) The Small and Beginning Farmer and Rancher function should be immediately moved to its new permanent location in the Office of Advocacy and Outreach (OAO), be given a diverse staff, and receive prominent attention, as required in Section 14013 of the 2008 Farm Bill.

5.4) The transfer of the Beginning Farmer and Rancher Advisory Committee to the OAO should be implemented immediately, and the Secretary should consider continuing the Council of Small and Beginning Farmers and Ranchers, headed by the Deputy Secretary.

5.5) The Secretary should ensure that full funding for OAO and all other grant and loan programs that benefit BFRs is requested annually or as needed in the President's budget, and CBOs should work with Congress to actively support these requests.

5.6) USDA and the CBOs should review all current definitions of "new and beginning farmer and rancher" to determine if greater consistency and inclusivity could be achieved.

5.7) The Secretary should ensure that BFRs and SDFRs have access to set-asides as set in place in the 2008 Farm Bill, including the opportunity to clarify their status to FSA and NRCS in order to be eligible for new benefits and set-asides.

5.7 a) Procedures and regulations to collect the data necessary should be implemented to ensure that these goals are met according to Section 14006 of the 2008 Farm Bill.

5.7 b) The data collected through the provisions in Section 14006 should be used by the agencies, the CBOs and by Assistant Secretary for Civil Rights (ASCR) in compliance reviews (as required by Section 14007 of the 2008 Farm Bill) to

measure progress in meeting set asides and to develop specific plans to correct any gaps in meeting required set asides.

5.8) With the CBOs, USDA should develop a comprehensive plan for communications with new immigrant and refugee farmers, including farmworkers seeking to become producers. Better support is also needed for technical assistance (such as access to land, loans, leases, and credit), and knowledge of U.S. systems of banking and record keeping.

5.9) CBOs and USDA should collaborate to make agriculture a viable option for youth. Grants, scholarships, mentorships and technical assistance are among the options that should be considered and participation in the youth loan program should be expanded.

5.10) USDA, especially OAO, and the CBOs should define specific strategies to meet the critical needs of all BFRs and cooperatives for risk management and technical assistance on legal issues and regulations, access to new markets, and food safety.

5.11) Barriers to the participation of SDFRs in individual development accounts for BFRs must be addressed and the matching requirement in the Beginning Farmer and Rancher Development Program should be removed for SDFR's.

5.12) USDA should ensure broadband service is extended to all rural areas, and should work with CBOs to secure funds for making broadband accessible at local community centers.

5.13) The Secretary and USDA should immediately implement the following programs and provisions of the 2008 Farm Bill for the benefit of BFRs, with special attention to ensuring equity for SDFRs—especially SDFR youth:

5.13 a) Section 5002, Conservation Loan and Loan Guarantee Program. Regulations should specify how the priorities for SDFRs and BFRs will be implemented and monitored.

5.13 b) Section 5004, Down Payment Loan Program. FSA should implement changes in loan terms and limits and make SDFRs eligible for the loans as soon as possible, as well as seeking additional funds for the program. FSA should request input from CBOs in developing regulations on the establishment of annual performance goals, and how they should be implemented and evaluated.

5.13 c) Section 5005, Beginning Farmer or Rancher and Socially Disadvantaged Farmer or Rancher Contract Land Sales Programs. FSA should address how it will inform buyers and sellers of their eligibility for the program. The Secretary should issue a directive instructing all USDA employees to prevent lands from being sold to BFRs and SDFRs that include fraudulent or hidden liens or encumbrances. FSA should also require that BFRs and SDFRs be given a copy

of the title report 20 days before settlement, and ensure compliance with Federal appraisal laws and regulations (see Issue # 16, Access to Credit).

5.13 d) Section 5101, Direct Loans. FSA should, in consultation with the CBOs, change regulations to allow farm experience gained as a farmworker or on a farm in another nation to be considered.

5.13 e) Section 5301, Beginning Farmer and Rancher Individual Development Accounts Pilot Program. FSA should evaluate how well this program meets the needs of qualified SDFRs, and whether any organizations that represent them—including credit unions—can qualify to administer the program.

5.13 f) Section 5302(a), Inventory Sales Preferences. FSA should develop a clear process to communicate this change to SDFRs and to field offices, and establish procedures to ensure that information on available properties is provided at the same time to all prospective buyers.

5.13 g) Section 5302(b), Loan Fund Set-asides. FSA should develop clear policies on how to collect, publish, and utilize data related to the set-asides, and the CBOs and ASCR should review the data and suggest improvements to correct any inequities.

5.13 h) Section 6202, Value-Added Agricultural Product Market Development Grants. USDA should create new regulations to give priority to projects that increase opportunities for producers—especially BFRs and SDFRs to develop new ventures that do not have well-established markets, and to determine how the 10 percent set-aside for SDFRs and BFRs will be implemented.

5.13 i) Section 7410, Beginning Farmer and Rancher Development Program (BFRDP). The Managers' Statement indicates that immigrant and limited resource farmers are to be included in this program. The Cooperative State Research, Education, and Extension Service (CSREES) should take steps to assure that CBOs representing SDFRs are included as peer reviewers, and that set-aside requirements in this section as well as data compilation and publication requirements in Section 14006 are met. As soon as OAO is established, a staff member should be assigned to act as liaison to this program, and ASCR should work with the CBOs to review whether the set-aside requirements were met in the first round of funding, and if not, to determine what steps should be taken to make sure they are met in the future. The impact of the 25% matching requirement should be assessed for SDFRs with authorizing changes made in the next Farm Bill if it poses a significant barrier.

5.13 j) Section 12026, Risk Management Education for Beginning Farmers or Ranchers. The President's FY 2010 budget should create a separate line item to ensure that the funding level of the program is increased. The Under Secretary for Research, Education and Economics (REE) should also include language in

REE's annual roadmap to Congress emphasizing risk management funding opportunities for BFRs.

5.13 k) Section 12033, Supplemental Revenue Assistance Payments (SURE), and Section 15101, the Supplemental Agricultural Disaster Assistance Program (SADA). SDFRs have had great difficulty in accessing disaster programs, and meeting crop insurance requirements. These sections should be implemented as soon as possible, with clear instructions provided to local USDA offices to let producers know they must sign up even if insurance purchase requirements are waived. The transparency and accountability requirements in Section 14006 should be applied to this section, and the level of participation of SDFRs compared to the participation of other farmers and ranchers, with appropriate compliance reviews.

## **PROGRESS TO DATE**

USDA provided for better coordination of efforts for small and beginning farmers in its August 6, 2006, Departmental Regulation 97-001, which gave formal recognition to the SBFR Coordination Committee and other functions. At the same time, USDA created a Council of Small and Beginning Farmers and Ranchers headed by the Deputy Secretary, with subcabinet leaders as members.

GAO released a report in 2008 on USDA's BFR activities that boosted the visibility of BFR issues.

FSA has included provisions to expand loans for BFR families in its 2005-11 strategic plan. The Section 10708 data for the FSA youth loan program for 2005 showed increased SDFR participation in a few states. African-Americans received 31.1 percent of the youth loans in Alabama, 30 percent in Mississippi, and 7 percent in Louisiana. African-American males received 11.9 percent of the loans in North Carolina, 9.3 percent in Florida, and 9 percent in Pennsylvania.

In the same year, American Indians received 40 percent of the youth loans in Arizona, 10.7 percent in Michigan, and 10 percent in Washington State. American Indian males received 39 percent of the loans in New Mexico, and 16.7 percent in Maryland. Asian-Pacific Americans received 80 percent of the loans in Hawaii and 11 percent in Maine. In Oklahoma, 28.7 percent of youth loans went to American Indians, and 4.8 percent to African-Americans.

The National Agriculture Statistics Service (NASS) is working with the CBOs and doing a better job of enumerating these new farmers in the Census of Agriculture. With the better data, the focus can soon become how best to reach BFRs with the programs and information they need. The securing of mandatory funding of \$75 million over five years for the BFRDP was a major success in the 2008 Farm Bill, as were the advance payments and increased cost-share payments for BFRs in conservation programs, and set-asides for BFRs in many programs.

These and other 2008 Farm Bill changes in funding authority should allow USDA to greatly expand the benefits of conservation programs to BFRs and SDFRs. See details below and in Issues # 3, Improved Coordination of USDA Outreach and Advocacy; 8, Disaster Preparedness and Response; 11, Conservation and Forestry; 16, Access to Credit.

- Section 2111, Conservation Reserve Program Transition Incentives, provides \$25 million over 10 years to facilitate the transition of Conservation Reserve Program land held by a retired or retiring owner or operator to BFRs and SDFRs who agree to return some or all the land to sustainable grazing or crop production.
- Section 2503, Establishment and Administration of Environmental Quality Incentives Program, authorizes NRCS to provide advance payments of up to 30 percent for SDFRs, BFRs, and limited-resource farmers or ranchers in EQIP and increases the cost share rate for SDFRs and BFRs to 90 percent.
- Section 2704, Assistance to Certain Farmers and Ranchers to Improve their Access to Conservation Programs, reserves 5 percent of total funds made available to carry out EQIP, and of total acres made available to carry out the Conservation Stewardship Program (CSP), for SDFRs, and 5 percent for BFRs.
- Section 2708, Administrative Requirements for Conservation Programs, requires the Secretary to provide incentives to BFRs, SDFRs, limited resource farmers and ranchers, and Indian tribes to participate in any conservation program, with some limitations. The section also requires the simplification of application processes for conservation programs, to encourage the participation of new applicants.
- Section 5002, Conservation Loan and Loan Guarantee Program, retains and strengthens conservation loan authorization for direct and guaranteed loans and for conversion to sustainable and organic farming, and adds priority for SDFRs and BFRs. FSA is in the process of drafting proposed regulations to implement this program. Regulations will be published in the *Federal Register* as a proposed rule, and public comments will be requested. Funds must be appropriated in the budget for this program.
- Section 5004, Down Payment Loan Program, changes loan limits and terms for a loan program designed for BFRs, and expands the program to include all SDFRs. FSA is required to establish annual performance goals for the program, and make joint financing loans the preferred use of direct farm ownership funds by BFRs and SDFRs. This provision was implemented in January 2009, and increased funds were requested (see Issue # 16, Access to Credit).
- Section 5005, Beginning Farmer or Rancher and Socially Disadvantaged Farmer or Rancher Contract Land Sales Program, makes permanent a program that provides loan guarantees to sellers who self-finance the sale of land to BFRs and expands eligibility to SDFRs. A transition period is authorized for all changes, which must be in place by FY 2011. FSA is in the process of drafting proposed regulations to

implement this expanded program. The changes will be published in the *Federal Register* as a proposed rule, and public comments will be requested.

- Section 5101, Direct Loans, provides that any farm experience, no matter when it occurred, must be considered in determining whether a loan applicant meets the experience requirements for direct operating loan eligibility. Proposed regulations have been drafted to make this change and will be published in the *Federal Register*. Public comments will be requested.
- Section 5301, Beginning Farmers and Rancher Individual Development Accounts Pilot Program, establishes a five-year pilot program in at least 15 states that offers qualified, low-income BFRs an opportunity to establish saving accounts with monthly deposit plans, which FSA will match on an 2:1 basis. Up to \$10 million in annual funding is provided, and the program authorizes grants to qualified nonprofit organizations who then deliver the program to eligible participants. The non-Federal match is increased to 50 percent, and the maximum grant amount limited to \$250,000 per project. FSA is drafting a notice of funds availability (NOFA) to implement this program; it will be published in the *Federal Register* once funds have been appropriated.
- Section 5302(a), Inventory Sales Preferences, reestablishes SDFRs as a priority group for purchase of FSA inventory property, with equal priority to BFRs. If more than one eligible farmer offers to purchase the same property in the first 135 days, the buyer is to be chosen randomly.
- Section 5302(b), Loan Fund Set-asides, increases the percentage of loan funds set aside in the direct ownership loan program to 75 percent for BFRs. Sixty-six percent of funds are reserved for the down payment loan program and joint financing arrangements. Priorities established in 1987 and 1990 for SDFRs remain.
- 6202, Value-Added Agricultural Product Market Development Grants, requires the Secretary to give priority to projects that increase opportunities for BFRs, SDFRs, and others to develop new ventures that do not have well-established markets, and provided \$15 million in mandatory funds, and authority for appropriations of up to \$40 million a year. The section includes a 10 percent set-aside for SDFRs and BFRs.
- Section 7410, Beginning Farmer and Rancher Development Program (BFRDP), provides mandatory funding of \$75 million through FY 2012 for a competitive grants program authorized in the 2002 Farm Bill, which supports training, education, and mentoring efforts conducted by CBOs and other entities. Twenty-five percent of the funds are set aside for SDFRs. Section 14013 establishes a liaison to this program in the Small Farms and Beginning Farmers and Ranchers Group in OAO. The request for applications (RFA) closed in May 2009. Funding of the initial round of grant awardees will occur before the end of FY 2009. The release of the FY 2010 BFRDP RFA will follow a similar scheduled.

- Section 12026, Risk Management Education for Beginning Farmers or Ranchers, requires the Secretary to place special emphasis on risk management strategies, education, and outreach targeted to BFRs, SDFRs, transitioning (to becoming owners or entering new production systems and markets) farmers and ranchers, farmworkers seeking to become farm operators or owners, and producers seeking new markets.
- Section 12033, the Supplemental Revenue Assistance Program (SURE) Crop Insurance Waiver, allows the Secretary to waive the crop insurance purchase requirement for BFRs and SDFRs participating in SURE, and to provide disaster assistance at a level deemed to be equitable and appropriate. Section 15101 provides a similar waiver in the Supplemental Agricultural Disaster Assistance Program (SADA) for SDFRs.
- Section 14013, Office of Advocacy and Outreach, establishes a Small Farms and Beginning Farmers and Ranchers Group within OAO, and authorizes this group to coordinate Small and Beginning Farm efforts at USDA and to manage the Advisory Committee on Beginning Farmers and Ranchers.

### **DEFINING CHANGE**

The 2007 Census of Agriculture demonstrates that BFRs are a diverse and growing part of our agricultural system, and in many ways represent the survival of family farming. Change would mean that USDA recognizes the importance of these producers by designating support specifically for them and providing ongoing coordination across agencies with CBO partners to provide adequate resources.

Change would mean that the provisions of the 2008 Farm Bill that provide set-asides and other preferences for BFRs are fully and equitably implemented. OAO, with a Small and Beginning Farmers Group, would be in place with a diverse staff. A review of programs would be undertaken, and proposals to improve policies, programs, coordination, and equity would be developed and implemented. USDA would have a more practical and consistent definition of “new and beginning farmer.”

The BFRDP would be more accessible to CBOs with demonstrated experience in serving SDFRs, with barriers to SDFR participation addressed and the 25 percent set aside fully implemented and the 25% match requirement removed.

Change would mean that the average age of producers is reduced, and the growing population of younger producers is more diverse.

## **ISSUE # 6: ACCESS TO USDA GRANT AND COOPERATIVE AGREEMENT PROGRAMS**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The programs for grants, cooperative agreements, and technical assistance of the U.S. Department of Agriculture (USDA) are vital to supporting the important services that community-based organizations (CBOs) provide to socially disadvantaged farmers and ranchers (SDFRs). USDA needs to do more to ensure that CBOs receive this support to do what USDA cannot do: rebuild trust between SDFRs and USDA field offices.

USDA has many grant programs that appear fair on the surface. Yet the CBOs have stated their belief that many USDA agencies and offices have different standards of service for different producers. While CBOs that serve SDFRs may not be overtly refused access to these programs, other entities appear to have an inside track for receiving benefits under them. This inequity appears to relate to USDA's relationships with organizations. As more CBOs develop relationships with the Department, their access has increased in some areas, underscoring the need to ensure that USDA's relationships with CBOs are improved.

Concerns about inequities in the peer review processes that agencies use have been raised throughout the Partners process (see Issues # 2, Equity and USDA's Relationship with American Indian Tribes; 4, Farmworkers, USDA, and U.S. Agriculture; 7, Risk Management; 9, Rural Development; 10, Renewable Energy; 12, Community Food Security and Nutrition Assistance; and 15, Specialty Crops and Access to Marketing Programs). The review process for many grant rounds, especially at the state level, remains very subjective, with great discretion provided to reviewers. Proposals may be submitted at the state and national level from diverse groups and regions, but fail in grant rounds in part because reviewers lack the diversity and field experience to understand what constitutes quality work, or because reviewers score more favorably proposals from entities they know.

Specific complaints raised by the CBOs about inequities and disparate service in several states have not been resolved. USDA has not exerted the leadership to restore severe cuts in grant programs and undo changes in the review process that threaten the few programs that are working, such as the Federally Recognized Tribal Extension Program (FRTEP) and the Civil Rights and Community Outreach Partnership Program of the Risk Management Agency (RMA) (see Issues # 2 and # 7).

CBOs are hampered by irregular funding, complicated requirements for applications, and an almost constant need to compete for funds.

The lack of access to high-speed Internet and adequate computer technology in rural areas limits access to grant rounds that require submission through the grants.gov system. Different grant rounds have different proposal requirements, and the time needed to understand the requirements of each round in order to successfully compete

also limits CBO access to funds. For example, the Cooperative State Research, Education, and Extension Service (CSREES) has more than 60 competitive grant rounds, and CBOs have been successful in very few of them. Data as required to be collected by Section 10708 of the 2002 Farm Bill and Section 14006 of the 2008 Farm Bill have not been released, although they are needed to analyze equity in participation by groups that represent SDFRs and farmworkers, and to ensure that set-asides for SDFRs in the Rural Cooperative Development, the Rural Value Added, and the Beginning Farmer and Rancher Development Programs are met.

During the Partners process, much attention was given to the need to improve the grant-writing skills of the CBOs. While these skills are important, providing training in grant writing does not create more hours in the day or more staff positions in an organization to prepare proposals. In most cases, organizations with a stable structure have the tools needed to win grants. But lack of access to multiyear support, the necessity to compete in numerous annual grants rounds, and requirements that limit the inclusion of administrative costs or that require matching funds are all factors that limit the CBOs' ability to hire and retain the staff they need to receive grants—and without grants, they cannot deliver the important services that only they can provide in the field.

The CBOs have also pointed out the inequity of the annual limit of \$100,000 arbitrarily imposed on grant applications in the Outreach and Technical Assistance Program for Socially Disadvantaged Farmers and Ranchers (OTASDFR), also known as the 2501 Program. The staff involved in the administration of the program has explained that the limit, not required in the legislation, was set in place because CSREES determined that the target population does not have the capacity to effectively utilize more than \$100,000 per year. That reasoning is not only wrong, it is also paternalistic and underscores the fact that USDA does not understand the role CBOs play in delivering services to SDFRs.

While the CBOs have worked for many years to increase support for the 2501 and other programs, USDA has failed to substantively increase its requests for funds from Congress or highlight and report on program successes to increase the likelihood of increased funds. The value of a partnership can be measured in its bottom line. For years, CBOs have served as a lifeline for SDFRs, at great organizational cost. Most of the changes in grant program authority and funding levels have been recommended by the CBOs, while USDA has generally failed to do its part to recognize the value of its CBO Partners, and to support them.

The cycle of competition for resources, inconsistent support, and loss of trained personnel when funding dries up needs to change.

### **Agencies Affected**

All USDA agencies with authority for grants, cooperative agreements, and other outreach programs, in particular OAO and CSREES, as well as AMS, FNS, FSA, FSIS, NRCS, RD, and RMA

## **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

USDA's CBO Partners have for many years provided capacity-building and other expert services that have helped thousands of SDFRs retain their land and produce crops under extremely adverse conditions. The CBOs have functioned in effect as extension and capacity-building entities, yet they do not receive the recognition and support from USDA for their services and expertise.

The CBOs believe that effective collaborative outreach and technical assistance involving USDA, CBOs, the 1890 and 1994 institutions, Hispanic serving institutions (HSIs), and other minority serving land-grant institutions can contribute to expanding SDFR participation in USDA programs and services. Continuity is a critical issue in the provision of these services. Many of the ideas proposed by CBOs to secure better support and help USDA enter a new era of civil rights and coordination are not being implemented.

### **Recommended Actions**

6.1) The CBOs have worked with Congress to secure significant increases in funding and authority for outreach programs. USDA needs to work with the CBOs to ensure that new authority is properly implemented and achieves the intended results.

6.2) The 2501 Program should be recognized and supported as a key element in USDA's relationship with SDFRs and CBOs, and the minority serving institutions that have long worked with them.

6.2 a) The Secretary should prepare a transition plan to move the 2501 Program to its permanent location in the Socially Disadvantaged Farmers and Ranchers Group of the Office of Advocacy and Outreach (OAO), as required under Section 14013 of the 2008 Farm Bill.

6.2 b) The Secretary should fully implement Section 14004, Outreach and Technical Assistance for Socially Disadvantaged Farmers or Ranchers, which reauthorizes and increases funding for the program and strengthens its ability to improve participation by SDFRs in USDA programs.

6.2 c) The Secretary should expand the program to ensure better support to CBOs, including delegating to OAO the direct authority to enter into grants and contracts with the CBOs that are critical to the program's mission. This delegation should allow OAO to bundle grant resources from multiple agencies in contracts with CBOs, as authorized under Section 10708 of the 2002 Farm Bill.

6.2 d) With the CBOs, USDA should develop and release for public comment a new regulation and request for Applications (RFA) that clarify eligibility for the 2501 Program according to new criteria in Section 14004, and that reserve

funding for eligible CBOs and minority serving institutions with a history of successfully providing outreach and technical assistance to SDFRs.

6.2 e) The RFA should require reports that document successes and barriers encountered, and should establish a process to compile these results in the required annual report to the House and Senate Agriculture Committees, detailing program accomplishments and problems and gaps in services. The report should be made public and shared with the CBOs.

6.2 f) The Secretary should immediately remove the arbitrary annual \$100,000 limitation on the 2501 Program for contracts now being written with FY 2009 funds and in the future.

6.2 g) FY 2010 and future funding limits for the grant round should be developed in consultation with the CBOs and should be more in line with the levels provided in the Beginning Farmer and Rancher Development Program (BFRDP). Adequately funded, multiyear agreements of up to five years should be allowed for organizations with a track record of delivering results.

6.3) The transparency and accountability requirements of Section 14006 of the 2008 Farm Bill should be implemented with respect to all USDA grant programs of the Department that benefit producers, and the resulting data should be analyzed by the Assistant Secretary for Civil Rights (ASCR), according to the requirements of per Section 14007.

6.4) The Secretary should instruct OAO to conduct a full inventory and review of the outreach programs and resources in all mission areas and agencies, and to review participation data in these programs with ASCR and the CBOs. OAO should make specific recommendations to increase the participation in these programs of SDFRs, American Indian tribes, and farmworkers, and their communities.

6.5) USDA and its agencies should better coordinate outreach activities to ensure that SDFRs and the CBOs that serve them are reached by every agency, and that real partnerships are developed.

6.6) Wherever possible, USDA should provide multi-year grants and adopt uniform applications and submission procedures across programs and agencies.

6.7) Matching requirements should be eliminated for all grants to groups serving SDFRs, and advance payments allowed.

6.8) Grant review processes should be transparent and consistent across localities, so that everyone knows how the process works, how decisions are made, and what the rationales for selection are. The CBOs should have input on review criteria to ensure that they do not create barriers to SDFR participation.

6.9) USDA should encourage CBO representatives to participate as reviewers on grant panels to better understand the grant process and make it more fair.

6.10) All agencies using panel reviews should be required report annually on the diversity of all their panels, regardless of subject. These reports, which ASCR should be review, should include participation by race, sex, age, and ethnicity, and should summarize all efforts taken to improve diversity on panels. USDA must provide alternative means of submitting applications when grants.gov is not operating properly; the system should be fixed, or the contract for it terminated.

6.11) CBOs and other potential applicants should be able to go to one part of the USDA website and find information about all available grants, cooperative agreements, and partnerships, with links to all open RFAs. Closed RFAs should also be listed.

6.12) SDFRs should not have to rely only on USDA grant programs for support. They should receive equitable access to regular, ongoing farm programs that support other producers.

6.13) USDA must report proactively to Congress on program needs and outcomes and on the number of proposals rejected due to lack of funding.

### **PROGRESS TO DATE**

Some USDA grant programs are working, notably the RMA's Civil Rights and Community Outreach Partnership Program, FRTEP, and also several Rural Development (RD) housing and cooperative and business development programs. For example, the Rural Cooperative Development Program instituted a special funding round for cooperatives that serve SDFRs, using the funds set aside for those producers.

USDA has provided grant-writing workshops for stakeholders and shared more information on funding rounds with them.

With leadership from the Farm and Food Policy Diversity Initiative, the CBOs secured significant additional funding—which is now mandatory—for the 2501 and other programs in the 2008 Farm Bill. The 2501 Program will finally have a permanent location in OAO. Through OAO and in conjunction with other agencies and mission areas, USDA now has the opportunity to develop a better relationship with its CBO Partners.

The 2008 Farm Bill includes new authority and support for grant programs serving SDFRs. Specifically, Section 14004, Outreach and Technical Assistance for Socially Disadvantaged Farmers or Ranchers, reauthorized and strengthened the 2501 Program and its ability to improve SDFR participation in agriculture programs. Funding was greatly increased and made mandatory, with \$15 million for FY 2009 and \$20 million for each of FYs 2010 through 2012, for a total of \$75 million. The section also gives the Secretary authority to make contracts with CBO's and requires an annual report, detailing program accomplishments, problems, and gaps in service.

In addition, funding increases and improved authority were provided in many other sections of the 2008 Farm Bill (see Issues # 2, 4, 7, 9, 10, 12, and 15, listed in the problems raised section).

Many of these grant programs for SDFRs have already released RFAs and awarded funds. Other programs have drafted RFAs which they will release, once they have received final approval or secured funds, if appropriations were needed.

### **DEFINING CHANGE**

Change would mean that USDA recognizes CBOs as essential partners in achieving equity in all of its programs and services, and provides support to greatly expand the CBOs' important work, including:

- Outreach and technical assistance funds to increase the CBOs' ability to help farmers and ranchers have viable operations.
- Improved application and review processes, leading to greater success by CBO and SDFR applicants in all USDA grant rounds.
- More substantive, better coordinated, and longer-term funding opportunities, allowing the CBOs to have more-stable operations, and achieving the goal of the 2501 Program—to support CBOs and minority serving land-grant institutions in their outreach and technical assistance efforts.

Change would mean that the requirement for matching funds to receive some grants would not be used to disqualify CBOs that have a proven track record of providing critical assistance to SDFRs.

It would also mean that USDA, through OAO and in conjunction with all the Department's critical agencies and mission areas, will work in partnership with the CBOs to move to a new era of equity.

## **ISSUE # 7: RISK MANAGEMENT**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

Socially disadvantaged farmers and ranchers (SDFRs) continue to experience problems in gaining access to markets, negotiating fair contracts and prices, and securing insurance and other protection from natural disasters and market-related risks.

The Federal Crop Insurance Corporation (FCIC) has an agreement with the crop insurance industry, which designates selected insurance companies as the sole providers of federally subsidized crop insurance. The agreement requires that these companies serve all producers. However, research by community-based organizations (CBOs) has found that less than 20 percent of SDFRs currently have crop insurance policies. The private delivery system for insurance is flawed, and crop insurance products are not universally available, or suitable for all forms of production.

The Risk Management Agency's Community Outreach and Partnership Program, which was designed to directly assist small and socially disadvantaged farmers and ranchers by providing them with risk management tools other than crop insurance, was one of a handful of programs of the U.S. Department of Agriculture (USDA) that was functioning well. But in implementing the 2008 Farm Bill, the Risk Management Agency (RMA) utilized discretionary authority to cut at least \$5 million from this important program in order to fund computer and data-mining capacity for the crop insurance industry. The reallocation of these critical resources forces underserved SDFRs to essentially subsidize the industry that has failed utterly to serve them. In addition:

- Crop insurance agents have little incentive to reach out and work with smaller farmers and ranchers, as the agents can make higher commissions signing up larger producers—and those commissions stay high in subsequent years.
- There is a lack of diversity and understanding of diverse communities among crop insurance agents and adjusters, and CBOs have been unable to build a real partnership with crop insurance companies.
- Small producers lack access to or cannot afford general product liability insurance policies, which are not covered under FCIC but which are necessary to enter key markets.
- SDFRs have had great difficulty in accessing disaster programs and meeting crop insurance requirements, including the record-keeping requirements for adjusted gross revenue (AGR) and other crop insurance products. The lack of access to crop insurance effectively limits the ability of SDFRs to qualify for credit and other Farm Service Agency (FSA) programs.
- Risk management tools and training tailored to SDFRs are critically needed to prepare them to:

- Adopt financial record-keeping and farm business-planning systems, and retirement and estate planning.
- Meet standards for good agricultural practices, so they can acquire liability insurance and access new markets.
- Meet standards for organic certification, as organic products command premium prices in the market.
- CBOs are critical to delivering training in these areas but lack adequate resources to reach more producers and encourage them to make wise decisions.
- Congress expressed its discontent with the crop insurance industry by adopting Section 12024 of the 2008 Farm Bill, which reduces mandatory spending for a general fund for RMA by \$20 million per year, with \$7.5 million coming from new insurance product research and development, and \$12.5 million from contracting and partnerships. The industry secured language that allows, but does not require, RMA to use up to \$5 million of otherwise unused funds to strengthen crop insurance compliance oversight activities, including information technology and data mining. In 2008 USDA compounded the problem by using this authority to make the majority of the cuts in the Community Outreach Partnership Program, reducing funding from \$8 million to less than \$4 million for FY 2009.
- USDA and FCIC have failed to take specific measures to hold the insurance companies accountable for delivering equitable service to all producers.

### **AGENCIES AFFECTED**

RMA, as well as AMS, FSA, FSIS, and RD

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

The Risk Management Agency's outreach and education programs are functioning well, but USDA is not investing enough resources in them or adopting them as models for other agencies.

### **Recommended Actions**

7.1) RMA and FCIC should promulgate new regulations to implement new standards of service and accountability that ensure that crop insurance companies demonstrate progress in reaching SDFRs and in developing and refining products that serve their needs.

7.2) The Secretary should renegotiate the Standard Reinsurance Agreement to require that the crop insurance companies:

7.2 a) Deliver on their agreement to serve all producers.

7.2 b) Implement a data collection system that is compliant with the improved data requirements contained in Section 14006 of the 2008 Farm Bill, and release to the public data on the level of participation in crop insurance programs of SDFRs, compared to other farmers and ranchers.

7.2 c) Increase the diversity of crop insurance agents and adjusters, making sure they are recruited from and have the capacity to serve the diverse communities where their services are most needed.

7.2 d) Commission rates should be lowered for renewing clients and raised for bringing in new clients.

7.2 e) Consult and collaborate with CBOs to correct deficiencies in service. Any future standard insurance agreement should state specific terms for such collaboration, including the development of a crop insurance company expressly designed and staffed to meet the needs of these producers.

7.3) RMA and FCIC should work with CBOs to ensure that SDFRs are served by:

7.3 a) Ensuring that SDFRs and their needs are represented on the FCIC Board. RMA should work with the CBOs to find qualified SDFRs to fill vacancies on the FCIC Board.

7.3 b) Assigning the RMA Office of Civil Rights and Community Outreach and the Assistant Secretary for Civil Rights (ASCR) to review participation rate data and work with the CBOs to recommend strategies for correcting any deficiencies in crop insurance program delivery or services that come to light. Specific goals should be set to ensure that insurance programs reach and serve the increased numbers of SDFRs and beginning farmers and ranchers (BFRs) documented in the 2007 Census of Agriculture.

7.3 c) Expanding insurance programs, as required in the 2008 Farm Bill, to lower risk for SDFRs and BFRs, particularly in the specialty crop and livestock sectors. An example is RMA's Adjusted Gross Revenue-Lite (AGR-Lite) whole-farm revenue protection plan, which provides protection against low revenue due to unavoidable natural disasters and market fluctuations that affect income during the insurance year. Regulatory changes should be explored to remove barriers to SDFRs in AGR-Lite, including allowing them to use expected production as an alternative to five years of tax records for the initial years of their participation.

7.4) The CBOs and USDA agencies should collaborate to develop a record-keeping system that is acceptable for all USDA programs, and for access to credit from non-USDA sources.

7.5) The Secretary should increase funding and support for the risk management outreach and education programs that are working, including intensive support for one-on-one assistance to producers, and authority for multiyear contracts with CBOs.

7.6) The Secretary should use authority elsewhere in the 2008 Farm Bill to modernize information technology and data mining systems for the benefit of crop insurance companies and should immediately restore full funding of at least \$8 million annually to the Risk Management Community Outreach Partnership Program, with expansion in future years.

7.7) If funding is not secured, the crop insurance companies should provide funds for data mining, or for outreach grants.

7.8) In the FY 2010 budget submission, the President should create a separate line item to ensure that the funding level of the Risk Management Education for Beginning Farmers or Ranchers is increased. To meet SDFRs' needs for training in handling business risk and financial management, the budget should seek a minimum of \$50 million in annual funding for grants under RMA's Community Outreach and Partnership Program and the Risk Management Education Program, giving priority to CBOs, with no matching funds required.

7.9) The waivers in the 2008 Farm Bill exempting SDFRs from the requirement to purchase crop insurance should be implemented as soon as possible, with clear instructions provided to local USDA offices about these waivers, and assistance to CBOs and their constituents in securing the waivers.

## **PROGRESS TO DATE**

The RMA Civil Rights and Community Partnerships Program has done a distinguished job of supporting the efforts of CBOs to develop tools and strategies to reduce SDFRs' risks. The Extension Risk Management Education (RME) program has funded a large number of CBO-related projects designed to increase producers' skills in risk management.

These programs, which operate in a climate of mutual respect, are unique in their focus on SDFRs as producers who are important and valuable to agriculture and the food system, and on CBOs as critical partners in helping these producers succeed. The programs provide hope that the term "socially disadvantaged farmer and rancher" will one day be replaced simply by "farmer and rancher," and the programs should be recognized as models of partnership and achievement to be replicated across USDA agencies.

Several sections of the 2008 Farm Bill strengthened protections for SDFRs:

- Section 12026, Risk Management Education for Beginning Farmers or Ranchers, requires the Secretary to place special emphasis on risk management strategies, education, and outreach targeted to BFRs, SDFRs, transitioning (to becoming owners or entering new production systems and markets) farmers and ranchers, farmworkers seeking to become farm operators or owners, and producers seeking new markets. The section also requires the Secretary to utilize funds available to address the needs of these farmers in underserved states.
- Section 12033, the Supplemental Revenue Assistance Payments (SURE) Crop Insurance Waiver, allows the Secretary to waive the crop insurance purchase requirement for BFRs and SDFRs participating in the SURE program, and to provide disaster assistance at a level deemed to be equitable and appropriate. Section 15101 provides a similar waiver in the Supplemental Agricultural Disaster Assistance Program (SADA) for SDFRs.

### **DEFINING CHANGE**

Change would mean ensuring that CBOs have sufficient resources to help SDFRs develop risk management plans, creating crop insurance programs and delivery systems that serve SDFRs, holding the crop insurance industry accountable for providing equitable service to all producers, and ensuring representative participation of SDFRs on the FCIC Board.

## **ISSUE # 8: DISASTER PREPAREDNESS AND RESPONSE**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

Socially disadvantaged farmers and ranchers (SDFRs) and farmworkers have always suffered disproportionately in times of disaster. The federal response to Hurricane Katrina and other disasters has demonstrated that in times of disaster, these sectors are not treated as an integral part of our agriculture system.

The needs of farmworkers are often overlooked during disasters. The U.S. Department of Agriculture (USDA) is the agency that works most closely with the producers who employ and are most directly in contact with farmworkers in times of disaster. While USDA regularly conducts postdisaster farm visits and evaluates crop losses, it does not conduct analyses of the impact of disasters on farmworkers.

Meanwhile, farmworker organizations are called upon on an ad hoc basis to respond to disasters, but are not helped to obtain even essential tools like emergency radios and cellphones that work when towers are down. Funding to help individuals pay for housing, food, and medicine after natural disasters, including droughts or freezes, can help families stay in place when agricultural jobs disappear and leave people ready to work again when producers are ready to hire. Yet when USDA seeks emergency response funds from Congress to assist producers, it does not routinely request even a small appropriation to fund its emergency grants program for farmworkers.

SDFRs are also often ill protected in the face of disasters. They frequently lack crop insurance or are underinsured. Without crop insurance, SDFRs are excluded when Congress provides other forms of disaster aid. In cases where producers have coverage, crop adjusters often provide loss estimates that result in very low payments, and these payments often come too late to have the maximum impact on recovery.

SDFRs perceive they are often excluded from, or not made aware of how to qualify for, disaster programs that distribute hundreds of millions of dollars to other producers. USDA has not implemented transparency and accountability practices that clearly show how disaster assistance is distributed at the county level by race, gender, and ethnicity. SDFRs are frequently turned away from offices when aid is not available in the immediate aftermath of a disaster, and not signed up or told how to access the programs they would be eligible for when aid becomes available.

The new tools that the 2008 Farm Bill provided for disaster response may make aid more immediately available to many producers, but do not fully address the needs of SDFRs and farmworkers. Many SDFRs still find Farm Service Agency (FSA) offices intimidating. Additional problems that require attention are:

- The status of short- and long-term disaster relief efforts for SDFRs, farmworkers, and rural populations, especially in the Gulf Coast Region, has not received a full review, and recovery from many disasters remains incomplete and unequal.

- The needs of producers and farmworkers in areas facing recurring droughts or floods should be assessed and action taken where necessary.
- Housing in rural areas is often inadequate in the face of repeated natural disasters and needs upgrading or replacement. Farmworkers have urgent housing needs, as they often live in mobile homes that do not meet new standards set in response to hurricanes and other disasters.
- Rural communities, especially SDFRs and farmworkers, may be isolated from emergency warning systems, particularly when electrical systems and radio or cellphone towers are damaged. Immigrant producers, for example, often work and spend nights on land where housing and electricity are not available, making them vulnerable to storms and tornadoes that may arise with little warning.

### **AGENCIES AFFECTED**

FSA and the Farmworker Coordinator under OAO, as well as other USDA agencies, including AMS, APHIS, ARS, ASA, ASCR, CPD, CSREES, FNS, FS, FSA, FSIS, IGA, NASS, NRCS, OHS, RD, and RMA; and other Federal agencies, including EPA and FEMA

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

The needs of SDFRs and marginalized rural communities, including farmworkers, are not being adequately addressed in times of disasters. USDA's interagency disaster response process, including coordination with other Federal agencies as well as community-based organizations (CBOs), is not sufficient.

The new agriculture disaster programs authorized in the 2008 Farm Bill are complex. SDFRs have had great difficulty in accessing disaster programs in the past, and the new authorities do not make that access easier.

As USDA implements these new programs, it has not yet sought the new authorities that are needed to close gaps in disaster assistance for SDFRs and farmworkers.

### **Recommended Actions:**

8.1) The Secretary should take into consideration the needs of SDFRs when implementing the new programs in Section 12033, Supplemental Revenue Assistance Payments (SURE), and Section 15010, Supplemental Agricultural Disaster Assistance Program (SADA). Regulations developed to implement these programs should include clear instructions to local offices on how to assist producers, and especially SDFRs, to meet program requirements.

8.2) USDA should develop the regulations, policies, and procedures needed to expeditiously implement the transparency and accountability requirements of Section 14006 of the 2008 Farm Bill, as well as the provisions for receipt for service in Section 14003, with respect to all disaster programs, including subsidized crop insurance programs (see Issue # 7, Risk Management).

8.2 a) The Assistant Secretary for Civil Rights (ASCR) and USDA agencies should use data collected according to Section 14006 of the 2008 Farm Bill to conduct regular evaluations and compliance reviews on disaster programs. Action plans should be developed to address any gaps in the participation of SDFRs, compared to other farmers and ranchers.

8.2 b) ASCR and the Risk Management Agency (RMA) should conduct a review of equity in pricing, loss adjustment, and service in crop insurance programs and the Noninsured Crop Disaster Assistance Program (NAP) to ensure that losses are properly and fairly reviewed for all producers, and that a diverse pool of qualified adjusters exists. The review should identify any problems and recommend appropriate remedies.

8.3) USDA should ensure that CBOs receive adequate support to educate SDFRs on benefits of the new programs, and how to meet requirements such as the need to file paperwork to obtain a payment waiver.

8.4) Projects funded under Section 12026 of the 2008 Farm Bill, Risk Management Education for Beginning Farmers or Ranchers, should provide education and technical assistance to help SDFRs and beginning farmers and ranchers (BFRs) to understand new disaster programs (see Issue # 7, Risk Management).

8.5) The Secretary should expeditiously establish and fill the Farmworker Coordinator position and immediately delegate authority to that position to manage the program of emergency grants to farmworkers.

8.5 a) The Secretary should delegate authority to the Farmworker Coordinator to gather information to assess farmworker needs in response to emergencies and inform the Secretary of the level of need. The Secretary should ensure that adequate support for the program of emergency grants to farmworkers is reflected in requests to Congress, and integrated into any plan the Secretary develops for disaster response.

8.5 b) The Farmworker Coordinator should work with CBOs and help coordinate their efforts with the states, organizations advocating for improved nutrition, and others to meet nutrition, housing, and health needs during and after a natural disaster.

8.6) USDA should improve coordination of disaster response and assistance across all agencies, clearly assigning responsibilities and developing a system for interagency coordination and coordination with field partners, including CBOs.

8.6 a) USDA should conduct a review of its response to previous disasters in partnership with CBOs and others from communities impacted by Katrina and other disasters. This working group should assess the overall role of food and agriculture programs in disaster response, pinpoint additional needs, and recommend improvements to ensure equity and improve preparedness, response, and coordination.

8.6 b) USDA agencies and CBOs with experience in disaster response should, in light of this review, evaluate Departmental Regulation 1800-1, "Departmental Emergency Programs Responsibilities," for adequacy. The working group should also review National Response Plan Emergency Support Function # 11, with its requirements for coordination between the USDA Office of Homeland Security (OHS), the Federal Emergency Management Agency (FEMA), and responsible USDA agencies to provide emergency support in the area of food and agriculture once the President declares a Federal emergency. The working group should recommend improvements, and USDA should then reissue the regulation.

8.6 c) USDA should support the emergency response efforts coordinated by the Continuity of Operations Planning Division (CPD) and FEMA.

8.6 d) Any new regulation on disasters should include a review and updating of protocols on the preparation of preliminary disaster reports that assess the state of agricultural and post disaster needs. These should be revised to include CBO collaboration and tools to pinpoint the immediate needs of farmworkers and SDFRs.

8.6 e) The Farmworker Coordinator, the Office of Advocacy and Outreach (OAO), and Intergovernmental Affairs (IA) should establish a system to work collaboratively with state and local disaster teams. With the CBOs, these USDA agencies should develop and test cross-government response mechanisms in farm and rural-based scenarios and ensure that communication channels are established well in advance of any emergency, with effective follow-up to mitigate a disaster's impact on communities.

8.6 f) USDA should work with CBOs to evaluate the adequacy of policies and programs that address preparedness, response, and recovery, particularly with respect to cleaning up and repairing rural infrastructure, and develop specific procedures to involve CBOs in disaster preparedness and response.

8.6 f i) USDA and CBOs should develop links with state Resource Conservation and Development (RC&D) programs that focus on emergency preparedness and response.

8.6 f ii) Local producers, farmworkers, and members of Indian tribes, cooperatives, and CBOs should be identified, encouraged, and trained to become first responders in their communities.

Essential tools for teams, such as emergency phones, should be provided before disasters to CBOs and others who receive response training in disaster-prone areas.

8.6 f iii) USDA and CBOs should identify places where producers and farmworkers have insufficient access to emergency communication. They should be encouraged to get crank radios, cellphone chargers, and flashlights with emergency response channels. Funding should be found to buy these items in bulk and distribute them at low cost or no cost to populations who cannot afford to buy them.

8.6 g) The Secretary assign a staff member specifically to handle community liaison and ombudsman activities with CBOs in times of disaster. ASCR and OAO should be involved in this work.

8.6 h) USDA with its CBO partners should prepare a resource guide that catalogs stakeholder options in emergency conditions and their aftermath. USDA should also prepare a plan to communicate information about disasters. That information should be provided in culturally appropriate formats, such as on Hispanic and Hmong radio programs; in brochures and Websites in Spanish and Hmong; and through 1-800-HELP lines where speakers of Spanish and other languages will respond to callers.

## **PROGRESS TO DATE**

USDA, through CPD, has made provisions for the continuity of the Department's operations in the case of a threat or disaster that impacts the nation and the Federal government's ability to function. In such a situation, USDA agencies will work through CPD and in conjunction with FEMA to ensure that essential services are maintained and that disaster support is effectively provided, including ensuring food safety, providing emergency food supplies in shelters, construction and/ reconstruction of facilities damaged by the disaster, and disaster assistance through the Supplemental Nutrition Assistance Program (SNAP).

Through the Partners process, USDA staff has begun sharing information with CBOs on CPD and USDA disaster response mechanisms that were previously unclear.

The longstanding CBO recommendation that a Farmworker Coordinator position be created was finally endorsed when Congress implemented the CBOs' proposal in the 2008 Farm Bill. Section 14013(f) establishes a Farmworker Coordinator to ensure access to services and support for low-income migrant and seasonal farmworkers in disaster and other programs, details responsibilities, authorizes funding for this position, and specifies that the position be located within OAO.

Section 14013(f)(2)(A), Administration of Emergency Grants to Assist Low-Income Migrant and Seasonal Farmworkers, assigns responsibility for administering this emergency grants program to the Farmworker Coordinator.

The 2008 Farm Bill also made substantive changes in the structure of USDA disaster programs. A permanent agricultural disaster assistance trust fund would replace ad hoc disaster responses, with several programs designed to comprehensively address agricultural disasters across the nation:

- Section 12033, Supplemental Revenue Assistance Payments (SURE), calls for fair and equitable coverage for whole-farm crop losses due to natural disasters.
- Producers are required to purchase crop insurance or NAP in order to be eligible for disaster assistance, but fees are waived for SDFRs who file required paperwork. Producers who are otherwise ineligible may exercise a buy-in waiver by paying a fee. Those carrying higher levels of insurance will be eligible if they make higher payments.
- The section also authorizes a buy-in waiver for the Supplemental Agricultural Disaster Assistance Program (SADA) that allows farmers and ranchers who would otherwise be ineligible for the new disaster assistance programs to become eligible by paying a fee.

Section 12033 further fills many gaps in coverage with new programs that could benefit SDFRs and provide continued work for farmworkers:

- The Livestock Forage Program extends assistance for livestock forage to ranchers located in a county that is experiencing a severe, extreme, or exceptional drought condition.
- The Orchard and Nursery Tree Assistance Program provides compensation to allow specialty crop farmers to replant trees and vines that have been destroyed by natural disasters such as hurricanes, freezing rain, or severe temperatures.
- The Livestock Indemnity Program provides indemnity payments to ranchers whose livestock are lost due to disasters such as extreme heat, blizzards, or hurricanes.
- The Emergency Assistance for Livestock, Honeybees, and Farm Raised Fish addresses unique disasters not adequately covered by any other program, including unique or isolated disasters such as floods, tornadoes, hurricanes, or colony collapse disorder.

Section 15101, which establishes SADA, also requires all producers to obtain crop insurance for insured commodities or to pay administrative fees for NAP. The section contains a purchase requirement waiver for SDFRs and BFRs that waives the fees for their participation in the program, but they must still file appropriate paperwork.

## **DEFINING CHANGE**

Change would mean that SDFR's and farmworkers are recognized as an important and growing part of America's food and agriculture system and an economic engine for their communities. A coordinated and effective emergency preparedness and response system would address the unique needs of this important sector, rather than having a "one size fits all" approach.

USDA disaster programs would equitably address the needs of SDFRs, and tools would be in place to reduce their vulnerability to disasters. Adequate resources and technical assistance would be available to CBOs serving SDFRs and farmworkers.

## **ISSUE # 9: RURAL DEVELOPMENT**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The Rural Development (RD) mission area of the U.S. Department of Agriculture (USDA) has not built a strong enough relationship with community based organizations (CBOs) to ensure that socially disadvantaged farmers and ranchers (SDFRs), their communities, Indian tribes, and farmworkers have access to the full range of RD services that they need.

Current and proposed programs and priorities suggest that RD is increasingly divorced from agriculture. At the same time, rural-based agricultural businesses and value-added enterprises that serve SDFRs, Indian tribes, and farmworkers need access to RD services in order to succeed.

CBOs representing SDFRs and their communities feel that they have not received the amount of information and assistance they need to successfully access and participate in RD programs, nor have they received the same standard of service provided to others.

RD lacks programs tailored to the needs of SDFRs and their businesses, especially access to credit and the building of marketing infrastructure. Stringent requirements for matching funds pose a disproportionate burden on to SDFRs, who already suffer from a lack of capital and investment. At the time of the August 2008 Partners meeting, RD had not implemented the transparency and accountability requirements of Section 10708 of the 2002 Farm Bill, nor had it reviewed the data it had collected with the CBOs to make improvements in the access SDFRs have to its services.

For the most part, SDFRs have not had access to value-added grants and related resources from RD. The criteria for these grants are written in a way that favors large-scale farmers, ranchers, and cooperatives. The grant review process for many RD programs are also biased against SDFRs. Reviewers and state level personnel don't know the socially disadvantaged communities in their areas and/or don't want to share resources with CBOs and SDFRs outside their own personal and professional networks. For example, programs with the notice of funds availability (NOFA) system may work with multifamily housing because of the formal review process, but programs such as community facility loans and grants continuously accept applications but lack a clear and accountable review process. (See Issue # 6, Access to USDA Grant and Cooperative Agreement Programs for additional detail on grant related issues).

The dominant perception in USDA that SDFRs and CBOs can successfully access funds with training to improve grant-making skills is false. Recommended changes to grant programs, including measures to ensure equitable representation of SDFRs in peer review processes, have not been implemented. The lack of support for technical assistance delivered by CBOs and the limited assistance provided to SDFRs directly from RD also contribute to gaps in service to SDFRs. So does the lack of support

dedicated to CBOs from USDA, which means CBOs cannot maintain trained staff with adequate time to successfully write and submit grants. Many rural CBOs do not have access to high-speed broadband and thus find it difficult to respond to growing requirements for online submissions for loans, applications, and extension services.

Indian nations and farmworkers' communities lack access to critical infrastructure to meet basic needs. The Federal government often overlooks farmworkers and their needs for financial and medical relief during natural and manmade disasters. Farmworkers often live in substandard housing that cannot withstand extreme weather conditions, such as hurricanes (see Issue # 4, Farmworkers, USDA, and U.S. Agriculture).

The following systemic concerns were also identified:

- Staff at RD field, state, and headquarters offices lacks diversity and adequate cultural sensitivity.
- Not enough publications are available in languages other than English.
- The location of some field offices restricts SDFRs' access to services.

### **AGENCIES AFFECTED**

RD, as well as AMS, ARS, CSREES, ERS, the Farmworker Coordinator, FSA, FSIS, NASS, NRCS, and OAO

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

In many states, there is no effective partnership between RD and the CBOs, who do not receive the same standard of service as other RD constituents.

RD's role in rural economic development, such as value-added businesses and infrastructure, is not being equitably extended to SDFR communities.

USDA is not addressing the perception that RD is divorced from agriculture.

### **Recommended Actions**

9.1) When the President appoints the new state directors of RD, he should select a diverse group of people who are committed to building relationships with SDFRs, Indian tribes, and farmworkers and ensuring equity in RD programs in their respective states.

9.2) The diversity of staff at every level of RD should be reviewed with CBOs and made public. Plans to increase diversity should be developed for the national, state, and field offices.

9.3) Productive partnerships between CBOs and RD staff and leaders should be established at every level. RD should work with the CBOs to develop a strategic plan for outreach from the national and state offices, with performance measures for service to SDFRs, Indian tribes, farmworkers, and their communities. RD's Office of Outreach should serve as a focal point for the mission area outreach activity and work with the Office of Advocacy and Outreach (OAO) and counterparts in other USDA agencies.

9.4) The Secretary must take steps to ensure equal access to all RD programs:

9.4 a) A baseline assessment of the participation of SDFRs and their communities in RD programs should be undertaken, with the results shared and discussed with CBOs, and actions taken to address gaps in service. Clear goals for improvement should be set.

9.4 b) RD must adopt procedures and develop data collection systems that meet the requirements of Section 14006 of the 2008 Farm Bill, and that produce the set-asides for SDFRs established in several RD programs in the bill. The problems that SDFRs and their communities face in accessing these programs should be taken into consideration as new regulations are issued.

9.4 c) RD should ensure consistency and equity in all offices, in part by instituting the requirements for a receipt for service or denial of service of Section 14003 of the 2008 Farm Bill.

9.5) RD should relate to American Indian tribes on a nation-to-nation basis and employ the required consultative process as it implements the new authorities related to tribes in the 2008 Farm Bill (see Issue # 2, Equity and USDA's Relationship with American Indian Tribes).

9.6) A consultative process between RD, the Farmworker Coordinator, and CBOs serving the farmworker community should be established to review the adequacy of programs for farmworkers.

9.7) Education materials and outreach should be provided in various languages and through accessible means of communication, such as in large type or by voice for the vision or hearing impaired. Information on new and existing programs and services should be publicized in local rural media.

9.8) RD should work with the CBOs to ensure the adequacy of programs designed to provide broadband access to underserved communities.

9.9) RD needs to work with CBOs to develop a plan to provide grants and services targeted specifically to SDFRs.

9.10) While producers' education and financial literacy are clearly issues in their access to programs, the biggest problem remains discrimination in program delivery. USDA must recognize that the major factor compromising the ability of CBOs to secure funding

is the absence of general, ongoing support from USDA or any other source that would allow them to train and retain staff with time to focus on grant writing. RD should also earmark dollars and provide separate grant pools to support programs by CBOs and other constituent-friendly groups to provide technical assistance and encouragement to SDFRs to submit proposals.

9.11) RD needs to ensure that SDFRs have equitable access to the Rural Value Added and Rural Cooperative Development Grants. A fair peer-review process should be implemented, with reviewers from socially disadvantaged communities. RD must also collect the data necessary to ensure that the funding set-asides for SDFRs are executed.

9.12) RD should, in consultation with the CBOs, consider a process that allows proposals from SDFRs and the CBOs or cooperatives that represent them to be first evaluated at the state level. Those not funded at the state level should be reviewed in a funding pool at the national level.

9.13) Loan review groups and the review process used for housing grants should be explored as models for other review panels.

9.14) USDA needs to help CBOs provide training and assist SDFRs in creating and maintaining cooperatives. RD needs to better support CBOs and cooperatives by providing technical assistance to help SDFRs meet the legal, record-keeping, and taxation requirements associated with cooperatives.

9.15) RD should work with CBOs to secure additional authority and funding from Congress to help SDFRs develop infrastructure—including packing sheds, processing infrastructure, and refrigerated trucks—so they can meet the requirements of the marketplace. Improving SDFRs' access to venture capital, alternative capital, and micro loans should also be explored as ways to meet infrastructure needs.

9.16) RD should provide program information events of the CBOs, SDFRs, farmworkers, Indian tribes, and underserved rural communities.

9.17) RD should develop a process to fund CBOs' education of SDFRs on RD programs and services, especially with regard to stimulus package funding. In collaboration with the other USDA agencies listed above, RD should work with CBOs to identify and seek funding for "ready to go" projects eligible for stimulus funds.

9.18) RD should use the Appropriate Technology Transfer for Rural Areas (ATTRA) Program to provide information about accessing resources provided in the 2008 Farm Bill and the stimulus package.

9.19) RD should develop disaster response plans with cooperatives and CBOs and ensure that those organizations are used as first responders in their communities. RD should help CBOs and rural communities obtain business and community facility loans in case of disaster, which are available for purposes such as the purchase of fire trucks

and ambulances, and the development of affordable housing and day-care and medical facilities (see Issue # 8, Disaster Preparedness and Response).

## **PROGRESS TO DATE**

The CBOs recognize that RD has had some success in assisting cooperative and small business development. RD programs have also served farmworkers, and RD has developed some relationships with the farmworker community. Ongoing housing programs, including the successful ones, were not covered in this report but merit review.

The 2008 Farm Bill increased authority for expanded RD programs, providing set-asides and other assistance to SDFRS, American Indian tribes, and farmworkers:

- Section 6007, Tribal College and University Essential Community Facilities, provides that the Secretary may not require non-Federal support greater than 5 percent of the total cost of the facility.
- Section 6009, Water Systems for Rural and Native Villages in Alaska, reauthorizes the program and authorizes \$1.5 million in funding to the Denali Commission to provide assistance to municipalities.
- Section 6105, Substantially Underserved Trust Areas (SUTAs), improves utility service on trust areas by making Rural Utilities Service (RUS) loans available with interest rates as low as 2 percent. The section also allows the Secretary to waive nonduplication restrictions and matching funds requirements, and to give the highest funding priority to projects in SUTAs.
- Section 6013, Rural Cooperative Development Grants, authorizes grants to nonprofit institutions for establishing and operating centers for rural cooperative development, including multiyear grants for centers with a proven track record of success. The grants may be used to promote and assist the development of cooperatively owned businesses. Appropriations of up to \$50 million are authorized for FYs 2008 through 2012. In years when more than \$7.5 million is appropriated, 20 percent of the funds must go toward cooperatives serving SDFRS. RD has implemented the set-aside provision and provided a recently closed grant round specifically tailored to cooperatives of small and socially disadvantaged producers.
- Section 6016, Appropriate Technology Transfer for Rural Areas, creates a permanent authorization for a national technology transfer program to assist agricultural producers to reduce input costs, conserve energy, diversify their production, and expand their markets through sustainable farming practices. The section authorizes up to \$5 million for each of FYs 2008 through 2012.
- Section 6202, Value-Added Agricultural Product Marketing Development Grants, reauthorizes the program and requires the Secretary to give priority to projects that increase opportunities for beginning farmers and ranchers (BFRs), SDFRS, and

others to develop new ventures that do not have well-established markets or product-development staffs or budgets. The section provides \$15 million in mandatory funds, with authority for appropriations of up to \$40 million a year, and includes a 10 percent set-aside for SDFRs and BFRs and priority for technical assistance to underserved areas. Proposed rules for this program were published in October 2008, with comments due by December 2008. The Notice of Funds Available (NOFA) Announcement of Value-Added Producer Grants was published in the Federal Register on Tuesday, September 1, 2009.

- Section 6002, Special Evaluation Assistance for Rural Communities and Households (SEARCH), establishes a program to provide predevelopment planning grants to financially distressed communities in rural areas, with populations of 2,500 or less, for feasibility studies, design assistance, and technical assistance for water and waste-disposal projects.
- Section 6010, Grants to Nonprofit Organizations to Finance the Construction, Refurbishing and Servicing of Individually-owned House Water Well Systems In Rural Areas for Individuals with Low or Moderate Incomes, provides grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually owned household-water well systems in rural areas for individuals with low or moderate incomes. The RUS NOFA was published on November 20, 2008, and applications closed on May 31, 2009.
- Section 6011, Interest Rates for Water and Waste Disposal Facilities, requires the Secretary to reduce interest rates on loans for water and waste disposal.
- Section 6015, Business and Industry Loan Program, provides loan guarantees to establish and support enterprises that process, distribute, aggregate, store, and market locally or regionally produced food products.
- Section 6022, Rural Microenterprise Assistance Program, provides loans and grants to nonprofit organizations and Indian tribes to support the development and success of rural microenterprises. A 15 percent match is required.
- Section 6110, Access to Broadband Telecommunications Services in Rural Areas, creates a new broadband fund—authorized for up to \$25 million per year—to provide loans and loan guarantees for the development of broadband service in rural areas, with priority for areas with no incumbent providers.
- Section 6112, Comprehensive Rural Broadband Strategy, requires development, with the Federal Communications Commission (FCC), of a comprehensive rural broadband strategy. RUS and FCC are working together to implement this strategy, and a report is expected in 2009. A fact sheet on the American Recovery and Reinvestment Act (ARRA) broadband investment program was issued by RUS on March 26, 2009.
- Section 6206, Study of Rural Transportation Issues, authorizes USDA and the U.S. Department of Transportation (DOT) to conduct a joint study of transportation issues

regarding the movement of agricultural products, domestically produced renewable fuels, and domestically produced resources for the production of electricity for rural areas of the United States and for economic development in those areas. The study is to be presented as a report to Congress not later than one year after the enactment of the 2008 Farm Bill.

- Section 6302, Assistance to Housing Assistance Council (HAC), authorizes appropriations to HAC of up to \$10 million for FYs 2009 through 2011 for technical assistance, loans, grants, and other activities that expand the capacity of community-based housing-development organizations to undertake community development and affordable housing projects and programs in rural areas.

### **DEFINING CHANGE**

Change would mean an increase in access to RD programs, and an increase in the number of approved applications for assistance from Indian tribes and SDFRs and their communities.

Change would mean that RD programs are more suitable for small farmers, and the diversity and cultural sensitivity of USDA agencies are measurably improved. More partnerships between CBOs and RD state directors would be established.

Change would mean that the peer review process for all RD programs would be fairer and more inclusive. CBOs and the communities they represent would have access to stimulus funds and other budget resources. New energy programs would be implemented and accessible to socially disadvantaged communities. Rural communities would become more viable and prosperous.

## **ISSUE # 10: RENEWABLE ENERGY**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

In the 2008 Farm Bill, the stimulus bill, and in emerging multiagency work, the Federal government is rapidly developing new programs and policies to promote renewable energy and better use of energy resources. As with many new and emerging programs, the challenge remains how to give socially disadvantaged farmers and ranchers (SDFRs) and their communities access to these programs.

Concerns over the cost, supply, and security of petroleum, along with awareness of the effects of carbon emissions on the environment have dramatically increased public awareness of renewable energy production. Renewable energy is defined as any form of energy derived from non-fossil fuel sources, such as renewable biomass and wind, solar, and geothermal energy; it is used to produce fuels, heat, and electricity.

The Federal government largely supports greater renewable energy research and development, as well as capital investment in renewable energy production by farmers, ranchers, and small businesses. Indeed, both the steep increase from 1 billion gallons of domestic ethanol produced in 2000 to the current level of 6 billion gallons per year and the current administration's goal of having 20 percent of the country's energy supply come from renewable sources are dramatic indications of the successful expansion of domestic production of renewable energy.

Diversification of American agriculture to include the production of renewable energy presents many opportunities and challenges. Renewable energy opportunities are dominated by a few big corporations. Most new energy programs have complex requirements. Only a few include specific language designed to make them accessible to SDFRs and the community-based organizations (CBOs) and cooperatives that represent them.

Programs are not tailored to small landowner participation, and program administrators lack knowledge not only of those landowners' needs, but also of the true cost of making renewable energy production financially viable. The U.S. Department of Agriculture (USDA) must work with the SDFRs and CBOs to provide resources to allow SDFRs to quickly gain the expertise they need to access these new programs for the benefit of socially disadvantaged communities.

Other problems raised in the Partners process include:

- Energy cost is the biggest budget item in farming, and increased fuel costs have a huge impact on producers' profitability. On-farm applications of wind, solar, biomass, and geothermal energy all need to be looked at, in addition to using ethanol as an alternative energy source.

- It is essential to conduct further analysis in the near future of the costs and benefits of sources of renewable energy, including their full environmental impact.
- New programs are not always accessible to, and do not always benefit, the intended parties.

## **AGENCIES AFFECTED**

RD, as well as ARS, CSREES, FS, FSA, and NRCS

## **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

Renewable energy is a new yet important area for SDFRs and most CBOs. USDA needs to consult with the Indian tribes and CBOs in order to identify and address challenges to their participation in the developing field of renewable energy production, and needs to begin working with them to develop strategies for their inclusion. There are concerns that, without proactive efforts by USDA to address resource inequities in existing programs, most CBOs and SDFRs will not be able to participate in energy programs or in the lucrative market for renewable energy, and many SDFRs will be unable to meet their energy needs.

### **Recommended Actions**

10.1) Monitoring the distribution of funds through the many new 2008 Farm Bill and 2009 Stimulus package programs is essential. The Secretary should ensure implementation of data collection under the transparency and accountability requirements of Section 14006 of the 2008 Farm Bill, and issue reports on the participation of producers and businesses by race, gender, and ethnicity. If SDFRs and the CBOs that represent them do not gain access to programs, the Secretary should take action to investigate why that is the case, and with the CBOs should develop solutions to remove barriers.

10.2) The Secretary should take action to ensure that peer review panels include a critical mass of groups representing, and familiar with the needs of, SDFRs.

10.3) With respect to Section 9011, Biomass Crop Assistance Program, of the 2008 Farm Bill, the Secretary must issue regulations for public comment, outlining how preferences for beginning farmers and ranchers (BFRs) and SDFRs will be implemented.

10.4) The Secretary should ensure that the implementation and regulatory process on energy programs results in a level playing field and provides real access for SDFRs. For example, USDA needs to take immediate remedial actions to remove barriers to SDFRs in Section 9007 of the 2008 Farm Bill, Rural Energy for America Program. The Secretary should consider forming a group of SDFRs, CBOs, and USDA agencies to review issues relating to access to energy programs and policies, and to make

recommendations that will make the programs more accessible. These should include waivers of matching requirements for grant programs.

10.5) The National Agriculture Law Center and other legal entities serving SDFRs should be engaged to train SDFRs regarding the legal, ownership, and management issues associated with renewable energy development. With CBOs and minority serving educational institutions, these entities should develop programs to ensure that SDFRs are familiar with the legal and ownership issues, including the impact on land tenure and continued access to water, natural resources, surface rights, and all other property and contract rights.

10.6) The CBOs and their legal partners should develop templates of buyer's and preference contracts for selling crops and utility power purchase agreements, and should share and evaluate contracts provided to SDFRs. The Assistant Secretary for Civil Rights (ASCR) should make sure the contracts are equitable, and all regulations should clearly and prominently require recipients' compliance with all applicable civil rights laws.

10.7) USDA needs to work with CBOs, historically black colleges and universities (HBCUs), and cooperatives to develop comprehensive strategies to ensure that SDFRS have enough technical assistance to take advantage of the financial rewards involved in producing renewable energy.

10.8) USDA should create an energy efficiency program and provide grants under it to help SDFRs address environmental issues and produce energy for their farm operations.

10.9) USDA should evaluate the need to secure sources of equity funding for SDFRs and CBOs to cover startup costs. USDA should develop strategies to either waive matching requirements or ensure that SDFRs and CBOs have access to sources of funding to meet the required match.

10.10) USDA should work with SDFRs to develop sustainable production of ethanol in addition to corn and should consider subsidizing oil prices to help small and underserved farmers and ranchers pay for fuel.

10.11) USDA should consider creating certification programs for renewable energy production and establishing biomass zones similar to empowerment zones. It should contract with the Small Business Administration (SBA) to create sole source power purchase opportunities for small farmers, to help regions develop alternative energy sources and create new businesses using many types of renewable energy, such as solar, wind, biomass, geothermal, hydroelectric, and ocean (tidal, wave, current, and thermal) energy.

## **PROGRESS TO DATE**

Renewable energy today has endless possibilities. SDFRs have shared success stories in reducing the impact of the high cost of fuel on their family farm operations. One family that moved to biodiesel production reduced its annual fuel cost from \$24,000 to \$1,000, after developing its first reactor to convert cooking oil to biodiesel. The family is working to set up its farm as a demonstration project that other small-scale and limited-resource farmers can use as a model.

The CBOs worked to include set-asides for socially disadvantaged communities in farm bill energy programs, with modest success. The following is a summary of the substantive new authorities found in the 2008 Farm Bill, and the status of these programs.

- Section 9002, Biobased Market Program, creates a Federal procurement program and a voluntary labeling program for biobased products, with mandatory funding of \$1 million for FY 2008 and \$2 million per year from FYs 2009 through 2012. Additional appropriations of \$2 million per year, from FY 2009 to 2012, are authorized.
- Section 9003, Biorefinery Assistance, establishes loan guarantees for the development, construction, and retrofitting of commercial-scale biorefineries, and grants to help pay for the development and construction costs of demonstration-scale biorefineries. Mandatory funding of \$75 million in FY 2009 and \$245 million in FY 2010 is provided for pilot projects, facility conversions, and feasibility studies related to biomass conversion, with authority for an additional \$150 million in appropriations for each of FYs 2009 through 2012 for both demonstration- and commercial-scale biorefineries.
- On January 16, 2009, USDA approved a conditional commitment for an \$80 million guarantee for a cellulosic ethanol plant in Soperton, GA. Having received an earlier grant from the U.S. Department of Energy (DOE), the plant is under construction. A second application for a guaranteed loan for \$25 million for a commercial-scale biorefinery plant was approved on June 24. An additional \$245 million in budget authority from the 2008 Farm Bill, which would support about \$691 million in loan guarantees, becomes available in FY 2010. Pending actions include the development of ongoing regulations, and a notice of funds availability (NOFA) to make funding available for FY 2010.
- Section 9004, Repowering Assistance, provides payments to biorefineries that were in existence at the time the 2008 Farm Bill was passed to convert their operations from fossil fuels to renewable biomass. Funds of \$35 million were provided for FY 2009 and will remain available until exhausted. Additional funding of \$15 million per year is authorized from FYs 2009 through 2012. A NOFA was published in the *Federal Register* on June 12, 2009, making up to \$20 million available for projects for the conversion of biorefinery heating and power systems to renewable biomass. The remaining \$15 million in mandatory funding will be available in FY 2010.

- Section 9005, Bioenergy Program for Advanced Biofuels, provides payments to eligible agricultural producers to support and ensure expanded production of advanced biofuels. Mandatory funds of \$55 million are provided in FYs 2009 and 2010, \$85 million in FY 2011, and \$105 million in FY 2012, with authorization for additional funds of up to \$25 million per year for FYs 2009 through 2012. A notice of contract proposals (NOCP) for \$30 million to make payments to biorefineries for the production of advanced biofuels (other than kernel corn starch) was published in the *Federal Register* on June 12, 2009. The remaining \$25 million in mandatory funding will be available in FY 2010.
- Section 9006, Biodiesel Fuel Education Program, provides competitive grants to assist farmers, ranchers, and small rural businesses to increase energy efficiency and use renewable energy. It removes oil refiners, auto companies, and fleet owners as targeted entities and provides \$1 million for each of FYs 2008 through 2012. The \$1 million in funding available for FY 2008 has been obligated by the Cooperative State Research, Education, and Extension Service (CSREES) to the National Biodiesel Board and the University of Idaho. CSREES awarded continuation grants for an initial period of one year and agreed to support the project for a predetermined period contingent on the availability of appropriated funds and the satisfactory progress of the project. If these criteria are met, additional support will be provided for FYs 2009 through 2012.
- Section 9007, Rural Energy for America Program (REAP), expands and renames the program formerly called the Renewable Energy Systems and Energy Efficiency Improvements Program. The program promotes energy efficiency and renewable energy development for agricultural producers and small businesses through grants for energy audits, renewable energy development assistance, and financial assistance for energy efficiency improvements and renewable energy systems. The section makes hydroelectric source technologies eligible and increases loan limits. Mandatory funds of \$55 million for FY 2009, \$60 million for FY 2010, and \$70 million for FYs 2011 and 2012 are provided, with authority for additional funds of \$25 million per year for FYs 2009 through 2012.
  - A notice of solicitation of applications (NOSA), soliciting applications for about \$2.4 million in grants for energy audits, was published in the *Federal Register* on March 11, 2009. A NOSA for the remaining portion of the \$60 million available for FY 2009 (including \$5 million from the Omnibus Appropriations Act and \$55 million from the 2008 Farm Bill) was published in the *Federal Register* on May 26. This funding may be used for guaranteed loans and grants for feasibility studies, and a wide range of energy-efficiency improvements and renewable-energy systems. Although the April 15 deadline for reserving a portion of the REAP funding for energy audits has passed, Rural Development (RD) plans to consider applications for such audits along with all other applications received. REAP is limited to agricultural producers and rural small businesses. Current regulations do not allow REAP funds to be used in nonrural areas. However, RD plans to change its regulations to

allow agricultural producers in nonrural areas to qualify for REAP funds beginning in FY 2010.

- Section 9008, Biomass Research and Development Initiative (BRDI), provides competitive grants, contracts, and financial assistance to eligible entities to carry out research on and development and demonstration of biofuels and biobased products, and the methods, practices, and technologies for their production. The bill provides \$20 million in mandatory funds in FY 2009, \$28 million in FY 2010, \$30 million in FY 2011, and \$40 million in FY 2012, with authorization for additional appropriations of up to \$35 million per year for FYs 2009 through 2012.
  - An announcement of the availability of \$25 million in funding (\$20 million from the 2008 Farm Bill and \$5 million from DOE) was made on January 30, 2009. The deadline for submitting preapplications has passed, and those received are being evaluated.
- Section 9009, Rural Energy Self-Sufficiency Initiative, provides grants to enable eligible rural communities to substantially increase their energy self-sufficiency, with authority for funds of \$5 million per year, from FY 2009 to FY 2012.
  - Implementation progress includes preparation of a decision memo currently being drafted by the Under Secretary for Rural Development to determine what will be considered an “eligible project” and what will be considered an “eligible rural community.” Delivery to the Office of Budget and Program Analysis (OBPA) is expected by September 1, 2009, but the program has no mandatory funding. It authorized for discretionary funding of \$5 million for each fiscal year 2009-2012.
- Section 9010, Feedstock Flexibility Program for Bioenergy Producers, provides funds to subsidize the use of sugar for ethanol production through Federal purchases of surplus sugar for sale to ethanol producers. The program is on standby status until the Commodity Credit Corporation (CCC) acquires an inventory of sugar.
- Section 9011, Biomass Crop Assistance Program (BCAP), establishes a program to encourage the sustainable production of energy, and provides financial and technical assistance for operators of eligible cropland who produce eligible crops in a defined project area. A BCAP project area must have specified boundaries, be located within an economically practical distance from a biomass conversion facility, and include a producer able to supply the biomass needed by that facility. The program, to be implemented by the Farm Service Agency (FSA), requires that the Secretary consider the participation rates of BFRs or SDFRS in the project as a criterion in selecting BCAP project areas. Mandatory funding of “such sums as are necessary” is provided for each of FYs 2008 through 2012 for projects sponsored by a group of agricultural producers or a biomass conversion facility that pay producers to establish perennial or annual crops (not including

commodity program, noxious, or invasive crops) or trees destined for a biomass conversion facility. Certain land, such as “native sod” and land enrolled in reserve programs, is not eligible. Matching funds of up to \$45 per ton are included for collection, harvest, storage, and transportation of eligible material to a biomass conversion facility, and support may be used to establish and produce crops for conversion to bioenergy. FSA is working on a two-track approach to develop BCAP. Portions of the program that provide payments for the collection, harvest, storage, and transfer of eligible biomass were implemented in a NOFA that was published in the *Federal Register* on June 11, 2009. FSA will continue to develop implementing regulations for the remaining portions of the program, which provide payments for the use of such biomass in the production of biofuels.

- Section 9012, Forest Biomass for Energy, authorizes the Forest Service (FS) to conduct a comprehensive research and development program to use forest biomass for energy. FS, other Federal agencies, state and local governments, Indian tribes, land-grant institutions, and private entities are eligible to compete for program funds. Priority research areas include the use of low-value forest biomass for energy through programs to reduce hazardous fuels and increase forest health, integrated production of energy from forest biomass into biorefineries or other existing manufacturing facilities, the development of new transportation fuels from forest biomass, and improved growth and yield of trees for renewable energy production.
  - FS has begun implementation- a Catalogue of Federal Domestic Assistance (CFDA) description was submitted. No funds have been appropriated for this program.
- Section 9013, Community Wood Energy Program, provides grants to state, local, and tribal governments to develop community wood energy plans and to acquire or upgrade wood energy systems. The program encourages and demonstrates the use of community wood energy plans for public facilities or community-wide energy systems, promoting the use of biomass wastes from forestry hazardous fuel reduction and forest health projects, catastrophic weather events, and woody debris from municipal landfills; it also helps FS accelerate the development and use of new technologies to utilize these resources more productively. This program, which helps public entities use this local source of renewable energy as a viable addition to their overall community energy plan, authorizes funds in the amount of \$5 million per year from FY 2009 through FY 2012.
  - Delegation from the Secretary to FS to administer the program is in place, but direct funding to implement it has not been provided as authorized. FS is pursuing the program’s implementation, using funding from its overall state and private appropriation. An agency working group is developing a work plan for the Community Wood Energy Program, coordinating with RD to ensure that the new program is complementary with other biomass energy programs administered by RD. Separately, FS has awarded \$49 million in funding from

the American Recovery and Reinvestment Act (ARRA) for funding wood-to-energy projects.

### **DEFINING CHANGE**

Change would mean that SDFRs, Indian tribes, cooperatives, and small businesses would participate on an equitable basis in new and emerging energy programs, with access both to the programs' full benefits and to support for achieving greater energy efficiency and commercial energy production. Change would also mean that alternative fuel production would not in any way hinder the production of affordable food crops.

## **ISSUE # 11: CONSERVATION AND FORESTRY**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

Although the Natural Resources Conservation Service (NRCS) has made improvements in its field operations, challenges remain in the conservation and forestry programs of the U.S. Department of Agriculture (USDA).

Additional support and services are needed at the state and district levels to ensure that socially disadvantaged farmers and ranchers (SDFRs) have access to the complex array of programs. For example, SDFRs will require special support to meet the eligibility requirements of the Conservation Stewardship Program; otherwise, new set-aside criteria will not be met.

While the Environmental Quality Incentives Program (EQIP) has the potential to benefit SDFRs, community-based organizations (CBOs) have reported that their participation in it has been hampered both by prohibitive cost share rates and the requirement that funds be invested up front for the installation of conservation practices covered under the program for later reimbursement.

While NRCS has improved diversity and program access, SDFRs in many places continue to face barriers to participation in conservation and forestry programs, services, and activities. Some problems come from the statutory authority for programs, while others are related to ineffective program delivery and lack of public notification and agency accountability. Producers must register with the Farm Service Agency (FSA) to be eligible for NRCS programs that provide payments, and the unwillingness of many producers to enter offices of FSA—because of previous negative experiences—remains a barrier.

Moreover, NRCS local staff and committees in some areas remain linked to what many SDFRs describe as the “old boys’ network,” an insider network. SDFRs report that local NRCS offices do not routinely provide information on many programs. When SDFRs learn about programs’ benefits—such as new benefits for those producers in the 2008 Farm Bill—from CBOs, local NRCS staff sometimes refuse to acknowledge that they know anything about them.

The Forest Service (FS) has a long history of employment discrimination that has not yet been fully resolved. SDFRs have shared with CBOs their concern that grazing permits on FS land are handed down within the same families, and that SDFRs are generally excluded from access to grazing rights. Relationships between CBOs and FS, state foresters, and other FS staff have not been developed in most regions, and SDFRs are unfamiliar with many FS programs.

The following concerns have also been raised:

- USDA’s consultative process with Indian tribes needs strengthening, especially with respect to FS.
- USDA employees from headquarters to the field level are not held sufficiently accountable for their inequitable treatment of SDFRs.
- Outreach is not a priority in USDA’s strategic plans, and those who are responsible for conducting effective outreach lack adequate authority and resources.
- Local field offices are not accessible to all SDFRs.

### **AGENCIES AFFECTED**

FS and NRCS, as well as FSA and RD

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

The USDA agencies in this mission area are not held to acceptable standards of cultural sensitivity.

Challenges remain in overly complex program criteria and requirements, and in the need to equip SDFRs, Indian tribes, farmer cooperatives, and producer associations such as acequias with the skills they require to successfully access USDA programs.

### **Recommended Actions**

11.1) Partnerships between CBOs and state conservationists and foresters should be expanded, including collaboration with the NRCS civil rights committee.

11.2) FS should review NRCS accomplishments in achieving diversity and changing culture, and expand the relationships FS has begun building with CBOs, SDFRs, and landowners.

11.3) Natural Resources and the Environment (NRE) should provide reports on staff diversity by grade for all levels—i.e., national headquarters and regional, state, and field offices—and recommend strategies for minority recruitment and leadership development that will enable its employees to effectively serve multicultural communities and groups.

11.4) NRE should improve employee accountability measures to enhance program outreach efforts at all levels. Outreach and transparency and accountability results should be included as critical elements of performance reviews when staff are evaluated, and staff at the local levels should be promoted according to their ability to work with diverse constituents and their success in including SDFRs in programs.

11.5) NRE agencies should work with CBOs, conservation districts, state forestry agencies, and state technical committees to develop joint outreach priorities and implement the many tools in the 2008 Farm Bill that can help SDFRs participate equitably in conservation and forestry programs.

11.6) NRE should disseminate information about programs and other opportunities to CBOs in a timely fashion, beginning by developing a database of CBOs, communities, tribes, and other organizations.

11.7) NRCS and FS should develop and implement plans, with input from the CBOs, to reach potential beneficiaries who speak languages other than English, in accordance with the Limited English Proficiency (LEP) program of the U.S. Department of Justice (DOJ). The agencies should invest in state-of-the-art translation equipment and hire multicultural translators.

11.8) FS should work to expand CBOs' knowledge about forestry programs, opportunities, and issues. FS should increase awareness of the need to preserve forests by making the public more aware of forestry programs—for instance, by providing forestry camps for children.

11.9) NRCS and the CBOs should work with FSA and, if necessary, with the Assistant Secretary for Civil Rights (ASCR) to address areas where FSA services and culture need improvement.

11.10) NRCS should work with the CBOs to increase the number of certified technical service providers who are SDFRs or staff of the CBOs that represent them, to make sure that SDFRs have the level of technical support needed to qualify for NRCS programs.

11.11) The following 2008 Farm Bill provisions should be fully implemented expeditiously:

11.11 a) NRCS and FS should institute the receipt for service or denial of service, as required in Section 14003.

11.11 b) Regulations and procedures to collect the data necessary to meet the transparency and accountability requirements of Section 14006 should be implemented to ensure that the set-asides for SDFRs and beginning farmers and ranchers (BFRs) provided in Section 2704 for EQIP and CSP are met.

11.11 c) All SDFRs should be given the opportunity to clarify their status as SDFRs with NRCS, to ensure their eligibility for increased cost share rates and advance payments of 30 percent of costs in EQIP.

11.11 d) NRCS and FS should compile and release the data required under Section 14006 to determine how specific conservation funds are spent at the county level,

and what levels of funding SDFRs are receiving, compared to other producers. ASCR should use the results to measure civil rights compliance, and NRCS and FS should work with the CBOs to set shared goals to improve program participation.

11.11 e) NRCS should also report if any CSP acres are not obligated under Section 2704, and if authority provided in the section to repool the acres is used in any state or region. NRCS should work with the CBOs to make sure this authority is not misused in any state or locality, and that additional outreach and technical assistance is provided in areas wherever set-aside requirements are not met.

11.11 f) With respect to Section 2506, regulations should define the term “producer associations” to include acequia associations and should enable both acequias and producer cooperatives to submit EQIP applications on behalf of their members.

11.11 g) With respect to Section 2707, the Secretary should ensure that data on participation rates is compiled and made public to guarantee the inclusion of CBOs, cooperatives, and other organizations that serve SDFRs and Indian tribes.

11.11 h) The Secretary should implement the provisions in Sections 8101-07 designed to provide access to forest land, and to increase cultural respect and equity for Indian nations and people. (See Issue # 2, Equity and USDA’s Relationship with American Indian Tribes).

11.12) The Small Farms Initiative, which has been successful in some southeastern states, should be evaluated as a model for reaching small producers, and possibly expanded with an effective accountability system.

11.13) The CBOs and the Office of Advocacy and Outreach (OAO) should work with NRCS to develop proposals to modify conservation programs to reflect SDFRs’ type of production and conservation needs. A working group should be established to review the barriers raised by program procedures and requirements to participation by specific groups of farmers and ranchers, especially SDFRs and small acreage producers.

11.14) NRCS should share with farmers—through CBOs and tribal governments—the tools that the conservation districts have developed to assist CBOs, SDFRs, and others address local zoning and urban encroachment issues.

## **PROGRESS TO DATE**

NRCS is unique among USDA agencies in its commitment to reach and include SDFRs in its programs. NRCS has worked for many years to increase diversity in its workforce at every level, resulting in a more open organizational culture, more-productive relationships with CBOs and SDFRs at every level, and greater willingness to address barriers and problems as they arise.

The Small Farms Initiative implemented several years ago in selected states has achieved good results. The provision of wells and irrigation in the Mississippi River

Delta, for example, has led to the emergence of a community food system that has helped bring fresh, locally grown products to socially disadvantaged communities. The state conservationists also developed a Civil Rights Committee that appears open to collaboration with CBOs.

FS has worked with CBOs in the southeast on innovative programs to expand participation in forestry programs to protect land, while ensuring that SDFRs who use the programs have appropriate legal documents, including wills, to maintain their land tenure. This program should be evaluated for possible replication and expansion. Recent farm bills have provided increased focus on and funding for conservation programs, and have included new authorities in forestry programs in the NRE mission area.

Numerous sections of Title II of the 2008 Farm Bill—drafted and adopted in a collaboration among the CBOs, NRCS staff, and the Senate and House Agriculture Committees—provide new tools and expanded resources to reduce barriers to participation in conservation programs (see Issue # 5, *New and Emerging Farmers and Ranchers*). The proposals for set-asides in NRCS programs by the previous administration contributed to the ability of the CBOs and Congress to build the support necessary to secure passage of the set-asides.

Specific 2008 Farm Bill provisions that benefit SDFRs include:

- Section 2111, Conservation Reserve Program Transition Incentives, provides \$25 million over 10 years to facilitate the transition of Conservation Reserve Program (CRP) land held by a retired or retiring owner or operator to BFRs and SDFRs who agree to return some or all the land to sustainable grazing or crop production (see Issue # 5, *New and Emerging Farmers and Ranchers*).
- Section 2202, Maximum Enrollment and Enrollment Methods, recognizes Indian tribes as partners for the Water Enhancement Program and the Wetlands Reserve Program (WRP). The section makes tribes eligible for a 30-year contract (to be valued equivalent to a 30-year easement) and restoration cost-share agreements.
- Section 2503, Establishment and Administration of Environmental Quality Incentives Program, authorizes NRCS to provide advance payments of up to 30 percent to SDFRs, BFRs, and limited resource farmers or ranchers in EQIP and increases the cost share rate for SDFRs and BFR up to 90 percent.
- Section 2503(g), Funding for Federally Recognized Native American Indian Tribes and Alaska Native Corporations, allows the Secretary to enter into alternative funding arrangements with tribes that meet program goals and objectives and do not exceed statutory limitations on contracts.
- Section 2506, Environmental Quality Incentives Program Plan of Operations, allows a forest management or stewardship plan to serve as an EQIP plan of operation, and considers a permit required under a regulatory program to serve as

a plan. The 2008 Farm Bill Statement of the Managers includes a directive to the Secretary to allow producer associations and farmer cooperatives to act on behalf of their members in submitting applications to participate in EQIP.

- Section 2704, Assistance to Certain Farmers and Ranchers to Improve their Access to Conservation Programs, reserves 5 percent of total funds made available to carry out EQIP and of total acres made available to carry out CSP for SDFRs, and 5 percent for BFRs. Section 2706, Delivery of Technical Assistance, addresses the need to provide sufficient technical assistance to producers and landowners with non-Federal assistance and lays out a process for the certification of third-party providers. The section gives NRCS an opportunity to conduct training and to increase services to the SDFRs and BFRs who need them most.
- Section 2708, Administrative Requirements for Conservation Programs, authorizes the Secretary to provide incentives to participate in any conservation program to BFRs, SDFRs, limited resource producers, and Indian tribes, with some limitations. It also calls for the simplification of application processes to conservation programs to encourage the participation of new applicants, minimizing complexity and redundancy in the application process.
- Section 2707, Cooperative Conservation Partnership Initiative, encourages producers to cooperate to enhance conservation outcomes on agricultural and forest land in any conservation program except CRP, WRP, the Grassland Reserve Program (GRP), and the Farm and Ranchland Protection Program (FRPP). Eligible partners include state and local governments, Indian tribes, producer associations, farmer cooperatives, higher-education institutions, and nongovernmental organizations with a history of working cooperatively with producers on the conservation of agricultural and non-industrial forest land. The partners are to be chosen through a competitive grants process for multiyear agreements not to exceed five years.
- Section 14001, Improved Program Delivery by the Department of Agriculture on Indian Reservations, authorizes the Secretary to require NRCS and other agencies to establish consolidated suboffices at tribal headquarters on Indian reservations where there is a demonstrated need, and strikes the requirement enacted in 1990 that a tribe must pay for necessary office space if it wishes to participate in the program (see Issue # 2, Equity and USDA's Relationship with American Indian Tribes).
- Title VIII, Forestry, Subtitle B, Cultural and Heritage Cooperation Authority, allows the Secretary to implement procedures to work with American Indian tribes to protect cultural items and to strengthen traditional practices, in accordance with the American Indian Religious Freedom Act (see Issue # 2).
- Section 8402, Hispanic-Serving Institution Agricultural Land National Resources Leadership Program, establishes a competitive grant program for Hispanic serving institutions (HSIs) to establish an undergraduate scholarship program for Hispanics

and other underrepresented groups pursuing careers in forestry and related fields. NRCS has developed a database of its CBO partners and increased its sharing of information, including hosting several online conferences about the 2008 Farm Bill, with CBOs and other organizations. NRCS's timely and comprehensive dissemination of 2008 Farm Bill regulations and comment deadlines increased the CBOs' ability to submit substantive comments. NRE has also developed a translation and communication plan responsive to the Executive Order on LEP.

- Other 2008 Farm Bill implementation results include:
- FS is preparing to implement a range of programs that are dependent on the appropriation of funds. FS is also working with other USDA agencies to establish and fill the Forest Resource Coordinating Committee, which will advise the Secretary on issues related to private forests.
- USDA announced a plan to create an Office of Ecosystems Services and Markets and the establishment of a Federal Conservation and Land Management Environmental Services Board to fulfill the Environmental Services Markets of the 2008 Farm Bill. This office and board will assist the Secretary in developing new technical guidelines and science-based methods to assess environmental service benefits, which in turn will promote markets for ecosystem services, including carbon trading to mitigate climate change.
- Funding increases for conservation programs implemented for FY 2008 include an additional \$200 million for EQIP, \$150 million for WRP, and \$7.5 million for the Agricultural Management Assistance (AMA) Program.
- More than \$4 billion in conservation program funding was made available for FY 2009, including \$1.8 billion for CRP, \$1 billion for EQIP, \$570 million for WRP, \$100 million for FRPP, and \$74 million for the Wildlife Habitat Incentives Program (WHIP). Similar levels are available through FY 2012.
- Regulations for eight programs—AMA, CRP, EQIP, FRPP, GRP, Healthy Forest Reserve Program (HFRP), WHIP, and WRP—needed to implement financial awards and payments were published for comment between November 2008 and January 2009, the as were regulations for state technical committees, technical service providers, and the regional equity provisions that directly affect the operation, management, and support of the major conservation programs.

The CBOs have submitted numerous comments about proposed regulations and continue working on comments in response to regulations issued to date.

## **DEFINING CHANGE**

Change would mean an increase in participation by SDFRs and landowners in conservation and forestry programs to achieve equity and meet the set-aside requirements at the national, state, and local levels for EQIP and CSP.

Change would mean that the CBOs have productive relationships with state conservationists and foresters, and with USDA staff at all levels.

Change would mean that NRE provides all services and programs in an equitable and fair manner. Any problems encountered would be immediately addressed, and there would be an overall increase in positive feedback from CBOs and SDFRs about programs and services rendered. SDFRs would have access to irrigation and other resources they need to expand their production of specialty crops and other fresh products. SDFRs and landowners would have equitable access to FS grazing permits.

Change would mean that these benefits enable SDFRs to improve the sustainability of land and water resources, as well as the economic viability and sustainability of farm and ranch operations, and to expand the supply of quality fresh products in the local food system.

## **ISSUE #12: COMMUNITY FOOD SECURITY AND NUTRITION ASSISTANCE**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

Expenditures on food and nutrition programs comprise the largest share of the U.S. Department of Agriculture (USDA) budget. Currently, however, only 60 percent of those qualified for the Supplemental Nutrition Assistance Program (SNAP) participate in it. Farmworkers have very limited access to nutrition programs despite their critical needs (see Issue # 4, Farmworkers, USDA, and U.S. Agriculture). Many socially disadvantaged farmers and ranchers (SDFRs) are eligible for food program benefits, but asset limits may restrict their participation.

SDFRs and Indian tribes have limited relationships with key USDA agencies, including the Food and Nutrition Service (FNS) and the Agriculture Marketing Service (AMS), and the ability of these producers to meet the nutritional needs of low-income populations with culturally appropriate foods is undervalued. They lack equitable access to the many USDA resources and programs that purchase and deliver foods (see Issue # 15, Specialty Crop and Access to Marketing Programs). Coordination with Indian tribes was also viewed as inadequate (see Issue # 2, Equity and USDA's Relationship with American Indian Tribes).

Barriers to the participation of SDFRs and Indian tribes in food purchasing and other programs include congressional mandates, lack of access to information on relevant programs, the inability to control or impact state and local marketing and purchasing, and the complexity of prescribed emergency response processes. USDA is too rigid in operating many programs, lacks coordination, and lacks accountability in addressing the needs of community-based organizations (CBOs) and encouraging SDFRs' participation. Positive relationships between SDFRs and state-level USDA administrators and state agriculture, nutrition, and related agencies do not exist in most states.

While USDA offers emergency food assistance to communities affected by disasters, including congregate feeding (commodity support) and disaster SNAP, coordination with groups representing SDFRs and farmworkers during emergencies is limited (see Issue # 8, Disaster Preparedness and Response).

The definition of the term "food security" is not clear—does it mean access to food, adequate nutrition, or access to food assistance? Might it refer to other USDA activities, including assurance of production plant safety and security by AMS, or food defense against microbiological terrorist actions as addressed by the Food Safety and Inspection Service (FSIS)?

### **AGENCIES AFFECTED**

FNS, as well as AMS, ASA, ASCR, CSREES, the Farmworker Coordinator, FSIS, and OAO

## **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

SDFRs, farmworkers, and their communities lack adequate access to a secure, affordable, culturally appropriate and nutritious food supply. A stronger connection between SDFRs and consumers in local communities is needed, including support to help SDFRs develop the infrastructure necessary to meet the nutritional needs of their communities and to take advantage of growing market opportunities.

SDFRs and Indian tribes have much to contribute to ensuring a secure, adequate, and affordable supply of nutritious and culturally appropriate food. USDA should recognize that their involvement in this task has great potential to improve the health and economic development of their communities and the viability of their operations.

### **Recommended Actions**

12.1) USDA and the CBOs should develop and implement strategies that connect local producers to USDA nutrition campaigns, including SNAP, the Women, Infants and Children Program (WIC) nutrition education, Team Nutrition™, Healthier U.S. Schools, the President's initiative to eliminate childhood hunger by 2015, and other efforts to strengthen the connection between nutrition and agriculture, as well as to promote the importance of locally grown fresh food.

12.2) USDA should establish a single contact point that producers and CBOs can use to obtain assistance and education about food and nutrition programs, and the Department's agencies can use for information about each other's programs.

12.3) The CBOs, FNS, AMS, and the Cooperative State Research, Education, and Extension Service (CSREES) should collaborate to identify and address gaps in food programs related to farmers and ranchers, including changes in authority that sometimes allow farm assets to prohibit eligibility. These agencies and the CBOs should further consider how food program authorities might be changed to increase the relationship between producers and low-income consumers. One suggestion is to use 10 percent of every SNAP dollar to support small producers.

12.4) USDA should, in consultation with the CBOs, develop outreach strategies to ensure that SDFR and farmworker families know the eligibility requirements for programs like SNAP, including a fact sheet on eligibility.

12.5) USDA should work with the CBOs to ensure that SDFRs and their communities gain equitable access to the full range of nutrition-related market opportunities, including farmers markets and farm-to-school programs. USDA agencies like AMS, CSREES, and FNS should provide technical assistance and other resources necessary to help SDFRs meet food safety certification standards to facilitate their access to these markets.

12.6) The Section 14006 Transparency and Accountability requirements should be implemented to measure progress in including SDFRs in community food, farm to school, and related grant programs.

12.7) The dialogue among AMS, FNS, and CSREES to determine the state of farm-to-school efforts should be renewed, and technical assistance provided to strengthen connections between the agencies, the states, and the CBOs to expand markets for SDFRs.

12.8) USDA and the CBOs should develop strategies to improve collaboration with agencies involved in direct marketing—including state departments of agriculture, extension agents, universities, tribal governments, and farmer associations—and to build partnerships with nonprofit nutrition groups such as the School Nutrition Association, in order to ensure that the fruit and vegetable purchase provisions of the 2008 Farm Bill benefit SDFRs.

12.9) USDA should work with the CBOs to secure new opportunities in the upcoming reauthorization of child nutrition programs to expand SDFR and tribal opportunities when meeting children's nutrition needs.

12.10) USDA should ensure enhanced coordination across its agencies regarding SDFR eligibility criteria and provide one-stop shopping, a department checklist of programs and services, and new communications mechanisms, such as webinars, to convey critical information to producers. USDA should also meet the transparency and accountability requirements of Section 14006 of the 2008 Farm Bill and ensure that CBOs and cooperatives representing SDFRs have equitable access to the Community Food Security Program, the SNAP outreach program, and related grant programs.

12.11) USDA should create a pilot program to collaborate with state and local disaster teams and CBOs to develop and test cross-government response under farm-based scenarios for disaster, to supplement local emergency response planning (see Issue # 8, Disaster Preparedness and Response).

## **PROGRESS TO DATE**

The WIC Farmers Market Nutrition Program (FMNP) expands awareness about and provides access to fresh, nutritious, locally grown fruits, vegetables, and herbs by providing WIC participants with coupons for use at farmers markets. The Senior Farmers Market Nutrition Program (SFMNP) awards grants to states and Federally recognized Indian tribes to provide low-income seniors with coupons for eligible foods at farmers markets, roadside stands, and community-supported agriculture (CSA) programs.

FMNP provides grants to help expand farmers markets, roadside stands, agritourism and other direct producer-to-consumer opportunities. SNAP provides competitive outreach grants for nonprofit organizations to improve access to the program for all

eligible individuals, with a special focus on the working poor, seniors, and legal immigrants.

The 2008 Farm Bill increased authority and funding to improve access to nutrition programs for producers and consumers:

- Section 4211, Food Distribution Program on Indian Reservations (FDPIR), explicitly makes tribes eligible to manage food distribution programs and establishes a Traditional and Locally Grown Food Fund, allowing the purchase of bison and other foods designated as traditional or locally grown, requiring that 50 percent of covered foods be produced by Native American farmers and ranchers. The section requires the Secretary to conduct a survey to determine which foods are most desired, and to submit a report to Congress by January 2009 that assesses the nutritional value of the FDPIR food package, describes how foods are selected; and explains plans to update the packages, or if the packages will not be updated, explains why. **This program is subject to the appropriation of funds.**
- Section 4302, Purchases of Locally Produced Foods, clarifies that the Secretary shall encourage institutions receiving funds under the National School Lunch Act and Child Nutrition Act to purchase locally produced foods to the maximum extent possible, and to use geographic preference in the procurement of locally produced and unprocessed products.
- Section 4402, Assistance for Community Food Projects, reauthorized and provided \$5 million in mandatory funding annually for community-based projects that increase the food self-reliance of low-income individuals and communities, and promote comprehensive responses to local food and agricultural needs. One-time projects receive up to \$300,000 for up to three years and require a dollar-for-dollar match in resources. The section also establishes the Healthy Food Enterprise Development Program to provide grants for outreach, technical assistance, and feasibility studies to develop enterprises to distribute and market healthy and locally produced foods to underserved urban, rural, and tribal communities, with mandatory funding of \$3 million for FYs 2009 through 2011, and authorization for \$2 million for FY 2012.
- Section 7311, Specialty Crop Research Initiative, authorizes the Agricultural Research Service (ARS) to award extramural competitive grants to conduct research and extension on plant breeding, genetics, and genomics; invasive species; mechanization; and food safety—including methods to prevent, monitor, detect, and respond to potential food safety hazards in the production and processing of specialty crops—with \$230 million in mandatory funding, and authority for an additional \$500 million over five years.
- In Title IV, the Nutrition Title of the 2008 Farm Bill, the Food Stamp Program was renamed the Supplemental Nutrition Assistance Program (SNAP) and additional changes in funding and authority were included:

- On October 1, 2008, all states implemented mandatory changes that increased the minimum benefit and standard deduction; removed retirement and education savings accounts as offsetting income resources, and combat pay as income, when determining eligibility; and allowed the inclusion of the full costs of child care as expenses. USDA held conference calls with state SNAP agencies, to ensure that SNAP's clients received the full benefit of these changes, and took action to raise awareness of the change in the program's name among the states, CBOs, retailers, current and potential clients, and USDA employees.
- A final rule published on December 30, 2008, implemented changes—effective March 2, 2009—to SNAP retailer policies, requiring stores that have been disqualified or penalized for more than six months to furnish a collateral bond or irrevocable letter of credit to cover the value of benefits that the store may redeem in violation of the 2008 Farm Bill.

The 2008 Farm Bill also contained substantial funding increases for nutrition programs made available soon after the new law was enacted, including:

- The purchase of \$390 million in fruits and vegetables in FY 2008 for distribution through domestic feeding programs, with \$393 million planned for FY 2009.
- The provision of \$40 million for the Fresh Fruit and Vegetable Program for School Year 2008–9, to increase the consumption of fresh fruits and vegetables by children in elementary schools.
- The provision of \$21 million in grants to 49 state agencies and tribal organizations for SFMNP for FY 2008.
- The provision of \$50 million for the Emergency Food Assistance Program for FY 2008, bringing total distributions to \$190 million.

FNS implementation efforts also included providing information about forthcoming changes in other nutrition programs—including FDPIR, SFMNP, the Emergency Food Assistance Program (TEFAP), the Commodity Supplemental Food Program, and the Fresh Fruit and Vegetable Program—to program partners to ensure prompt and complete implementation of the changes.

The American Recovery and Reinvestment Act (ARRA) passed in early 2009 with the following provisions of importance to SDFRs and farmworkers. ARRA provided the following funding increases:

- \$20 billion over five years for SNAP recipients, including an increase of \$80 in monthly benefits for a participating household of four starting in April 2009; and nearly \$300 million to states for SNAP administrative expenses in FYs 2009 and 2010.

- \$500 million for WIC, including \$400 million to support participation in the program should the Secretary determine that costs or participation exceed budget estimates, and \$100 million to establish, improve, or administer the program's management information systems to meet new legislative or regulatory requirements.
- \$100 million for the National School Lunch Program (NSLP) for competitive grants to schools for the purchase of food service equipment.
- \$100 million to purchase commodities to refill emptying food-bank shelves, and \$50 million for administrative functions in TEFAP.
- \$5 million for FDPIR, for facility improvements and equipment upgrades.

### **DEFINING CHANGE**

Change would mean increased collaboration among USDA, SDFRs, and underserved communities to meet nutrition needs and expand access to nutrition programs and applicable markets.

Change would mean improved coordination among USDA agencies, led by the Office of Advocacy and Outreach (OAO), and the development of proactive strategies to expand the participation of SDFRs and Indian tribes in community and school food programs, as well as those related to nutrition. The unique capacity of SDFRs to provide culturally appropriate foods in their communities and beyond would be valued and supported.

Change would mean the existence of an improved food system for all USDA constituents and their communities, including SDFRs, farmworkers, rural communities, and Indian tribes. Programs at every level of government would link producers more directly to consumers and work together to ensure an adequate, locally controlled supply of safe, affordable, and nutritious food.

## **ISSUE # 13: FOOD SAFETY AND INSPECTION SERVICE**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The U.S. Department of Agriculture (USDA) needs to be more inclusive of socially disadvantaged farmers and ranchers (SDFRs) in programs and policies directed toward improving food safety. SDFRs and Indian livestock producers face many challenges in this area. Most do not own or have access to the necessary infrastructure, their transportation and distribution costs are high, and the requirements of the marketplace are stringent.

In order to be able to access markets, producers require substantive food-safety training and certifications. The cost for certifications is high, but producers who operate without them may face penalties so severe that the producers risk losing their farms.

While the full range of issues related to food safety are of concern to SDFRs, discussion over the years at the Partners meetings involving USDA and community-based organizations (CBOs) has focused on issues related to meat goat production and marketing.

The production and sale of goat meat can be a profitable enterprise for small producers, which is one reason for the steady increase of meat goat producers. However, due to the fact that policies and the marketing infrastructure were designed for large-scale producers, many small farmers are not able to develop a viable and sustainable meat goat operation. In addition, some USDA agencies do not consider meat goat production a priority. Lack of data collection creates misinformation that has an adverse impact on policymaking and SDFRs' access to programs and services.

Additional problems faced by goat meat producers include:

- There is no infrastructure equivalent to that used by red-meat producers, such as processing, transportation, and commercial marketing in the retail and distribution sectors, and the inspection certification process is difficult and imposes a great economic burden on SDFRs.
- Although there is more demand for meat goat products from federally inspected slaughter plants than there is for products from state inspected plants, federally inspected facilities are not available in many places. Many producers have reported traveling over three hours to get to an inspected slaughter plant.
- Lack of access to inspected slaughter plants may cause producers to employ more "backyard" slaughtering practices, which could create public-health problems.
- SDFRs often have difficulty qualifying for USDA programs and services, such as the Environmental Quality Incentives Program (EQIP).

- Producers lack access to the resources they need to make their operations viable, such as equipment, business plans, feasibility studies, and facilities. USDA programs and services are inadequate to meet current needs and future potential.
- Imported meat goat products have an unfair competitive advantage over domestic products.

### **AGENCIES AFFECTED**

FSIS, as well as other USDA agencies, including AMS, ARS, CSREES, ERS, FNS, FSA, NRCS, OAO, RD, and RMA; and other Federal, state, and local agencies, including EPA and FDA

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

SDFRs, lacking equitable access to traditional commercial markets, often have to produce specialty products, such as meat goats. However, USDA has given little assistance to SDFR meat goat producers in comparison to the support the Department provides for the production and processing of swine, poultry, and cattle. Producers perceive that the lack of USDA support for meat goat producers is because current policies, preferences, and agency outreach strongly favor mega-agribusinesses over small farm and ranch operations.

### **Recommended Actions**

13.1) The Secretary should make FSIS and OAO responsible for improving the coordination and integration of USDA programs, so that USDA agencies can work effectively and efficiently with the CBOs to address the concerns of meat goat producers. Coordination should also occur with the many agencies beyond USDA that address food safety and goat meat production.

13.1 a) FSIS and the other USDA agencies listed above must make support for meat goat production and marketing a priority, and ensure enhanced data collection in the Census of Agriculture and elsewhere relating to this sector of agriculture as the basis for new policies and programs.

13.1 b) USDA and the CBOs should review policies, positions, and perceptions on meat goat operations to determine what needs to be changed. Methods should be identified to hold USDA accountable for implementing effective strategies to meet small producers' needs and to address the biases of agencies that do not support the meat goat industry or other programs or markets that predominantly serve SDFRs, with adequate funds.

13.1 c) The Secretary should develop and support appropriate partnership programs with CBOs designed specifically to address the special circumstances of SDFRs.

13.1 d) The program should focus on enhancing production, processing, and marketing and provide technical assistance to help producers to manage risk from seasonal weather conditions like unexpected droughts or excessive rain, and from market conditions or increased energy costs, address unforeseen adverse circumstances like medical expenses, farming accidents, and adverse changes in family circumstances, develop feasibility studies and business plans, and organize cooperatives to reduce expenses and secure processing facilities.

13.1 e) Matching requirements for all current and any new partnership grants to CBOs that serve SDFRs should be eliminated.

13.1 f) USDA should ensure that SDFRs can gain access to “ready to go” program funding and other opportunities that have been in a holding pattern. More support for these local projects would also help create jobs, especially in rural communities.

13.1 g) USDA agencies should work with producers to develop markets and meet the rising demand for nontraditional meat products, including meat goat products. The agencies should actively seek opportunities to work with CBOs and other stakeholders, like the 1890 and 1994 institutions, to create marketing strategies for meat goat producers, especially in Hispanic, Muslim, and other ethnic markets.

13.1 h) Public education campaigns should be developed to address cultural barriers to goat meat consumption, and to increase awareness of goat meat’s health and nutritional benefits.

13.1 i) Producers should be encouraged to adopt halal standards to attract more consumers with specific cultural or religious preferences.

13.1 j) USDA and the CBOs should consider creating a partnership or advisory group in the area of meat goat production. This partnership could educate producers about the importance of meeting food safety and other market requirements so that the market for meat goat products can grow and be sustained.

13.1 k) Programs authorized by the Talmadge-Aiken Act should be made available in more states, so that more state inspection establishments are included in Federal programs. This would allow goat meat to be marketed on an interstate basis instead of just an intrastate one.

13.2) Outreach and education activities by FSIS should be expanded to increase producers’ awareness of its inspection and surveillance programs, such as the National Residue Program.

13.3) Regulatory policies should be reviewed for adequacy, and changes proposed in policies that are unnecessarily burdensome to small enterprises.

13.4) Problems in some states related to the processing of bison should be reviewed, and administrative solutions should be considered.

13.5) FSIS should consult with the Farmworker Coordinator and farmworker organizations on methods to involve farmworkers in the development of regulations to improve food safety as well as farmworker health and safety.

## **PROGRESS TO DATE**

FSIS has begun to recognize and respond to the needs of small and socially disadvantaged farmers and ranchers, and to acknowledge the important role that CBOs play in providing technical assistance and training.

- It has expanded its collaboration with diverse groups. For example, FSIS's Office of Outreach, Employee Education, and Training (OOEET) recently included small farmers in its outreach and education programs. Since most meat goat producers are small farmers, this should have a positive impact on meat goat production.
- FSIS has increased its participation in interagency committees that work directly with CBOs and other stakeholders, including AMS's Farmers Market Consortium and CSREES's Working Women, Working Lands Committee.
- FSIS is creating new partnerships with cooperatives and other organizations to support meat goat producers.
- The 2008 Farm Bill included several provisions that will benefit SDFRs and other small-scale producers:
  - Section 11015, Interstate Shipment of Meat and Poultry Products Inspected by Federal and State Agencies for Certain Small Establishments, amends the Federal-state cooperative inspection program to allow state-inspected plants with 25 or fewer employees (under certain conditions) to ship products interstate, providing more opportunities for SDFRs to sell their products.
  - Section 11016, Mandatory Inspection of Catfish, requires FSIS to provide inspection activities for farm-raised catfish.

## **DEFINING CHANGE**

Change would mean that Federal and other government agencies would work with relevant CBOs and other stakeholders to ensure that consumers could easily purchase safe, nutritious, and wholesome meat products from SDFRs in their region.

USDA would provide the necessary support to give SDFRs the resources and expertise to play a significant role in enhancing the share of healthy meat and other products in their communities' food systems. There would be measurable indicators of progress based on accurate data collection, increased funding, and new USDA programs and services tailored to meet the needs of meat goat and other specialty livestock producers.

The bias against goat meat at USDA and other agencies would be eliminated, and technical assistance would be provided so goat meat production would increase. Given a chance, many producers of meat goats and other livestock would expand their businesses and create new jobs. USDA and the CBOs would develop strategies to develop and serve markets.

## **ISSUE # 14: NATIONAL ANIMAL IDENTIFICATION SYSTEM (NAIS)**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The National Animal Identification System (NAIS) was created in response to outbreaks of major animal-borne diseases such as avian influenza and bovine spongiform encephalopathy (BSE), also known as mad cow disease, with the goal of safeguarding public health. This system has many implications for Socially Disadvantaged Farmers and Ranchers (SDFRs).

Many family farmers and other mid-scale producers oppose the way NAIS is being implemented. Their concerns are shared by SDFRs and are based on the structure of the system, which places the cost and the burdens of risk and liability on the producer rather than on the processors and distributors of animal products, in whose operations most food-borne diseases arise. Producers feel that supporting more localized production and distribution of meat products directly to consumers may better protect public health. Barriers to more localized processing and sales must be addressed (see Issue # 13, Food Safety).

The SDFRs and community-based organizations (CBOs) do not perceive the current NAIS as voluntary. Rather, they feel farmers and ranchers must participate in order to sell animals to the highly integrated processing and distribution system.

If NAIS is mandated in its current form, the responsibility for tracking livestock and produce is placed on producers, including SDFRs and Indian tribes. Any such farm-based system is likely to be a burden for small-scale operators. While processing and packing industry often funds the tags and tracking systems for large operations, smaller-scale producers must in most cases assume the costs themselves.

The U.S. Department of Agriculture (USDA) and its Animal and Plant Health Inspection Service (APHIS) have emphasized that NAIS is a universal program but a voluntary one, which could greatly benefit both the owners of livestock and the public in emergencies. The CBOs point out that current ID systems are not uniform, and there is no way to integrate or coordinate them in case of a national public-health crisis. These systems may need to change in a mandatory program. If so, USDA must ensure input from all constituents to minimize burdens on producers. Other issues the CBOs feel must be addressed include:

- SDFRs want more specifics about the costs and benefits of NAIS. Who will bear the cost of buying the necessary identification materials? If the program requires buying computer chips, where are SDFRs going to obtain the funds to buy them? SDFRs also need to know how and where chips can be scanned, given that their infrastructure is typically modest at best.
- Socially disadvantaged groups are particularly concerned about privacy, as many of them have great skepticism and fear of government tracking in general.

Producers' records of vaccines, birth herd, and other information are private in the voluntary system, but if NAIS is made mandatory, producers feel the Freedom of Information Act (FOIA) and Federal policies may require disclosure and make producers liable for health risks that arise after animals and other products leave the farm. Producers also want more information on whether USDA or any other government agency has unlimited access to their premises without authorization.

- The CBOs remain concerned about making NAIS mandatory, and what the penalties would be if farmers and ranchers do not register with the program. USDA has stated that there are no plans to make NAIS mandatory, but in states like Wisconsin that require registering, penalties can be imposed for failure to register. Producers want an assessment of potential liabilities and protection from legal risk.
- The CBOs want to understand how NAIS might preempt existing state ID programs.
- Because state departments of agriculture will determine which local producers will receive NAIS money from USDA to ID animals, the CBOs are concerned that the funds will go disproportionately to large-scale producers.
- SDFRs feel that APHIS funds would need to be set aside to ensure that NAIS money reaches them. APHIS has given funds for registering premises to organizations like the Future Farmers of America (FFA), the Pork Board, and the Angus Organization, but similar support has not been given to the CBOs that are trusted by SDFRs. NAIS funds partnerships with CBOs, but those payments are based directly on enrolling a required number of producers, instead of being designated for outreach and education, which would address producers' concerns about the program.
- The office of Federal Veterinarian does not always have an impact, since much of its work is done at the state level. If there is a problem there, USDA should get involved.

### **AGENCIES AFFECTED**

APHIS and FSIS, as well as ARS, ASCR, CSREES, DHS, OAO, and RMA

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

The establishment of NAIS has raised many difficult and important concerns among stakeholders. USDA is not doing a good job of explaining to SDFRs how NAIS actually works, and what its benefits are. The fundamental issues raised in this debate, such as concerns about providing information to the government, any legal implications, and equity in the allocation of costs and benefits between producers and industry, are not

being sufficiently considered and resolved as steps are being taken to implement the system.

## **Recommended Actions**

14.1) USDA should discuss with the CBOs the informal outline for implementation of NAIS prepared by the Agricultural Research Service (ARS) before proceeding with the implementation of NAIS, particularly in the case of SDFRs.

14.2) USDA must work with stakeholders to transparently assess who bears the costs and liabilities and who receives the benefits of NAIS. While the protection of consumers is paramount, the Secretary should ensure that there is equity in the allocation of costs and benefits, without undue burdens on SDFRs. The processing and packing industry should assume a fair share of the costs and should not be allowed to avoid liability or transfer it to producers.

14.3) USDA should conduct or update cost-benefit analyses to identify the financial impacts of NAIS on SDFRs who will be required to be in compliance, and study how these impacts could be addressed.

14.4) USDA should clarify privacy and liability concerns. The Federal government contends that some information from private livestock owners cannot be obtained through FOIA, but if the information is considered to be from a business, some of it is available through FOIA. If information is collected at the state level, what is the impact on privacy and liability?

14.5) USDA should include on the NAIS Website information about FOIA in a variety of scenarios, such as case studies on how local, state, and Federal NAIS authorities will respond to requests for information.

14.6) USDA should thoroughly discuss liability issues in future information about NAIS, and make information about those issues available online for full evaluation by producers.

14.7) USDA must do a better job of communicating information about NAIS to the CBOs, their members, and other farmers and ranchers including changes in the 2008 Farm Bill.

14.8) The CBOs, 1890 institutions, Hispanic serving institutions (HSIs), and 1994 institutions should work together to deliver information and materials about NAIS to socially disadvantaged communities. Included should be information about NAIS's purpose, methods, costs, and guidelines for confidentiality.

14.9) Information about NAIS should be publicized in different languages. The media should be used in local educational efforts.

14.10) USDA should use the Appropriate Technology Transfer for Rural Areas Program to help provide information to producers on issues related to NAIS.

14.11) USDA should consult with the CBOs to update allocation of funds for NAIS partnerships.

14.12) APHIS should set aside funds to help CBOs conduct outreach to SDFRs that is specific to APHIS.

14.13) There must be equity and adequate funds for such outreach and education. The Assistant Secretary for Civil Rights (ASCR) should be responsible for ensuring that the transparency and accountability requirements in Section 14006 of the 2008 Farm Bill are met.

14.14) The CBOs need to do a better job as liaisons between their members and USDA, as well as with other farmers and ranchers.

14.15) Tribal veterinarians and governments must be fully consulted with regard to NAIS implementation on tribal lands and with tribal herds and flocks. Tribal farmers and ranchers must be approached as nations, and not simply receive dictates from USDA as if tribal farmers and ranchers are like all others.

14.16) The states should have more input in discussions between CBOs and USDA.

14.17) USDA should expand the veterinary staff, now limited by inadequate resources, and ensure that veterinarians are able to work with diverse farmers and ranchers.

## **PROGRESS TO DATE**

APHIS has been working with state organizations and CBOs to provide information to animal and livestock owners and has developed an action plan for helping small and socially disadvantaged farmers and ranchers to participate in NAIS. APHIS has hosted several meetings through cooperative agreements to share information with land-grant institutions and communities, including Virginia State University, New Mexico State University, and groups representing socially disadvantaged communities, such as the Texas Mexico Border Coalition, HSIs, and tribal institutions.

APHIS has issued Request for Proposals (RFPs) to provide outreach and assistance to SDFRs concerning NAIS. APHIS set aside \$1.8 million to create six cooperative agreements aimed at outreach regarding NAIS in targeted communities.

APHIS is conducting listening sessions to gather producers' comments and concerns, as well as potential ways to create a program those producers can feel comfortable supporting. The listening sessions will include information about NAIS and give the public an opportunity to give testimony or ask program-related questions.

The CBOs have participated actively in this debate, to be sure that the concerns of SDFRs are addressed.

Equity, access, and accountability measures are contained in the 2008 Farm Bill for specified program areas. These need to be implemented with respect to SDFRs' participation in NAIS.

### **DEFINING CHANGE**

Change would mean that a system is developed that is trusted and seen as fair by family farmers and SDFRs, and that adequate resources are in place to adopt such a system.

Partnerships between USDA, the states, and the CBOs would be established and maintained to the benefit of SDFRs as well as other farmers.

More assessment and dialogue would occur, to develop goals for food safety and to ensure that liability is allocated appropriately and responsibility placed at the appropriate levels of the food system to ensure the safety of the food supply.

## **ISSUE # 15: SPECIALTY CROPS AND ACCESS TO MARKETING PROGRAMS**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

Consumer demand for organic, specialty, and locally and sustainably grown foods in the United States is rapidly expanding. Despite this expansion, community-based organizations (CBOs) have raised the concern that socially disadvantaged farmers and ranchers (SDFRs) lack real access to many of these markets.

According to the U.S. Department of Agriculture (USDA), almost one-third of cash receipts for U.S. crops come from specialty crops, such as fruits, vegetables, and tree nuts. The proportion of cash receipts from this sector is one-half when floriculture, greenhouse, and nursery crop sales are included. In 2002, data from National Agricultural Statistics Service (NASS) showed that SDFRs operated 11 percent of specialty farms and white farmers operated 89 percent. Specialty crops are produced on 21 percent of the farms operated by SDFRs, but on only 9 percent of the farms operated by white farmers. SDFRs are a significant portion of specialty crop producers, but they feel that large retailers dominate the sector, and that there is a lack of investment in increasing their ability to access specialty crop markets of all types.

The 2008 Farm Bill greatly increased resources to purchase fresh food and vegetables for nutrition programs, but an opportunity was missed because the new policies did not include enough measures giving preference to the locally produced products preferred by consumers, or recognizing the special role SDFRs, represented by CBOs, can play in providing culturally appropriate foods in schools. In addition, alternate and direct markets such as farmers markets and community-supported agriculture (CSA) are often concentrated in more-affluent population centers and are unavailable in areas where nutrition needs are greatest.

The potential and the needs of immigrant farmers must to be addressed. Immigrant farmers and ranchers are revitalizing farmers markets with ethnic vegetables and possess extensive knowledge and skills from all over the world.

CBOs also raised concerns about improving the condition of farmworkers, many of whom are concentrated in the specialty crop industry. The CBOs cited the lack of attention to enforcement of fair labor and other standards in the often large-scale specialty crop sector, which now receives increased Federal support but is held to no greater accountability for its treatment of workers.

Other issues raised include:

- Access to seeds is more limited and biodiversity is declining because industrial agriculture is producing many kinds of seeds that do not reproduce and cannot be saved for future use.

- Access to electronic benefit transfer (EBT) systems that allow Supplemental Nutrition Assistance Program (SNAP) and Women, Infants and Children Program (WIC) coupons to be used at farmers markets vary from state to state. For example, in California, EBT machines are free to use at farmers market, but some farmers markets don't want to manage them or can't afford to pay someone to manage them.
- SDFRs face special challenges, such as:
  - Lack of access to financial support for infrastructure, other resources, and technical assistance to move from conventional to organic agriculture.
  - Less training in completing the financial records essential to accessing USDA programs and insurance coverage. Each new market requires a new business plan, a new financial management approach, and a new assessment of risk and liabilities.
  - Limited access to product liability and other insurance, and higher insurance costs because of differences in the products being marketed and the experience of the producer.
  - Lack of coordination of USDA support and services for socially disadvantaged specialty crop producers and for the CBOs that are their primary sources of technical assistance.

### **AGENCIES AFFECTED**

AMS, as well as ACSR to ensure transparency and accountability; CSREES, RMA, NRCS, OAO for training, grants, and related technical assistance programs; FSIS for food safety issues; FNS for WIC and related food access programs; and many other USDA agencies

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

As the 2008 Farm Bill programs and policies concerning specialty crops, nutrition, and related issues are implemented, states and the specialty crop industry are not conducting the outreach necessary to ensure that SDFRs who produce specialty crops have the support they need to access markets, and that the needs of farmworkers are being met. It is unclear whether the states and the specialty crop industry are being held accountable by USDA.

### **Recommended Actions**

15.1) USDA should proactively utilize 2008 Farm Bill and other authorities to improve access of SDFRs to specialty crop programs.

15.1 a) When implementing Section 10109, Specialty Crop Block Grants, which provide increased funding to enhance the competitiveness of specialty crops, the Secretary must set in place application and review requirements to ensure that states take into consideration the needs of socially disadvantaged producers. The Secretary should require the states to respond to the transparency and accountability requirements in Section 14006 of the 2008 Farm Bill in reporting how funds were used.

15.1 b) With regard to Section 10301, the National Organic Certification Cost-Share Program, the Secretary should ensure that SDFRs receive sufficient support to secure organic certification and that regulations for this program consider SDFRs' needs, and require 14006 reports to include the participation of producers by race, gender, and ethnicity.

15.1 c) The Secretary should also require and make public Section 14006 reports with respect to the participation of SDFRs, organizations, and businesses in the Section 10403 Grant Program to Improve Movement of Specialty Crops, and in the allocation of funds to purchase fruits, vegetables, and nuts to provide nutritious foods for use in domestic nutrition assistance programs under Section 4404.

15.1 d) USDA should ensure that Section 10103, Inclusion of Specialty Crops in Census of Agriculture, is implemented with adequate support to reach SDFRs who produce specialty crops, and that these data are used to develop goals to track national progress in engaging the 11 percent of specialty crop producers who are SDFRs in this and all other specialty crop programs.

15.1 e) With respect to nutrition programs, the special role that SDFRs can play in providing culturally appropriate food needs to be recognized and fostered in the regulatory process, and in outreach and technical assistance efforts.

15.2) USDA must recognize that specialty crop production and the standards relating to it profoundly affect farmworkers.

15.2 a) Farmworkers should be included as partners, not objects, when organic and food safety standards are reviewed and updated. When any standard beneficial to consumers is considered for adoption, its effect on the workers closest to production should also be assessed.

15.2 b) The Farmworker Coordinator should be engaged in all rule-making efforts in these areas, and should ensure that CBOs and farmworkers are consulted and given the opportunity to provide input.

15.2 c) USDA and the CBOs should work to secure participation by farmworker representatives on the National Organic Standard Board and other related boards and committees.

15.2 d) The Agricultural Marketing Service (AMS) should build productive and equitable partnerships with CBOs and take time to learn and understand their views.

15.3) The Office of Advocacy and Outreach (OAO) should conduct an inventory of all USDA programs, including outreach and technical assistance resources, and work with AMS and other USDA agencies to develop focused programs and strategies to help CBOs acquire the resources they need to deliver technical assistance to SDFRs and ensure that they are able to access markets. Such assistance should give SDFRS the capacity to:

15.3 a) Establish entities appropriate to their agricultural and value-added businesses and organizations, which may include sole proprietorships, cooperatives, partnerships, corporations, and limited liability companies.

15.3 b) Develop the capacity to meet the increasing food safety requirements associated with being in any market. Meet legal requirements with respect to their rights, duties, and responsibilities as producers in the marketplace, and certification and licensing requirements and quality standards such as good agricultural practices, good handling practices, and trace back certification.

15.3 c) Develop new markets and make good business decisions with respect to the challenges and opportunities created by these markets by using Internet-based and other tools necessary to improve their skills in market economics, market analysis, risk analysis, financial management related to new markets, and all other associated tools and knowledge necessary to succeed in new markets.

15.4) AMS, the Food and Nutrition Service (FNS), OAO, the Risk Management Agency (RMA), other USDA agencies, and CBOs should collaborate to:

15.4 a) Develop strategies to enhance CBO participation in the Farmers Market Promotional Grant Program, nutrition programs, and all related programs.

15.4 b) Assess the need for and create new insurance tools (crop and general liability) to ensure risk protection for producers as they access new markets and provide increased access to organic production.

15.4 c) Provide information and assist cooperatives to obtain liability insurance for those who are or desire to be cooperative members.

15.4 d) Find resources or development programs to help SDFRs and their organizations and cooperatives invest in new infrastructure (such as packing sheds, processing plants, freezing and storage equipment, and transportation) to support new market access, and use AMS tools to locate new markets.

15.4 e) Revise USDA commodity listings to include all specialty crops, particularly Asian crops. There are currently fewer than 30 listed.

15.4 f) Assess the need for more certified livestock processing and value-added facilities, and develop strategies to meet the need.

15.4 g) Work with the Natural Resources Conservation Service (NRCS) to include organic certification steps in conservation plans.

15.4 h) Develop more programs to bring young SDFRs into specialty crop farming.

15.4 i) Expand the focus on beginning and immigrant farmers and include three types of operations: gardeners with less than a quarter acre, microfarmers with a half acre for family consumption and farmers' markets. and farmers who produce food solely for sale. Help the latter group of farmers plan, look at markets, and determine what profitable crops they can grow.

15.4 j) Increase support for mentoring programs for new and transitioning producers.

15.5) USDA, other Federal agencies, and foundations should develop strategies, programs, and investments to help CBOs and SDFRs engage equitably and profitably with local and regional food networks and movements. All producers should receive the benefits of growing crops appropriate to a specific area and reducing "food miles," or the distance food has to be transported.

15.6) CBOs should address domestic fair-trade issues, including advocating a fair system that includes nonextractive land practices, no discrimination, fair wages, access to food for all people, and fair prices for farmers and consumers.

15.7) SDFRs should adopt creative strategies to develop new markets:

15.7 a) Build relationships with distributors such as Costco and get them to sit on organizational boards, attend and sponsor events, etc.

15.7 b) Use stories about or the history of producers and cooperatives to break into the growing markets for organic and sustainably grown food.

## **PROGRESS TO DATE**

USDA has in place numerous programs and initiatives that support local marketing of agricultural products, which could expand opportunities for SDFRs, and funding for a number of these was increased in the 2008 Farm Bill. USDA should now implement Section 14006's Transparency and Accountability Requirements and report on—as well as take steps to increase—the participation of SDFRs and the groups who represent them in these programs, including the Senior Farmers Market Nutrition Program (SFMNP), the Farmers Market Promotion Program (FMPP), the Small Farms/School Meals Initiative, the National Organic Program (NOP), the Federal-State Marketing

Improvement Program (FSMIP), WIC, and the Farmers Market Nutrition Program (FMNP).

FNS is promoting the use of SNAP at farmers markets. AMS is working with the states to modify the EBT system to allow its use at farmers markets.

The 2008 Farm Bill includes significant changes in funding levels for these programs and several others designed to help producers access new markets. Risk management education (RME) programs received continued funding. The Beginning Farmer and Rancher Development Program (BFRDP) was fully funded and contains opportunities for grant funding in a variety of areas relevant to successful access of markets (see Issue # 7, Risk Management, and Issue # 5, New and Emerging Farmers and Ranchers).

The 2008 Farm Bill also expanded direct support and benefits for the specialty crop sector:

- Section 4404, Use of Section 32 Funds for Purchase of Fruits, Vegetables, and Nuts to Support Domestic Nutrition Assistance Programs, authorizes the Secretary to make purchases of fruits, vegetables, and nuts to provide nutritious foods for use in domestic nutrition assistance programs, and to use approximately \$1 billion in funds through 2012 to purchase fresh fruits and vegetables for the National School Lunch Program (NSLP).
- Section 10103, Inclusion of Specialty Crops in the Census of Agriculture, calls for the inclusion of specialty crops as a category in the Census of Agriculture.
- Section 10106, Farmers Market Promotion Program, provides competitive grants to improve and expand farmers markets, roadside stands, CSA programs, and other direct marketing opportunities. It provides mandatory funding of \$3 M for FY 2008, \$5 M for FYs 2009–10, and \$10 M for FYs 2011–12. It further specifies that 10 percent of all funding should be used to support the use of EBT at farmers markets. Language in the manager's report asks for this funding to examine and help ameliorate the uneven distribution of farmers markets. The Secretary should ensure coordination with the Assistant Secretary for Civil Rights (ASCR) and OAO to address the issue of uneven distribution of farmers markets.
- Section 10107, Specialty Crops Market News Allocation, authorizes \$9 M in discretionary funding for each of FYs 2008 through 2012 to support the marketing of specialty crops.
- Section 10109, Specialty Crop Block Grants, provides increased funding to enhance the competitiveness of specialty crops. It also amends the previous specialty crops definition to include horticulture and makes U.S. Territories eligible as states to receive funding through state agriculture departments.

- Mandatory funding for block grants is provided in the amounts of \$10 M for FY 2008, \$49 M for FY 2009, and \$55 M for each FY for 2010 through 2012. Each state will receive a minimum grant equal to the higher of \$100,000 or one-third of 1 percent of the total amount of funding made available for the fiscal year.
  - States must apply for grants and are required to include an assessment of the needs of socially disadvantaged specialty crop producers in their applications.
  - AMS has agreed to conduct outreach directly to CBOs and farmer cooperatives, and to attempt to enhance and encourage more contact between CBOs and their states' departments of agriculture during the next grant period.
- Section 10301, the National Organic Certification Cost-Share Program, defrays the costs of producers and handlers seeking organic certification. The Federal share requirement was deleted, but record keeping is mandated. \$22 M in mandatory funding is provided, to remain until expended.
  - Section 10403, Grant Program to Improve Movement of Specialty Crops, authorizes discretionary funding for grants to improve the cost-effective movement of specialty crops to markets, and requires that grantees provide at least a 100 percent match of non-Federal funds. The section allows national, state, and regional organizations of producers, shippers, and carriers to be eligible for these monies.

USDA is also exploring ways to expand purchases of local produce, such as by placing limits on distance or on the number of days that produce can be in transit as part of the evaluation criteria used to award contracts.

### **DEFINING CHANGE**

Change would mean that SDFRs producing specialty crops are able to thrive, with increased access to new markets. USDA will support their efforts and hold the specialty crop industry accountable for creating equitable opportunity for SDFRs. Resources and opportunities contained in the 2008 Farm Bill will be equitably distributed to all producers, and SDFRs will receive the specialized technical assistance necessary to grow and market specialty crops.

Change would mean an increase in the consumption of fruits and vegetables in food assistance programs, with SDFRs gaining a proportional share of these new markets.

Change would mean that farmworkers are engaged directly in regulatory processes which involve them; organic and other food safety standards include protections for them; and the Federal government, in cooperation with CBOs, enforces and improves labor standards.

## **ISSUE # 16: ACCESS TO CREDIT**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The denial of equitable access to credit has compromised the ability of socially disadvantaged farmers and ranchers (SDFRs) to build and maintain viable operations and increase their economic contributions to their communities.

Most SDFRs experience grave difficulties in securing any affordable and timely credit, and most are unable to borrow from commercial lenders at affordable rates due to patterns of discrimination. SDFRs chiefly grow vegetable and other nontraditional crops and lack government support payments to collateralize loans, which makes it difficult to qualify for guaranteed and other loan programs.

For SDFRs, the direct loan program of the Farm Service Agency (FSA) is the first and only resort. Yet their participation rates in credit and other FSA programs remain low. As a result, they often depend on seed and fertilizer merchants, vegetable brokers, and other predatory lenders who often charge exorbitantly high interest rates and/or force the borrower to sell products at unfairly low prices.

When SDFRs try to organize cooperatives, they often have difficulties because they cannot borrow small amounts of money (between \$5,000 and \$50,000) to implement cooperative value-added projects that would help them to be successful on relatively small pieces of land.

The factors that impede SDFRs' success include racial discrimination, which is evident in the costly lawsuits and resulting settlements that are costing the government billions of dollars. FSA and its predecessor agencies have failed to provide the basic quality service that any constituent should expect from the Federal government. For example, the agencies have not provided adequate support and assistance with financial management and farm planning, and have prevented SDFRs from gaining access to other programs and services of the U.S. Department of Agriculture (USDA) that could help them succeed.

The culture of FSA often merges with that of local communities that are resistant to change and seek ways to acquire or control the land of SDFRs. While statistics have not been released, the staff and leadership of FSA remains less diverse, less culturally sensitive, and less competent than is the case in other USDA agencies, notably the National Resources Conservation Service (NRCS) and the Risk Management Agency (RMA). FSA state directors and agency leaders for the most part have failed to work directly and collegially with community-based organizations (CBOs) to develop strategies to resolve the issues mentioned here and to provide better service.

Specific problems raised include:

- Direct loan limits are too low, and the maximum purchase price for ownership loans is far below market prices.
- Interest rates and lending terms make credit unaffordable, and congressionally mandated restrictions on the number of write downs deny credit to many producers.
- With respect to the down payment loan program, a seller taking back a mortgage is allowed only a three-year guarantee, and borrowers' rights are compromised.
- Participation rates by SDFRs in FSA credit programs remain very low, according to the most recent 10708 reports released. For example, in 2005, an overwhelming percentage of beginning farm loans went to white producers, and youth loans were made to socially disadvantaged youth in only a handful of states, and none were made to Hispanic youth anywhere in the nation.
- FSA, citing lack of resources, continually refers CBOs to other agencies for resources to conduct outreach that is the responsibility of FSA.
- FSA is not following mediation agreements signed to resolve cases.
- Continuing problems were cited in the loan appraisal system.

### **AGENCIES AFFECTED**

FSA and RD, as well as ASA, ASCR, CSREES, NRCS, OAO, and RMA

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

FSA's institutional culture of discrimination has not significantly changed even after several lawsuits, and therefore SDFRs do not get the same excellent services as other farmers. Unlike some USDA agencies, FSA has been reluctant to form partnerships at the local level with CBOs, partnerships that could mend the broken relationship between FSA and SDFRs.

Recent changes in regulations appear to have eliminated access to lease-back, buy-back and other important loan servicing options provided under credit statutes.

### **Recommended Actions**

16.1) USDA needs to select and train diverse new leadership at the state and county level and ensure that FSA leaders and state directors work directly with CBOs to develop immediate strategies to resolve outstanding problems.

16.2) There must be a new focus on diversity, constituent service, and accountability at FSA. Antidiscrimination training must be coupled with clear performance standards and participation goals for program delivery.

16.3) In addition to completing the fair resolution of outstanding complaints and cases, as discussed in Issue # 17, Settle Outstanding Civil Rights Claims and Halt Foreclosures, Accelerations, and Sales, USDA should work with the CBOs to review the structure and outcomes of credit programs at the state and county levels, and implement necessary changes in service delivery, program structure, and funding.

16.4) Many of the tools provided in the Miscellaneous Title of the 2008 Farm Bill were specifically designed to address problems in FSA. USDA agencies should expeditiously and fully implement systems such as the receipt for service or denial of service (Section 14003) and the transparency and accountability provisions (Section 14006) to ensure that SDFRs receive equitable treatment from FSA, and use the data collected through the provisions in Section 14006 in compliance reviews (Section 14007) and the report of the inspector general on the resolution of civil rights cases.

16.5) FSA should work with the CBOs to review data on the participation of SDFRs in its programs to clearly define the barriers to participation. Particular attention should be paid to comparisons of the application and participation rates of producers, the length of time between the first request for service and its approval or denial, and the month and year in which loans are actually made by race, gender, and ethnicity.

16.6) USDA leaders should take action to prevent future complaints and lawsuits that would further minimize its effectiveness. FSA should establish a collaborative process with the CBOs, the Assistant Secretary for Administration (ASA), and the Assistant Secretary for Civil Rights (ASCR) to review application and participation rates of SDFRs at the state and county level and establish norms and goals for service. These norms and goals should be communicated to FSA leaders, managers, and state directors, monitored on a regular basis, and be part of the performance criteria for evaluating employees and offices. Failure to show progress should be properly sanctioned, and success rewarded.

16.7) The loan appraisal system needs new standards and monitoring for fairness.

16.8) The level of participation of SDFRs in other USDA programs should also be evaluated, and the participation rates of producers who received loans under the stimulus package should be reviewed and made public.

16.9) The issue of outreach by and with FSA must also be addressed. FSA needs to restore the public's trust by making its programs accessible. It must recognize that CBOs are the most appropriate bridge to deliver outreach, training, and technical assistance on FSA programs and services.

16.10) FSA must secure funds to create partnerships with CBOs as a crucial way to provide training and technical assistance to SDFRs on FSA loan programs. One-on-one

technical assistance should focus on improving skills in record keeping, cash flow, and risk and debt management, and on meeting the technical requirements of a broad range of FSA loan and other USDA programs.

16.11) FSA and the CBOs should work together on a process to develop a walk-through, hands-on farm loan application process and to secure approval of CBO training programs as official FSA borrower training. The Secretary should ensure that resources are made available as necessary to complete this task, and results should be reported to the Secretary and the CBOs and new regulations issued if needed. Coordination with risk management and crop insurance programs is essential.

16.12) In cooperation with the CBOs, USDA should develop a process to disseminate information on all 2008 Farm Bill regulations and procedures, and to ensure that constituents nationwide receive equitable treatment and training on available loans. The Office of Advocacy and Outreach (OAO) should assist SDFRs to identify their state or local outreach coordinator or liaison, and the CBOs working in their area.

16.13) FSA and the CBOs should review the unique tax challenges faced by SDFRs and the impact of tax laws on building a successful operation. Strategies to increase SDFRs' knowledge of the tax code and proposals to change the code to improve the viability of smaller agricultural operations should be developed.

16.14) The full implementation of other 2008 Farm Bill provisions should be completed.

16.14 a) The data systems required by Section 14006 are necessary to implement and monitor SDFR set-asides in the new 2008 Farm Bill credit programs and should be set in place immediately and monitored regularly to ensure equitable outreach to SDFRs.

16.14 b) Regulations for Section 5002, Conservation Loan and Loan Guarantee Program, should specify how the priorities for SDFRs and beginning farmers and ranchers (BFRs) would be implemented and monitored. The Secretary should make sure that funding for this program is included in the President's budget and receives the necessary appropriations.

16.14 c) FSA should implement Section 5004, Down Payment Loan Program, as soon as possible and seek additional funds for the program. FSA should seek input from CBOs in establishing annual performance goals and developing regulations for their implementation. FSA should seek the needed authority to raise the three-year limit on loan guarantees when the seller takes back a mortgage, as well as addressing the loss of borrower protections.

16.14 d) In implementing Section 5005, Beginning Farmer or Rancher and Socially Disadvantaged Farmer or Rancher Contract Land Sales Program, FSA should address how it will inform buyers and sellers of their eligibility for the program. The Secretary should issue a directive informing FSA employees to make all efforts to prevent the sale to SDFRs of lands that include fraudulent or

hidden liens or encumbrances. New regulations should be drafted, released for comment, and implemented by FY 2011. Regulations should require that in each transaction, the SDFR be given a copy of the title report 20 days before settlement and that FSA comply with Federal appraisal laws and regulations.

16.14 e) The Secretary should work with CBOs to use the authority provided in Section 5101, Direct Loans, to eliminate the barriers that new entry SDFRs face because the type of farm experience they have does not qualify them for loans. FSA should develop regulations to reduce these barriers in general, and in particular should allow the consideration of farm experience gained as a farmworker or on a farm in another nation.

16.14 f) With respect to Section 5302(a), Inventory Sales Preferences, FSA should, in consultation with the CBOs, develop and publish new regulations and then institute a clear process to communicate the new regulations to SDFRs and field offices. These regulations should establish procedures to ensure that information on available properties is provided at the same time to all prospective buyers and that data related to the preferences are collected and published.

16.14 g) With respect to Section 5304, Transition to Commercial or Other Sources of Credit, requiring a plan and the issuing of regulations to promote the graduation of loan program borrowers to private credit in the shortest practicable time, FSA should consult with the CBOs to establish performance criteria, and should ensure coordination with borrower training, loan assessment, and supervised credit requirements. FSA and the CBOs should also ensure that this section contains no negative consequences for SDFRs.

16.14 h) The provisions in Section 5305, Extension of Right of First Refusal to Reacquire Homestead Property to Immediate Family Members of Borrower-Owner should be implemented immediately and made available to any producer or owner who has not prevailed in a civil rights claim.

16.14 i) FSA should also report on whether rights for lease back and buy back of homes and farms established in past legislation still exist, and if they can be granted to producers who face the loss of their farms and/or their homes.

16.15) The Secretary should seek increases from Congress in direct loan funds for the farm operating and farm ownership program at the lowest possible interest rates.

16.16) The Secretary should require that FSA treat any signed mediation agreement as a binding contract with respect to loan servicing.

16.17) The Secretary should seek additional authority, if needed, to increase the number of debt write downs from one to two for limited resource and socially disadvantaged farmers, using with a sliding formula for the second write down based on the level of income the farmer has received in program payments.

16.18) In consultation with the CBOs, FSA, NRCS, OAO, Rural Development (RD), and other USDA agencies, the Secretary should develop model low-documentation operating loan programs that could give SDFRs the ability to engage in collective, cooperative, and value added strategies to increase income from their farms. These programs should include operating loans of under \$50,000, which could be made available to farmers on an expedited basis. If possible, this should be done using existing legislative and program authorities of FSA and USDA.

16.19) The Secretary should work with CBOs to seek authority to change FSA loan eligibility to make it easier for SDFRs to secure direct loans by reducing experience requirements; limiting the amount of collateral required to no more than 75 percent of the principal of the loan; and making SDFRs who previously received a write down of USDA loans eligible for a second loan write down in order to continue or re-enter farming.

### **PROGRESS TO DATE**

A significant proportion of the CBOs have collaborated with USDA to secure changes in the 1987 Agriculture Credit Act and all major farm legislation since that time. Some of the provisions that the CBOs wrote and championed in the 1987 Act include the protection of borrowers' rights, the establishment of state mediation programs, and the adoption of an official definition of SDFRs.

Workshops held by the CBOs—with support from NRCS, and in cooperation with FSA—in 1996 and 1997 helped raise awareness of FSA policies on the part of a significant number of CBOs, and called attention to problems in the delivery of services. The workshops eventually led to the current push for better data collection and documentation of the participation of producers by race, gender, and ethnicity.

The CBOs worked with allies in the movement for sustainable agriculture to strengthen authority for credit programs and to ensure that the 2008 Farm Bill included set-asides and priorities for the SDFRs who most need them.

The CBOs also worked to secure the receipt for service and the transparency and accountability requirements discussed elsewhere in this report (see Issue # 1, Equitable Access), and to give USDA the tools needed to make sure that FSA's record improves in all states and counties.

The 2008 Farm Bill included specific provisions related to SDFRs:

- Section 5002, Conservation Loan and Loan Guarantee Program, strengthens authorization for direct and guaranteed loans for conversion to sustainable and organic farming, and adds priority for SDFRs and BFRs.

- Section 5003, Limitations on the Amount of Farm Ownership Loans, increases the maximum loan amount authorized from \$200,000 to \$300,000. The section was implemented in January 2009.
- Section 5004, Down Payment Loan Program, increases the maximum sales price to \$500,000, extends maximum loan terms to 20 years, and adjusts the minimum interest rate to 4 percent below the regular direct farm ownership interest rate, or 1.5 percent, whichever is greater. The section also expands the program to include SDFRs as well as beginning farmers as eligible entities. FSA is required to establish annual performance goals for the program and make joint financing loans as the preferred use of direct farm ownership funds by BFRs and SDFRs. The changed limits were implemented in January 2009, and increased funds were requested.
- Section 5005, Beginning Farmer or Rancher and Socially Disadvantaged Farmer or Rancher Contract Land Sales Program, makes permanent a pilot program initiated in the 2002 Farm Bill that provides loan guarantees to sellers who self-finance the sale of land to BFRs. Program eligibility is expanded to include SDFRs. The program is similar to the pilot program, but expanded to provide a guarantee of 90 percent of principal and interest, in addition to the prompt payment guarantee provided in the pilot program. The 2008 Farm Bill extends the current two-year limit on payment guarantees to three years, provides land sellers the option of choosing either the three-year guarantee or a standard 90% percent guarantee, and makes the program available nationwide. The asset guarantee option is included if the seller obtains the services of a loan-servicing agent (see Issue # 5, New and Emerging Farmers and Ranchers). FSA is in the process of drafting proposed regulations to implement this expanded program. The changes will be published in the *Federal Register* as a proposed rule, and public comments will be requested.
- Section 5101, Direct Loans, provides that any farm experience, no matter when it occurred, must be considered in determining whether a loan applicant meets the experience requirements for loan eligibility.
- Section 5103, Suspension of Limitation on Period for Which Borrowers Are Eligible for Guaranteed Assistance, adopts an enhanced graduation process to permanently eliminate guaranteed loan limits. Term limits on direct loans were continued, and the 15-year limit for FSA borrowers to receive guaranteed operating loans was waived through December 31, 2010. This provision was implemented in January 2009.
- Section 5302(a), Inventory Sales Preferences, reestablishes SDFRs as a priority group for the purchase of FSA inventory property, providing them equal priority with BFRs. If more than one eligible farmer offers to purchase the same property in the first 135 days, the buyer is to be chosen randomly.

- Section 5302(b), Loan Fund Set-asides, increases the percentage of direct ownership loan funds set aside for BFRs to 75 percent. Of those funds, 66 percent are reserved for the down-payment loan program and joint financing arrangements. The priorities for SDFRs as established in 1987 and 1990 remain in effect.
- Section 5303, Loan Authorization Levels, increases authorization levels for direct operating loans from \$565M to \$850M, and for direct ownership loans from \$205M to \$350M.
- Section 5304, Transition to Commercial or Other Sources of Credit, requires FSA to establish a plan and promulgate regulations, including performance criteria, intended to promote the graduation of borrowers from the farm ownership and farm operating loan program to private credit in the shortest practicable time.
- Section 5305, Extension of Right of First Refusal to Reacquire Homestead Property to Immediate Family Members of Borrower-Owner, provides that immediate family members have the first opportunity to reacquire homestead property lost by a borrower who is a member of a socially disadvantaged group.
- Section 5501, Loans to Purchasers of Highly Fractionated Land, provides that in addition to loans to tribes, FSA may now make and insure loans to individual American Indian farmers or ranchers to keep tribal lands in agricultural production (see Issue # 2, Equity and USDA's Relationship with American Indian Tribes).

See also Issues # 5, New and Emerging Farmers and Ranchers; # 7, Risk Management; # 8, Disaster Preparedness and Response; and # 18, Commodity Programs County Committees.

### **DEFINING CHANGE**

Change would mean that FSA welcomes and values the contributions of SDFRs. The receipt for service system would be implemented. Equitable access to credit would be demonstrated in the Section 10708 reports, and SDFRs' farms would be more economically viable.

The culture of discrimination at the state and local levels of USDA would no longer exist, and accountability for those who discriminate, as well as their supervisors and managers, would be held accountable for their actions. Legislation action to prevent discrimination would no longer be necessary.

USDA personnel would no longer try to find ways to deny services to SDFRs, but would instead endeavor to provide services to them.

## **ISSUE # 17: SETTLE OUTSTANDING CIVIL RIGHTS CLAIMS AND HALT FORECLOSURES, ACCELERATIONS, AND SALES**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The fair, expeditious, and complete resolution of all outstanding civil rights cases and claims is essential if the U.S. Department of Agriculture (USDA) is to include socially disadvantaged farmers and ranchers (SDFRs) equitably in all of its programs. The organizational culture that led to the African-American farmers' lawsuit (*Pigford*), which has resulted in payments to date of over \$1 billion, and similar pending suits needs to be transformed at every level.

At present, thousands of accelerations, foreclosures, and farm sales are pending against SDFRs. These actions threaten large numbers of SDFRs involved in long-unresolved claims and class action suits brought against USDA based on racial, ethnic, and gender discrimination, including the *Keepseagle* (Indian producers, filed November 24, 1999), *Garcia* (Latino producers, filed October 13, 2000), and *Love* (women producers, filed October 19, 2000) class action suits.

These pending foreclosures threaten to reduce drastically the number SDFRs when more just alternatives would keep them as productive members of our food and agriculture system. The issue is of particular importance to *Pigford* claimants. A massive foreclosure effort is being readied against some participants in the litigation—especially those whose claims and appeals were unsuccessful. While foreclosure actions were stayed during litigation, some lawyers advised farmers not to pay on their debts. Subsequently, compounded interest has increased debt to unreasonable levels. In addition, a number of successful claimants did not receive the debt writeoff they were led to believe they were entitled to under the settlement. When USDA refuses to help, many of these SDFRs become victims of predatory lending practices in order to avoid financial catastrophe.

One representative of a community-based organization (CBO) recounted the preparation of more than 500 claims against a single Farm Service Agency (FSA) county executive director (CED), the majority of which were upheld. After costing taxpayers millions of dollars, the CED retired with full Federal benefits. This failure to hold employees accountable creates a system that makes discriminatory actions acceptable. A change in USDA culture and accountability is long overdue. Other concerns raised by the CBOs include:

- Heir property and fractionation issues prevalent in African-American and American Indian communities lead to high rates of foreclosure.
- USDA has failed to address situations such as those faced by Hmong farmers in the Arkansas area, raised at the 2006 Partners meeting and now under investigation by the Office of the Inspector General (OIG).

- USDA has failed to provide clear data on acceleration and foreclosures affecting SDFRs, with breakdowns by race, ethnicity, and gender.
- Producers who have paid off loans and have no debt are told they are not eligible for FSA loans, and unresolved claims and issues restrict SDFRs' access to capital.
- Many USDA offices still lack diversity, cultural sensitivity, and competence.
- Resistance to change from field office staff and at higher levels still occurs.
- The lack of funding for CBOs to provide outreach, training, and technical assistance with USDA programs and services hampers their ability to help spur changes at the local level.
- Due to restrictions imposed by Congress, farmers and ranchers who have had a previous (not related to civil rights) debt write-down or debt settlement are ineligible for FSA loans.
- The failure of USDA to adopt policies and practices that make supervisors accountable for employee actions that have left the agency liable for over a billion dollars gives tacit permission to field staff to continue business as usual.
- Often the most dangerous thing an SDFR can do is to borrow from USDA. In too many cases, debt servicing is administered in a way that guarantees default and foreclosure.

### **AGENCIES AFFECTED**

FSA and RD, as well as ASA and ASCR

### **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

The 2008 Farm Bill does not include enough money to settle all outstanding claims, including those of late filers under *Pigford*. This could lead to mass foreclosures among African-American farmers. Many farmers who prevailed under *Pigford* are having difficulty gaining access to USDA services.

Systems of accountability and transparency that are integrated with USDA employee performance reviews are not yet in place.

### **Recommended Actions**

17.1) The moratorium authorized in Section 14002 of the 2008 Farm Bill should be implemented expeditiously and continued until all civil rights cases are resolved. All accelerations, foreclosures, and sales should be halted until all cases are reviewed to determine if they were handled properly, and all claims of discrimination are settled.

17.2) Relief of accrued interest and offsets while discrimination allegations are investigated should be provided to the full extent of the law.

17.3) The Secretary should consult with the President and the Attorney General to clarify how Section 14012, regarding *Pigford* late claims, will be implemented and what USDA's role should be. The pending estimates of budgetary exposure for USDA's role in resolving the cases should be closely examined, and a report issued to the public and Congress on the basis of these estimates.

17.4) The Secretary should work with the Attorney General to use authority in Section 14011 to settle all outstanding civil rights class action suits and claims expeditiously.

17.5) USDA should set up an independent mechanism under the auspices of the Office of the Secretary, not under FSA, to review each pending case slated for foreclosure, to see if negotiations, mediations, further write downs of interest, and full and fair use of all loan restructuring and bankruptcy protection options can solve the case in any other way.

17.6) USDA should carefully examine and change its policies of offsetting farmers' income from government payments to reduce debts, including seeking an exemption for farm loan programs from the Treasury Department's offset requirement and other administrative offset provisions.

17.7) The Secretary should ensure that OIG completes and issues the report required by the 2008 Farm Bill on SDFR loan foreclosure proceedings, due by May 2009, one year from enactment of the Farm Bill.

17.8) The implementation of the Loan Program for Producers on Highly Fractionated Lands should be corrected to allow individual Indian producers to participate immediately in the current program (see Issue # 2, Establish a Direct Government-to-Government Relationship with Indian Tribes). Funding levels should also be increased as part of the President's budget request.

17.9) Transparency and accountability, and compliance and performance review systems should be set in place to hold employees accountable for their actions. This will ensure that discrimination in loan servicing is met with prompt investigation, and further action addressing employee misconduct. The Secretary's office should develop, with the CBOs, a series of employee memoranda and an outreach plan to make clear the Department's new focus on ending discrimination in program access and loan servicing.

17.10) Claims of discrimination should be settled in an expeditious manner. Prompt investigation is required, and those responsible for causing discrimination should be held accountable.

17.11) The Assistant Secretary for Administration (ASA) should develop specific procedures to include accountability for discriminatory actions in personnel and

performance review processes. Front-line employees, supervisors, and all supervisory personnel up the chain of command must be engaged in changing the culture of USDA. ASA should update performance evaluations to include elements that would measure constituent service and civil rights, and hold supervisors accountable for the performance of their employees. These standards should be enforced with regard to county employees who deliver USDA programs.

17.12) Sensitivity training and training in the transparency and accountability requirements and those for receipt for service are essential for field office staff. The Secretary should send frequent memos to all staff about this issue.

17.13) USDA should train FSA county office and credit staff on a full range of loan servicing options, including leaseback and buyback if they are still available.

17.14) Rural Development (RD) should increase funding to support an analysis of the impact of heir property situations on farm and home acquisition and retention, and to develop strategies to solve related problems. Such an analysis should be conducted in partnership with CBOs that have experience in the area.

17.15) A system should be created to settle all claims under *Pigford*, as well as all other civil rights claims and class action lawsuits that are currently pending. Progress on this system should be reported to the CBOs by the fall of 2009. The Secretary should issue a report on the progress of the elements in his 14-point memorandum on bringing about a “new era for civil rights” at USDA.

17.16) The CBOs should provide continuous input in the areas listed above, and should work with USDA to keep their members informed and involved, especially at the county and state levels.

## **PROGRESS TO DATE**

The CBOs developed and secured approval of numerous sections in the 2008 Farm Bill, as detailed below, to address problems in this issue. USDA has begun implementing some of the sections and has sought increased funds for settlement of *Pigford* claims.

FSA has streamlined areas of its farm loan programs by revising loan making and servicing requirements and procedures to serve applicants and borrowers better. The streamlining of direct loans included:

- Reducing applicable federal regulations by more than 80 percent.
- Modifying requirements to more closely conform to those used by other lenders.
- Reducing the number of forms required by nearly 50 percent, and ensuring that all forms are available online.
- Consolidating guidance into six handbooks instead of nearly 40 instruction manuals.

- RD, FSA, and the Natural Resources Conservation Service (NRCS) are implementing the receipt for service or denial of service on an interim basis, by directive or unnumbered letter. A temporary receipt form was also issued. A task force consisting of representatives from all three agencies is currently working on the permanent regulation and forms for approval and issuance.

The following 2008 Farm Bill provisions, most drafted or advocated by the CBOs, provide direction and authority to the Secretary to address past discrimination:

- Section 14002, Moratorium on Foreclosures, directs the Secretary to implement a moratorium on all accelerations, foreclosures, and sales until all cases are reviewed to determine if they were handled properly, and all claims of discrimination are settled. The section also directs the Secretary to waive interest and offsets while discrimination allegations are investigated. Interest and offsets that are waived must be repaid if the claimant is unsuccessful.
- Section 14011, Sense of Congress Relating to Claims Brought by Socially Disadvantaged Farmers or Ranchers, calls for the resolution of all outstanding claims and class actions brought against USDA based on racial, ethnic, or gender discrimination in an expeditious and just manner, including the *Keepseagle*, *Garcia*, and *Love* class action suits.
- Section 14012, Determination on Merits of Pigford Claims, allows claimants under the consent decree in the *Pigford* class action case that have not obtained a determination on the merits of their claim (i.e., claims filed late) to obtain a determination through civil action, including noncredit program claims. Acceleration and foreclosure is prohibited on any claimant's FSA loan accounts if the claimant makes a prima facie case that the foreclosure is connected to his or her *Pigford* claim. The 2008 Farm Bill provides \$100 million in mandatory funding to resolve claims, and the President has requested \$1.25 billion in additional funding to settle all outstanding claims under *Pigford* and issued a 90-day moratorium on all foreclosures.

RD has provided limited funding to CBOs to begin analyzing the heir property problem as it relates to SDFRs.

## **DEFINING CHANGE**

Change would mean:

- Every producer entering an USDA office receives the same standard of service, with a receipt for service and a clear explanation of what else is necessary to secure service.
- FSA reaches out to rural communities to ensure that all producers are on FSA lists and receive every service for which they are eligible.

- All outstanding claims are fairly resolved.
- Performance standards for equitable service are set, and employees are held accountable immediately for any disparate treatment or neglect. Employees and supervisors who fail to uphold these standards are dismissed.
- Socially disadvantaged and beginning producers have real access not only to loans but also to commodity programs, disaster programs, insurance, and every other benefit offered to any other producer.
- The land holdings of SDFRs are growing significantly instead of contracting.
- There is no longer a need to target resources and technical assistance to SDFRs, and USDA is truly the people's department.

## **ISSUE # 18: COMMODITY PROGRAMS AND COUNTY COMMITTEES**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

The county office committees (COCs) of the Farm Service Agency (FSA), which are elected by local agricultural producers, retain significant authority over the operation of local county offices and the allocation of benefits through commodity, disaster, and other farm programs. For years, the participation rates of socially disadvantaged farmers and ranchers (SDFRs) in these programs have been minuscule, denying SDFRs billions of dollars of federal farm benefits and the opportunity to develop viable operations.

COCs are widely viewed as a critical barrier to SDFRs' receiving equitable access to farm programs. The problems are ongoing because the U.S. Department of Agriculture (USDA) has failed to hold the committees and the county executive directors. USDA has not disciplined supervisors, state directors, or agency leaders who tolerate this failure to achieve equity.

The FSA established a system of appointing minority advisers to the COCs to remedy inequities. However, this system does not solve the problem because the advisers are chosen by the COCs, which are the primary source of the problem. Minority advisers cannot vote as full committee members.

While most discrimination complaints and class action lawsuits focus on FSA credit programs, it does not follow that discrimination does not exist in the commodity and disaster programs the COCs are responsible for delivering. The Equal Credit Opportunity Act gave producers the right to sue for damages for credit-related discrimination. Sovereign immunity, a general principle of federal law that protects the government from liability unless specifically waived, has shielded FSA from lawsuits that seek damages for discrimination in most noncredit programs.

More importantly, over the years, with no system for a receipt for service or denial of service, thousands of producers were simply turned away by local offices of FSA and the Agriculture Stabilization and Conservation Service (ASCS, which administered farm programs before FSA was created) with no explanation, no record of their visit, and no way to document and seek redress for discriminatory practices. Other more recent concerns identified in the Partners process are:

- FSA has made little investment in the outreach partnerships it funded in 1996 and 1997 with community-based organizations (CBOs). Those partnerships, which made progress in increasing the number of SDFRs on COCs, have been discontinued.
- Many SDFRs remain reluctant to participate in COCs or even to enter an FSA office because of the history of discrimination. Representation of SDFRs on COCs remains disproportionately low even in counties with high numbers of SDFRs. Concerns

about ballot and election integrity remain. Consolidation of COCs has led to concern that the offices are being relocated to areas that are predominantly white.

- While data on the number of SDFR representatives on COCs are being released each year as required under Section 10708 of the 2002 Farm Bill, the number of producers on FSA's basic list, called the Service Center Information Management System list (SCIMS list), as compared to those who actually cast ballots in COC elections is no longer broken down by race, gender, and ethnicity. This comparison is essential as many COC members are elected with very low participation rates—in some cases, few people vote beyond the members of the COCs themselves. (The SCIMS list itself, which now includes over 13 million individuals and entities, compared to some 2 million farms counted in the Census of Agriculture, might not correctly reflect the users of FSA programs and services in each county.)
- FSA has not implemented the requirements of Section 10708 with respect to commodity and disaster programs. SDFRs' participation remains disproportionately low in these programs. The Assistant Secretary for Civil Rights (ASCR) has not developed a system to review compliance, based on these data.
- Applications for disaster and other programs are not suited to vegetable producers. The distribution of base acres on which commodity program payments are based continues deep historic inequities and will reduce payments to SDFRs into the future.
- FSA remains one of the least diverse USDA agencies and does not hold its personnel accountable for inequitable service. Lack of access to commodity programs has contributed to the lack of access to credit (see Issue # 16, Access to Credit).

## **AGENCIES AFFECTED**

FSA

## **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

Local resistance to change remains great. Opposition to sharing power and changing the status quo are strong barriers to equitable access and representation. The strong relationship between FSA and the old boys' network of producers makes SDFRs reluctant to seek services or get involved in the COC election process. FSA must understand the need to build a service delivery system that transcends this old boys' network and reaches out to all producers. FSA needs a change in culture and attitude at all levels.

Too many COCs do not work in partnership with CBOs, yet CBOs are vital to building trust between SDFRs and FSA.

## **Recommended Actions**

18.1) The Secretary should ensure that a diverse pool of dedicated FSA leaders and state executive directors (SEDs) are recruited, and that the need to change in way FSA does business is thoroughly conveyed at every level.

18.2) The Secretary should ensure diversity of staff in local offices. FSA state directors and field staff should establish partnerships with local CBOs and other minority groups.

18.3) FSA must continue to release COC election data and add the number of producers who are on the SCIMS list in each county, and the number who cast ballots. Data should be reported by race, gender, and ethnicity and should be reviewed by ASCR and shared with the CBOs. Deficiencies in the SCIMS list must be rectified.

18.4) USDA should immediately implement and utilize the transparency and accountability tools of Section 14006 of the 2008 Farm Bill. These data should be released to the public and used to assess participation in COCs and the degree to which the counties have improved participation of SDFRs in elections and in USDA annual commodity and farm programs.

18.5) This analysis should be performed immediately, and the results should be used to assess what steps FSA needs to take to demonstrate progress in improving equity.

18.6) Previous farm bills authorized the Secretary to appoint SDFRs as full members of COCs. However, this discretionary power was never utilized. Based on participation rates, the Secretary should level the playing field by exercising his discretionary authority to appoint SDFRs to the COCs as full members. That would satisfy the intent of Congress, which included language on this point in Section 10708 of the 2002 Farm Bill.

18.7) FSA should work in partnership with CBOs on a plan for outreach, training, education, and evaluation at the state and county levels. At the outset, a baseline of participation at the county level should be developed, with an evaluation process to measure improvements in participation in both elections and the programs overseen by COCs. FSA must secure budget resources for these partnerships and must commit substantive funds to them, to conduct outreach on COC elections and to improve participation in commodity and disaster programs, especially the new 2008 Farm Bill disaster programs (see Issue # 8, Disaster Preparedness and Response).

18.8) Focus groups and surveys should be developed in cooperation with the CBOs and conducted at gatherings of SDFRs to assess the level of their awareness of, interest in, and perception of COCs.

18.9) In implementing Section 1615 of the 2008 Farm Bill, the Secretary should expeditiously develop clear regulations for public comment to ensure that SDFRs have the opportunity to participate fairly in COC and to access FSA services. The Secretary should seek input from CBOs and issue regulations and procedures to assess the impact of county office consolidations on SDFRs and Indian tribes.

18.10) The 2008 Farm Bill conference report for Sections 1101 and 1302, Direct Payments and Counter-Cyclical Payments Base Acres, and Base Acres for Peanuts for a Farm, directs the Secretary to collect and publish data and survey information on farm profiles, land utilization, and crop production, and to evaluate the impact of the suspension of payments for small base acres on the price and supply of fruit and vegetables. The Secretary should ensure that this evaluation includes SDFRs in both the data collection and publication, and assesses the impact on acreage base by race, gender, and ethnicity. The Secretary and ASCR should also take measures to document the proportions of crop base allocated to SDFRs, any changes in allocation resulting from adjustment of base acres, and SDFRs' participation in all direct, counter-cyclical, peanut, and Average Crop Revenue Election (ACRE) programs.

18.11) To ensure accessibility to native speakers of languages other than English and to those at lower reading levels, translations and other forms of technical support should be provided during meetings of COCs.

18.12) State FSA committees should be made responsible for making changes in the boundaries of local administrative areas, with input from CBOs. This responsibility should be removed from the purview of county offices. All state and county offices should be required to develop a comprehensive outreach plan for COC elections.

18.13) SEDs and state committees should appoint diverse elections committees—consisting of representatives from the state office, COCs, county offices, and CBOs—to oversee the election process and increase the representation of SDFRs on COCs.

18.14) As required in the 2002 Farm Bill, sealed ballots must be kept together and opened and counted openly at the same time to ensure integrity of the election process. CBO representatives should observe the counting of ballots.

18.15) FSA and the CBOs together should review all current and pending departmental regulations relating to COC elections and the collection of data on voters, votes cast, and the composition of current committees, including the rule on maintaining SDFR participation when committees are consolidated.

18.16) FSA and the CBOs should develop a partnership with adequate funding for activities designed to secure increases in the percentage of SDFRs serving on COCs, modeled on the work done in the CBO workshops of 1996 and 1997 and on the partnerships of the CBOs with the National Agricultural Statistics Service (NASS).

18.17) USDA and the CBOs should further revisit the 1930s legislation that created the COC system and closely examine the impact of changes made in recent farm bills to assess their effectiveness in improving equity. If improvements are not made in participation in elections and more importantly, in access to the full range of USDA programs, replacing the COC system should be considered.

## **PROGRESS TO DATE**

In 1996 and 1997, FSA provided funds for a national workshop and partnership with CBO leaders on COC election procedures, with additional funds for field activities to increase SDFRs' participation. In those years, participants in the process increased their knowledge of the role of COCs and how to participate in them. SDFR representation improved in several places, notably in Montana.

The knowledge gained through this partnership about the internal workings, power, and consequences of COCs helped the CBOs develop strategies and achieve changes in legislative authority, notably the transparency and accountability provisions in Section 10708 of the 2002 Farm Bill. USDA now has additional tools to better regulate or change how the COCs do business, and to guide and improve outreach efforts.

FSA has expanded its educational and outreach efforts about the COC election process, upcoming elections, and important dates, including advertising in *Minority Landowners* magazine, currently distributed in over 783 county offices in 11 states with large concentrations of SDFRs.

Increased information about elections provided through publications and directly to CBOs, can affect election outcomes, as demonstrated by the 2005 and 2007 election returns. The number of SDFRs nominated increased by 50 percent from the 2003 to the 2006 election cycle, although the number elected has remained constant. In 2007, three additional African-Americans were elected.

FSA implemented the transparency and accountability requirements in Section 10708 of the 2002 Farm Bill with respect to COCs and has regularly released required data on the number of elected members by race, gender, and ethnicity. These data allow independent analysis of the adequacy of representation in each county. Coupled with the requirements for data on program participation adopted in the 2002 and 2008 Farm Bills, FSA and ASCR have the tools to assess whether local committees are doing their jobs.

Several sections of the 2008 Farm Bill included protections for SDFRs:

- Sections 1101 and 1302, Direct Payments and Counter-Cyclical Payments Base Acres, and Base Acres for Peanuts for a Farm, exempt SDFRs from the base-acreage minimum of 10 acres adopted for producers receiving direct, counter-cyclical, or average crop revenue election payments. Authority is provided to collect data and evaluate the impact and application of the exemption. The sections allow adjustment of acreage base when a conservation reserve contract terminates or when the producer has eligible oilseed or pulse acreage.
- Section 1615, State, County, and Area Committees, extends requirements in Section 10708 of the 2002 Farm Bill that improved election procedures, required disclosure of data on the outcome of elections, and provided authority to the Secretary to intervene when representation was inadequate. Section 1615 addresses the issue of producer representation when county or area committees are consolidated. The Secretary is required to develop procedures to ensure that

combined committees be elected by and be fairly representative of producers who cooperate with or participate in programs administered by that local committee.

### **DEFINING CHANGE**

Change would mean that FSA expands its commitment to provide information to SDFRs in those areas where SDFRs exceed 10 percent of the producers in the county, forming a partnership with CBOs that provides funding for activities designed to increase the percentage of SDFRs serving on COCs.

Change would mean that a larger percentage of SDFRs participate in elections and more SDFRs are nominated for membership in COCs. Participation rates of SDFRs on COCs and in all FSA programs would increase dramatically. SDFRs would receive greatly increased support from commodity and related programs.

Change would mean that COCs better reflect and represent the communities they were established to serve, and SDFRs no longer view FSA as their enemy—or, if by the end of 2012 SDFRs still do not have equitable access to resources and services, the COC system would be abolished and FSA personnel would be held accountable for any continued inequity.

## **ISSUE # 19: USDA ADVISORY COMMITTEES AND BOARDS**

### **PROBLEMS RAISED IN THE PARTNERS PROCESS**

Advisory committees and boards play a key role in influencing the programs and services of the U.S. Department of Agriculture (USDA). But none of the 59 active advisory committees directly addresses issues particular to socially disadvantaged farmers and ranchers (SDFRs). The Minority Farmer and Rancher Advisory Committee authorized in the 2008 Farm Bill awaits establishment as the deadline for its creation nears.

The Federal Crop Insurance Corporation (FCIC), which governs the crop insurance system, has significant power to negotiate USDA's agreements with the crop insurance industry. Socially disadvantaged producers and the community-based organizations (CBOs) that work with them lack real representation in FCIC and similar entities, as well as on most advisory boards, and the needs of SDFRs and CBOs are not being adequately addressed.

USDA agencies may incorrectly assume that their SDFR constituents have sufficient knowledge of opportunities to serve on advisory committees and boards. While some agencies do extensive outreach to SDFRs and the CBOs that represent them, others do not. Additional issues that affect SDFR participation on USDA committees and boards include:

- It is difficult to identify representatives of CBOs in certain rural areas that have few SDFRs, and that lack diversity.
- Participants of color who are selected to serve on committees and boards may not actually represent or have any awareness of the needs of socially disadvantaged communities, and are often chosen to achieve an appearance of diversity rather than real representation.
- Several committees and boards do not reimburse members' travel costs, making the expense of participation in meetings a barrier to SDFRs.
- The lack of a system-wide open-door policy for USDA means that not everyone feels comfortable participating. Due to this fundamental lack of comfort and trust, issues such as requirements for security clearance or background checks may further reduce participation.
- The criteria for membership on committees and boards are geared more toward exclusion than inclusion. New legislative authority may be needed to remove barriers or make participation more balanced.
- Participation requires a substantial commitment of time, and many SDFRs doubt the benefits of serving on boards and committees

## **AGENCIES AFFECTED**

Most agencies within USDA

## **PENDING CONCERNS RAISED IN THE PARTNERS PROCESS**

USDA advisory committees and boards are not taking advantage of the knowledge and understanding that members of CBOs have of local issues. Although SDFRs can bring key issues and concerns to decision makers, too often the SDFRs who are chosen to serve on boards and committees are selected just to fill a quota—rather than because of their knowledge of, and ability to represent, their community.

CBOs are not having enough input in the selection process.

### **Recommended Actions**

19.1) Section 14013 of the 2008 Farm Bill, the Advisory Committee on Minority Farmers, authorizes the creation of this committee. The section should be implemented before November 2009. The Secretary should utilize this committee as a source of advice on issues including full implementation of Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990, as amended, and methods of maximizing SDFRs' participation in USDA programs. The Secretary is to appoint up to 15 members of the Advisory Committee on Minority Farmers, including:

- Not less four SDFRs.
- Not less than two representatives of nonprofit organizations with a history of working with SDFRs.
- Not less than two civil rights professionals.
- Not less than two representatives of institutions of higher education with demonstrated experience working with SDFRs.
- Other persons the Secretary considers appropriate. For instance, the Secretary may appoint USDA employees to serve as ex officio members.

19.2) USDA should require that boards and committees adopt methods used by socially disadvantaged and Tribal communities to ensure adequate representation. The boards and committees should report regularly on the diversity of their composition, and on their strategies to address any lack of diversity. A report on the demographic composition of USDA advisory boards and committees should be shared at the next Partners meeting.

19.3) USDA agencies and CBO representatives who have served on these boards and committees should share information regarding participation on committees and boards, and why it is important, with SDFRs.

19.4) Working together, the CBOs should determine which advisory committees are most important, and develop candidates to participate in them and report back to their communities on the committees' work.

19.5) Each committee and board should include more than one representative of the CBO and SDFR community, so that no representative is a lone voice.

19.6) The Secretary should place special priority on increasing the representation of SDFRs and CBOs on the Research, Education, and Economics Task Force in order to increase collaboration between CBOs and land grant universities, and to ensure that the needs of SDFRs are better met in this mission area.

19.7) Certain agencies, including the Agricultural Marketing Service (AMS), should conduct periodic rule-making sessions to update procedures based on recommendations from USDA advisory committees and boards. Agencies should issue reports that include the number of such recommendations that are made and implemented. These reports should be shared with CBOs through the Office of Advocacy and Outreach (OAO).

19.8) CBOs should visit the following Website to view the complete details of USDA Advisory Committees and Boards at: <http://www.usda.gov>.

19.9) USDA and the CBOs should consider the following methods to promote participation on USDA programs and advisory committees including:

19.9 a) Delegating responsibility to OAO to work through appropriate CBOs to announce program opportunities and identify potential members of committees and boards.

19.9 b) Use of local media such as radio and newspapers, especially minority-targeted media.

19.9 c) Working with local minority organizations and chambers of commerce.

19.9 d) Providing workshops and training sessions about USDA advisory committees at conferences conducted by CBOs representing socially disadvantaged producers, farmworkers, and communities.

19.10) Advisory committees and boards should look at alternative ways, such as teleconferences and videoconferences, to facilitate participation by socially disadvantaged members who are unable to travel to designated meeting locations.

19.11) USDA and CBOs representing SDFRs should provide outreach on how to identify key opportunities to have an impact on USDA programs and prepare potential board or committee members for service.

19.12) USDA should increase the number of liaisons available for educating rural communities about opportunities to serve on advisory committees and boards.

## **PROGRESS TO DATE**

The following advisory committees now include SDFRs or members of organizations who represent them:

- Advisory Committee on Agriculture Statistics
- Advisory Committee on Beginning Farmers and Ranchers

Socially disadvantaged producers or organizations have previously been represented on the Research, Education, and Economics Task Force.

Section 14013 of the 2008 Farm Bill includes language requiring the Secretary to establish an Advisory Committee on Minority Farmers not later than 18 months after the enactment of the 2008 Farm Bill—in other words, by November 2009.

## **DEFINING CHANGE**

Change would mean establishing the Advisory Committee on Minority Farmers, and having it report to the next Partners meeting.

CBO and SDFR participation on advisory committees and boards would increase to representative levels. Regular reports on the composition of the boards and committees would be made to the Partners, and any gaps would be addressed.

## CONCLUSION: DEFINING THE CHANGE WE SEEK

In order to fully address these long-term USDA inequities, our tools must include both statutory and regulatory change. The CBOs have benefited greatly from the insight provided by our USDA colleagues in the Partners process on USDA policies, procedures and systems and we recognize and honor their efforts. Our ability to propose legislation to solve problems expanded through the dialogue and interchange we have developed with them.

The many sections of the 2008 Farm Bill that can be employed to increase equity grew from our work over the past five years. The benefit of our collaboration may be most evident with respect to our work with the Natural Resources and Conservation Service and the House and Senate Agriculture Committees. The trust and respect we developed as we constructed a shared knowledge of problems and solutions made possible the legislative victories and the emerging regulatory changes now being completed.

We caution the Secretary however, that the hard part is yet to come. In August 2009, Assistant Secretary for Civil Rights Dr. Joe Leonard, and CBO Partners Planning Team Chair Shirley Sherrod, held a call to report to the CBOs on the current status of the report and the implementation of the 2008 Farm Bill and other work in the Partners process.

Immediately afterwards, we were contacted by several producers who shared with us present day stories that verify the conditions we hope to put in the past but which still exist to this day. The situations, which we have heard many times before, remain endemic to the USDA system, and if these conditions are not changed, all our other work is for naught.

One socially disadvantaged producer recounted a recent visit to the local USDA Service Center during which he requested new benefits provided to SDFRs provided under the farm bill. Through the wall, he overheard USDA staff in another room discuss how they did not think it fair that they be forced to provide the producer certain benefits required by law for any SDFR. We verified that the producer was indeed eligible for the benefit, and asked if we might work with him to raise this matter with higher ups in the agency to seek swift resolution. He asked that we not do so, sharing the very prevalent reticence of producers to file a complaint or otherwise question such treatment, feeling that if they do so, they will not receive access to any programs.

A CBO leader who is also a socially disadvantaged producer cautioned that the CBOs should expose the specifics of what happened only if they are willing to stand behind the producer to “the bitter end,” because *“even when you think you can take it, they can come to your farm and dig for stuff that is not there. They also can be very intimidating to your family and it really stresses everyone in your personal life.”*

Producers continue to emphasize that USDA leaders at headquarters don't realize what

goes on in the field, and that producers should not be asked to file complaints unless there is a commitment from the top leaders at USDA to protect producers from retaliation. This retaliation may not be confined to issues related to USDA program participation, but may also affect their social and economic relationships in their local community.

Thus, the circle of injustice continues that will not be solved by improved data or set-asides or any other method than truly holding local staff, their supervisors, managers, and state and national leaders accountable to demonstrate with results that they have fairly served all producers.

Beyond everything that is written here, we stress once more that achieving change in rural areas requires an understanding of the social context that underlies the conditions faced by SDFRs and farmworkers.

When USDA, or county staff fully paid by USDA-- who have already cost the department over a billion dollars in liability for discrimination-- remain in place with not even a reprimand, and when their supervisors are retained and promoted, those who wish will find ways to assure that benefits are provided to some producers and denied to others and will feel free to continue their discriminatory practices. But when their supervisors and leaders allow them continue these practices with impunity and remain staff members of USDA, it is this failure of leadership that gives them permission to continue business as usual. Until this situation changes, nothing else will.

This report summarizes the conditions in place when we began this phase of our work in January 2009. We have worked as hard as we are able to be fair and productive in our comments and we thank the Secretary and his staff for their openness to our role as partners in this work. We urge the Secretary and USDA leaders to read this report carefully and track progress in implementing these proposals.

We believe the value of this report and partnership process rests in its ability to achieve our goal of developing strategic working relationships within all agencies and mission areas of USDA to recommend standards and build support to ensure equitable access to USDA programs and resources. Success will also depend on the equitable allocation by USDA of financial resources for socially disadvantaged producers and farmworkers, to make them full participants in agriculture and to acquire, retain and develop land and become part of rural communities.

In Secretary Vilsack's words, "*This is a new day for equal employment opportunity, program delivery, and civil rights at USDA. I intend to lead the Department in correcting its past errors, learning from its mistakes, and moving forward to a new era of equitable service and access for all.*"

## **APPENDIX 1: SUMMARY OF REPORTS RELATED TO EQUITY IN ACCESS TO USDA PROGRAMS AND SERVICES**

A multitude of reports have identified inequities in USDA programs and services. These include:

- 2008 Government Accountability Office (GAO) Report on Civil Rights and USDA
- 2008 GAO Report on Beginning Farm Programs at USDA
- 1998 Small Farms Commission Report, A Time to Act.
- 1997 Civil Rights Action Team Report on Civil Rights at USDA
- 1996 United States Commission on Civil Rights report on Title VI enforcement by various federal agencies, including USDA<sup>1</sup>
- 1990 investigation, hearing, and report of the House Committee on Government Operations on the Farmers Home Administration's role in the decline in minority farming<sup>2</sup>
- 1983 Report of the USDA Task Force On Black Farm Ownership<sup>3</sup>
- 1982 Report of the United States Commission on Civil Rights (Commission) on The Decline of Black Farming in America<sup>4</sup>
- May 1979 Report "Where mules outrate men: migrant and seasonal farmworkers in North Carolina." North Carolina Advisory Committee to the United States Commission on Civil Rights. Washington, DC.

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<sup>1</sup> U.S. Comm'n On Civil Rights, Federal Title VI Enforcement to Ensure Nondiscrimination in Federally Assisted Programs 254 (June, 1996) [hereinafter Title VI Report].

<sup>2</sup> Decline of Minority Farming in the United States: Hearing Before the Government Information, Justice, and Agriculture Subcommittee of the Committee on House Committee on Government Operations, 101st Cong., 2d Sess. 19-58 (July 25, 1990) [hereinafter Hearing Before the Government Information, Justice, and Agriculture Subcommittee]. House Comm. on Government Operations, The Minority Farmer: A Disappearing American Resource; Has The Farmers Home Administration Been The Primary Catalyst?, H.R. Rep. No. 984, 101st Cong., 2d Sess. 1-2 (1990) [hereinafter The Minority Farmer: A Disappearing American Resource].

<sup>3</sup> USDA, Report of the USDA Task Force On Black Farm Ownership (Sept. 22, 1993) (written in response to the 1982 Civil Rights Commission Report).

<sup>4</sup> U.S. Comm'n On Civil Rights, The Decline of Black Farming in America (Feb., 1982) [hereinafter 1982 Commission Report].

- June 1978 Report “People who follow the crops. United States Commission on Civil Rights.” Washington, DC.
- July 1977 Report. “Working and living conditions of mushroom workers”. Delaware and Pennsylvania Advisory Committees to the United States Commission on Civil Rights. Washington, DC.
- March 1974. “Indiana migrants: blighted hopes, slighted rights”. Indiana Advisory Committee to the United States Commission on Civil Rights. Washington, DC.
- 1970 Commission report entitled Cycle to Nowhere<sup>5</sup>
- 1967 Commission report also focusing on Georgia<sup>6</sup>
- A brief 1966 Commission report focusing on Georgia<sup>7</sup>
- 1965 Commission report entitled Equal Opportunity in Farm Programs<sup>8</sup>

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<sup>5</sup> U.S. Comm’n On Civil Rights, Cycle to Nowhere (Clearinghouse Pub. No. 14) (1970)

<sup>6</sup> U.S. Comm’n On Civil Rights Ga. State Advisory Committee, Equal Opportunity in Federally Assisted Agricultural Programs in Georgia (1967).

<sup>7</sup> U.S. Comm’n On Civil Rights, Progress in Implementing Civil Rights Policies in Selected Agricultural Programs in the State of Georgia (1966).

<sup>8</sup> U.S. Comm’n On Civil Rights, Equal Opportunity in Farm Programs (1965).

## **APPENDIX II: SOME CURRENT USDA ADVISORY COMMITTEES**

1. Advisory Committee on Agriculture Statistics
2. Advisory Committee on Beginning Farmers and Ranchers
3. Advisory Committee on Biotechnology & 21st Century Agriculture (AC21)
4. Advisory Committee on Emerging Markets
5. Advisory Committee on Foreign Animal and Poultry Diseases
6. Advisory Committee on Meat and Poultry Inspection
7. Advisory Committee on Universal Cotton Standards
8. Advisory Committee on Provincial Interagency Executive Committees
9. Agricultural Policy Advisory Committee for Trade
10. Agricultural Technical Advisory Committee for Trade in Animal and Animal Products
11. Agricultural Technical Advisory Committee for Trade in Fruits and Vegetables
12. Agricultural Technical Advisory Committee for Trade in Grain, Feed, and Oilseeds
13. Agricultural Technical Advisory Committee for Trade in Processed Food
14. Agricultural Technical Advisory Committee for Trade in Sweeteners and Sweetener Products
15. Agricultural Technical Advisory Committee for Trade in Tobacco, Cotton, Peanuts, and Planting Seeds
16. National Dairy Promotion and Research Board
17. National Fluid Milk Processor Promotion Board
18. National Genetic Resources Advisory Council
19. National Honey Board
20. National Mango Promotion Board

21. National Organic Standards Board
22. National Peanut Board
23. National Pork Board
24. National Potato Promotion Board
25. National Sheep Industry Improvement Center
26. National Urban and Community Forestry Advisory Council
27. National Watermelon Promotion Board
28. National Wildlife Services Advisory Board
29. Opal Creek Scenic Recreation Area Advisory Council
30. Peanut Standards Board
31. Plant Variety Protection Advisory Council
32. Popcorn Board
33. Pork Delegate Body
34. Research, Education, and Economics Task Force
35. Resource Advisory Committees for the State of Montana
36. Task Force on Agricultural Air Quality Research
37. United Soybean Board
38. U.S. Highbush Blueberry Council
39. USDA Technology and e-Government Advisory Council

### **APPENDIX III: GLOSSARY OF DEFINITIONS AND TERMS**

1890 institutions. These colleges and universities were founded as a result of provisions in the second Morrill Act, which prohibited racial discrimination in land-grant institutions (see the definition of those institutions below). States had the option of creating separate institutions to serve African-American students. The southern states elected to have separate educational institutions, sometimes referred to as historically black colleges and universities (HBCUs). While not a land-grant institution, Tuskegee University has traditionally been associated with the 1890 institutions. It was granted 25,000 acres of land by Congress in 1899 and has espoused the land-grant philosophy throughout its history.

1994 institutions. These colleges and universities are land-grant institutions (see the definition of those institutions below) that traditionally served Native Americans. The Equity in Educational Land-Grant Status Act of 1994 conferred land-grant status on 29 tribal colleges that address agriculture and mechanical arts.

## **A**

Acequia. A Spanish word meaning irrigation ditch (derived from the Arabic *assaquiya*, or water carrier), acequia refers both to historic irrigation ditches and, in New Mexico, to a community association that owns and cares for such a ditch. Acequias are recognized under New Mexico law as political subdivisions of the state, and many of the state's acequia associations have been in existence since the seventeenth century.

ACRE. Average Crop Revenue Election.

ACT. Assessment Conversation Team.

AGR. Adjusted gross revenue.

AGR-Lite. Adjusted Gross Revenue-Lite, a whole-farm revenue protection plan.

AMA. Agricultural Management Assistance Program.

AMS. Agricultural Marketing Service.

APHIS. Animal and Plant Health Inspection Service.

ARRA. American Recovery and Reinvestment Act of 2009.

ARS. Agricultural Research Service.

ASA. Assistant Secretary for Administration, reporting to the Secretary of Agriculture.

ASCR. Assistant Secretary for Civil Rights, reporting to the Secretary of Agriculture.

ASCS. The Agriculture Stabilization and Conservation Service.

ATTRA. Appropriate Technology Transfer for Rural Areas Program.

AWEP. Agricultural Water Enhancement Program.

## **B**

BCAP. Biomass Crop Assistance Program.

BFR. Beginning farmers or ranchers are farmers or ranchers (or all members of an entity that owns a farm or ranch) who: 1) have not operated a farm or ranch for more than 10 consecutive years and 2) will materially or substantially participate in the operation of the farm or ranch. Throughout this report, the terms “emerging” and “beginning” farmer and rancher are used interchangeably.

BFRDP. Beginning Farmer and Rancher Development Program.

BRDI. Biomass Research and Development Initiative.

BSE. Bovine spongiform encephalopathy, also known as mad cow disease.

## **C**

CBO. Community-based organization. Community based organizations are organizations that have and are governed by a defined and verifiable membership, with a democratically chosen and accountable board and governance structure and a proven history, of representing and providing services to a particular grassroots

constituency. For the purposes of this report, the CBOs referred to would have a history of representing and serving socially disadvantaged producers and farmworkers. The term also refers to networks of CBOs that join together groups who meet the definition of CBO.

CCC. The Commodity Credit Corporation is a Federally owned and operated corporation within USDA, created to stabilize and support agricultural prices and farm income by making loans and payments to producers, purchasing commodities, and engaging in various other operations. CCC handles all money transactions for agricultural price and income support and related programs.

CCPI. Conservation Cooperative Partnership Initiative.

CED. County executive director.

CFDA. Catalogue of Federal Domestic Assistance.

COC. County office committee.

Constituents. USDA's constituents are individuals, groups, populations, communities, American Indian and Alaska Native tribal governments, communities, organizations, and other organizations that receive, purchase, or are otherwise affected by a product, service, or process of an USDA agency. Constituents receive products and services either directly from USDA agencies or indirectly through other individuals or organizations. USDA's constituents are the individuals and organizations that actually receive the intended benefit of its products and services.

CPD. Continuity of Operations Planning Division.

CRP. The Conservation Reserve Program is administered by NRCS.

CSA. Community-supported agriculture is a form of direct marketing whereby farmers have direct relationships with the communities that directly support their farming operation, usually by selling shares of the farm's production to the communities.

CSP. The Conservation Stewardship Program was established when the 2008 Farm Bill amended the Food Security Act of 1985. CSP provides payments to producers for adopting or maintaining a wide range of conservation management and land-based structural practices that address one or more resources of concern, such as soil, water, and wildlife habitat.

CSREES. Cooperative State Research, Education, and Extension Service. By October 1, 2009, CSREES will be renamed the National Institute for Food and Agriculture (NIFA), as directed by the 2008 Farm Bill.

## **D**

DET. Delivery Enhancement Task Force.

DHS. U.S. Department of Homeland Security.

DOE. U.S. Department of Energy.

DOJ. U.S. Department of Justice.

DOT. U.S. Department of Transportation.

## **E**

EBT. Electronic benefit transfer is a debit card technology used for issuing food stamp benefits.

ECP. Emergency Conservation Program.

EFNEP. Expanded Food and Nutrition Education Program.

EPA. Environmental Protection Agency.

EQIP. The Environmental Quality Incentives Program was established by the 1996 Farm Bill to consolidate and better direct the efforts of the Agricultural Conservation Program, Water Quality Incentives Program, Great Plains Conservation Program, and Colorado River Basin Salinity Program. The program provides education and technical assistance, as well as financial assistance through cost-share payments for structural and vegetative practices and incentive payments for management practices. EQIP is run by NRCS and is funded through CCC.

ERS. Economic Research Service.

ESL. English as a Second Language.

EWP. Emergency Watershed Protection Program.

## **E**

FBO. Faith-based organization.

FCC. Federal Communications Commission.

FCIC. Federal Crop Insurance Corporation.

FDA. Food and Drug Administration.

FDPIR. Food Distribution Program on Indian Reservations.

FEMA. The Federal Emergency Management Agency focuses on providing disaster relief as necessary throughout the United States.

FFA. The Future Farmers of America is a national, youth-oriented agricultural education organization with state and local chapters.

FMIA. The Federal Meat Inspection Act program is administered by FSIS and requires certain species of livestock and meat animals to be slaughtered only under Federal or state inspection.

FMPP. The Farmers Market Promotion Program is a grant program administered by AMS.

FMNP. The Farmers Market Nutrition Program is administered by FNS.

FNS. Food and Nutrition Service.

FOIA. Freedom of Information Act.

FRPP. The Farm and Ranchland Protection Program is administered by NRCS and focuses on providing resources to producers and landowners to solve problems of farm and ranchland protection.

FRTEP. Federally Recognized Tribal Extension Program.

FS. Forest Service.

FSA. Farm Service Agency.

FSIS. Food Safety and Inspection Service.

FSMIP. Federal-State Marketing Improvement Program.

## **G**

GAO. Government Accountability Office.

GIPSA. Grain Inspection Packers and Stockyards Administration.

GRP. The Grassland Reserve Program was established in the 2002 Farm Bill to assist owners, through long-term contracts or easements, in restoring grassland and conserving virgin grassland. The program is administered jointly by NRCS, FSA, and FS.

GSA. General Services Administration.

## H

HAC. Housing Assistance Council.

HBCUs. Historically black colleges and universities. See 1890 institutions.

HFRP. The Healthy Forest Reserve Program is administered by NRCS and focuses on providing resources to producers and landowners to solve problems related to forest health.

HSI. A Hispanic serving institution is a nonprofit college or university with an enrollment that is at least 25 percent Hispanic full-time equivalent (FTE) students.

HUD. U.S. Department of Housing and Urban Development.

## I

IAC. Intertribal Agriculture Council.

IGA. Intergovernmental Affairs Division of the Office of Congressional Relations.

IPA. Interagency Personnel Agreement.

ITO. Indian Tribal Organization.

## L

Land-grant institutions. The original land-grant colleges and universities are sometimes called “1862 institutions” as they were established by the Land Grant College Act of 1862, also known as the first Morrill Act. A land-grant institution is a college or university designated by its state legislature or by Congress to receive benefits under the Morrill Acts of 1862 and 1890. A principal mission of these institutions is to teach agriculture and the mechanical arts. The first Morrill Act granted each state Federal land to be sold to provide an endowment for at least one land-grant institution. Additional colleges and universities have been established with land-grant status, and certain existing institutions have received land-grant status.

LEP. Limited English Proficiency.

Limited-resource farmer or rancher. Farmers and ranchers are considered to have limited resources if they have: 1) direct or indirect gross farm sales of \$116,800 or less (adjusted for inflation starting in 2005) in each of the previous two years; and 2) total household income at or below the national poverty level for a family of four, or less than 50 percent of their county’s median household income in each of the previous two years.

## **M**

MOA. Memorandum of agreement.

## **N**

NAIS. The National Animal Identification System is administered by APHIS. It is a national program designed to identify and track all livestock within the United States.

NAP. Noninsured Crop Disaster Assistance Program.

NASS. National Agricultural Statistics Service.

NGOs. Nongovernmental organizations, also known as nonprofit organizations.

NIEHS. The National Institute of Environmental and Health Sciences.

NIFA. National Institute for Food and Agriculture (see CSREES).

NIH. National Institutes of Health.

NOCP. Notice of contract proposals.

NOFA. Notice of funds availability.

NOP. National Organic Program.

NOSA. Notice of solicitation of applications.

NRCS. Natural Resources Conservation Service.

NRE. Natural Resources and the Environment, a mission area of USDA that includes NRCS and FS.

NSLP. National School Lunch Program.

NTIA. National Telecommunications Information Administration.

## O

OASCR. Office of the Assistant Secretary for Civil Rights, who reports to the Secretary of Agriculture.

OBPA. Office of Budget and Program Analysis.

OAO. Office of Advocacy and Outreach.

OEIA. The Office of External and Intergovernmental Affairs is in the Office of Congressional Relations.

OGC. Office of the General Counsel in USDA.

OHS. Office of Homeland Security in USDA.

OIG. Office of the Inspector General.

Operating loan. FSA operating loans may be used to purchase livestock, farm equipment, feed, seed, fuel, farm chemicals, and insurance, or pay for other operating expenses.

OMB. Office of Management and Budget.

OOEET. Office of Outreach, Employee Education, and Training.

OSHA. Occupational Safety and Health Administration.

OTASDFR. Outreach and Technical Assistance Program for Socially Disadvantaged Farmers and Ranchers, also known as the 2501 Program.

## **P**

PACA. Perishable Agricultural Commodities Act.

Partners. Representatives from the CBOs and USDA who meet annually to together identify and propose solutions resolve problems in program delivery and allegations of past discrimination against USDA employees.

PMS. Payment Management System.

## **R**

RC&D Program. Resource Conservation and Development Program.

RD. Rural Development.

REAP. Rural Energy for America Program.

REE. Research, Education and Economics.

RFA. A request for applications is a formal statement that invites grant or cooperative agreement applications in a well-defined area to accomplish specific program objectives. The RFA indicates the estimated amount of funds set aside for the competition, the estimated number of awards to be made, and the application receipt date(s). Applications submitted in response to an RFA usually are reviewed by an initial review group convened by the agency or organization that issued the RFA.

RFP. Request for proposals to provide specific government-commissioned work.

RHS. The Rural Housing Service.

RMA. The Risk Management Agency at USDA administers the programs of the FCIC.

RME. Risk Management Education programs are funded through RMA and CSREES. The extension RME program delivers subgrantee opportunities in four regions of the United States through four regional RME centers; while the RME programs funded by RMA are delivered at the regional and national level. Both the programs administered directly through RMA and those administered through CSREES focus on the five areas of RME: production, price/income, marketing, legal, and human resource risks.

RUS. Rural Utilities Service.

## **S**

SADA. Supplemental Agricultural Disaster Assistance Program.

SBA. Small Business Administration.

SBFs. Small and beginning farmers.

Schedule F. An additional schedule to attach to annual income tax forms filed with the Internal Revenue Service relating to farming operations.

SCIMS. Service Center Information Management System.

SDFR. A socially disadvantaged farmer or rancher belongs to a group whose members have been subjected to racial or ethnic (and in some cases gender) prejudice because of their identity as members of the group. The precise definition of SDFRs varies by title of the farm bill.

SEARCH. Special Evaluation Assistance for Rural Communities and Households.

Section 10708. Section 10708 (a) of the Farm Security and Rural Investment Act of 2002, "Transparency and Accountability for Socially Disadvantaged Farmers and Ranchers; Public Disclosure Requirements for County Committee Elections," requires an annual compilation and public disclosure of data relating to the participation of SDFRs in USDA programs. Expanded in Section 14006 of the 2008 Farm Bill.

SED. State executive director for Farm Services Agency.

SFMNP. The Senior Farmers Market Nutrition Program is administered by the FNS.

SNAP. Supplemental Nutrition Assistance Program, formerly called the Food Stamp Program.

Specialty crops. Fruits, vegetables, tree nuts, dried fruits, nursery crops, and floriculture, which are also referred to as horticulture crops.

SURE. Supplemental Revenue Assistance Payments.

SUTA. Substantially Underserved Trust Area.

SWIAA. Southwest Indian Agriculture Association.

## I

TEFAP. The Emergency Food Assistance Program.

Tribes. Native American or American Indian tribes, including tribal governments functioning in a government-to-government relationship with the federal government of the United States.

## U

USDA. The U.S. Department of Agriculture.

## W

WHIP. The Wildlife Habitat Incentives Program was created in the 1996 Farm Bill to provide cost-sharing and technical assistance to landowners for developing habitats for upland wildlife, wetland wildlife, threatened and endangered species, fish, and other types of wildlife.

WIC. The Women, Infants and Children Program is administered by the FNS.

WRP. The Wetlands Reserve Program was established in the 1985 Farm Bill and is administered by NRCS in consultation with FSA and other Federal agencies.

## **APPENDIX IV - USDA-CBO PARTNERS ASSESSMENT CONVERSATIONS TEAM (ACT)**

### **USDA Members**

#### **Geraldine Herring**

Special Outreach Program Manager  
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## APPENDIX V

### **USDA-CBO Partners and Solutions Committee Members and Charges**

#### **1. Partners Planning Committee**

*Charge: Provide oversight for the Partners Meeting Planning and Implementation, the continuing evolution of the “Partners” concept and the USDA/CBO partnering process*

*Members:*

Shirley Sherrod, Federation of Southern Cooperatives/Land Assistance Fund  
Ross Racine, Intertribal Agricultural Council,  
Chukou Thao, National Hmong American Farmers  
Rudy Arredondo, HOLA/National Latino Farmers and Ranchers Trade Association  
Georgia Good, Rural Advancement Fund  
Annette Hiatt, Land Loss Prevention Project  
Savonala Horne, Land Loss Prevention Project  
Calvin King, Arkansas Land and Farm Development Corporation  
Lou Anne Kling, National Tribal Development Corporation  
Tirso Moreno, Farmworker Association of Florida  
Ralph Paige, Federation of Southern Cooperatives/Land Assistance Fund  
Jerry Pennick, Federation of Southern Cooperatives/Land Assistance Fund  
Lorette Picciano, Rural Coalition/Coalición Rural  
Dr. Gladys Gary Vaughn, Office of Outreach, US Department of Agriculture  
Geraldine Herring, Office of Outreach, US Department of Agriculture  
Al Drain, National Agricultural Statistical Service, US Department of Agriculture  
William Buchanan, Risk Management Agency, US Department of Agriculture

#### **2. Partners Solutions Follow-Up Team**

*Charge: Ensure that there is adequate and consistent follow-up for the issues and concerns addressed at each Partners Meeting*

*Members:*

Chukou Thao, CBO Partner, National Hmong American Farmers, Chair  
Geraldine Herring, USDA, Office of Outreach, Co-chair  
Maria Alvarez, CBO Partner, National Immigrant Farming Initiative  
Cornelius Blanding, CBO Partner, Federation of Southern Cooperatives/LAF  
Michael Harris, CBO Partner, California Black Farmers and Agriculturists Association  
Annette Hiatt, CBO Partner, Land Loss Prevention Project  
Lorette Picciano, CBO Partner, Rural Coalition  
Brandon Terrazas, USDA, FSA  
Dan Abeyta, USDA, FSA  
Rhonda Brown, USDA, RD  
William Buchanan, USDA, RMA  
Sonya Neal Reeves, USDA, NRCS  
Dr. Gladys Gary Vaughn, USDA, Office of Outreach

**A TIME TO CHANGE:**  
**A REPORT BY THE ASSESSMENT CONVERSATIONS TEAM**  
**(ACT REPORT)**

*By Rural Coalition/Coalición Rural  
And  
The Federation of Southern Cooperatives/Land Assistance Fund*

*September 22, 2010*

*Copies available for download at [www.ruralco.org](http://www.ruralco.org). For hard copies, send request for ACT report to Rural Coalition, 1012 14<sup>th</sup> Street NW, Suite 1100, Washington, DC 20005. Include \$6 for each copy by check or money order for printing and shipping and handling, or \$10 by priority mail.*