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# SUPPLY CHAIN RECOVERY AND RESILIENCY: SMALL PRODUCERS AND LOCAL AGRICULTURAL MARKETS

## HEARING

BEFORE THE

SUBCOMMITTEE ON
BIOTECHNOLOGY, HORTICULTURE, AND RESEARCH

OF THE

COMMITTEE ON AGRICULTURE
HOUSE OF REPRESENTATIVES

ONE HUNDRED SEVENTEENTH CONGRESS

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# SUPPLY CHAIN RECOVERY AND RESILIENCY: SMALL PRODUCERS AND LOCAL AGRICULTURAL MARKETS

**WEDNESDAY, JUNE 30, 2021**

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BIOTECHNOLOGY, HORTICULTURE, AND RESEARCH,
COMMITTEE ON AGRICULTURE,
*Washington, D.C.*

The Subcommittee met, pursuant to call, at 10:01 a.m., in Room 1300 of the Longworth House Office Building and via Webex, Hon. Stacey E. Plaskett [Chair of the Subcommittee] presiding.

Members present: Representatives Plaskett, Delgado, Schrier, Pingree, Maloney, Carbajal, Lawson, Harder, Kirkpatrick, Baird, Austin Scott of Georgia, Davis, Bacon, Hagedorn, Fischbach, Letlow, and Thompson (*ex officio*).

Staff present: Lyron Blum-Evitts, Malikha Daniels, Ross Hettervig, Prescott Martin III, Ricki Schroeder, Patricia Straughn, Jennifer Tiller, and Dana Sandman.

## OPENING STATEMENT OF HON. STACEY E. PLASKETT, A DELEGATE IN CONGRESS FROM VIRGIN ISLANDS

The CHAIR. This hearing of the Subcommittee on Biotechnology, Horticulture, and Research entitled, *Supply Chain Recovery and Resiliency: Small Producers and Local Agricultural Markets,* will come to order. Welcome, and thank you for joining today's hearing. After brief opening remarks, Members will receive testimony from our witnesses today, and then the hearing will be open to questions. Members will be recognized in the order of seniority, alternating between Majority and Minority Members, and in order of the arrival for those Members who have joined us after the hearing was called to order. When you are recognized you will be asked, if you are on video, to unmute your microphone, and will have 5 minutes to ask your questions or make a statement. If you are not speaking, I ask that you remain muted in order to minimize background noise. In order to get as many questions as possible, the time will stay consistently visible on your screen.

I want to thank my colleagues and our witnesses for joining us today as we host this important discussion on the consequences of, excuse me, recovery from the COVID–19 pandemic on small producers serving local markets. I would also like to welcome you all to the first Subcommittee hearing for the Biotechnology, Horticulture, and Research Subcommittee for the 117th Congress. I am

looking forward to working with all of you in finding ways to address our shared priorities, such as supporting agricultural research, improving and expanding the National Organic Program, and facilitating new developments in agricultural technologies. This Subcommittee has jurisdiction over a variety of very exciting and important aspects of our food and agricultural sector, and it is an honor to serve as Chair again.

The COVID–19 pandemic has undoubtedly had a lasting impact on our agricultural communities around the country, notably impacting small farmers and ranchers, including our small certified organic producers. During the pandemic producers were required to significantly adapt their business practices and operations to meet the challenges posed by COVID–19, which shifted how these producers were able to participate in agricultural markets. The pandemic further caused unprecedented interferences within supply chains, and challenges to market access, from small producers serving local markets, local markets which are becoming increasingly more important as a way for producers to add value to their operations. This is true in my own district of the U.S. Virgin Islands. Farmers in the Territory are mostly small and local producers who are working to recover from the supply chain disruptions. Producers from my district are certainly seeking all opportunities to strengthen their supply chain while serving the local community.

Each year consumers across the country purchase more and more products from local markets. The USDA reported a farm-level value of direct food sales totaling $11.8 billion in 2017, including sales from eight percent of U.S. farmers, confirming significant growth in these local agricultural markets. Farmers across the country are taking advantage of this growing demand through a variety of alternative business models and production practices, including direct to consumer marketing, farmers' markets, community supported agriculture, community gardens, and food hubs. However, in order to ensure the success of our farmers and producers as demand for local markets increase, it is vital to examine the impact of COVID–19 on our supply chains and facilitate economic recovery.

Our witnesses today include some of those farmers and producers who have seen firsthand the impact of COVID–19 on small farmers, farms servicing local communities, and I am grateful to hear their experiences, which are crucial to advancing our work here today as we look forward to the next farm bill. Without objection, I would like to include an op-ed that I wrote with the Chicago Council on Global Affairs which addresses the need for investment in agricultural research and infrastructure, as well as agricultural innovation, to the record.* Agricultural research and innovation has a far reaching impact and benefits all producers, including our small, organic, and local producers.

[The prepared statement of Ms. Plaskett follows:]

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*The article referred to is located on p. 45.

PREPARED STATEMENT OF HON. STACEY E. PLASKETT, A DELEGATE IN CONGRESS FROM VIRGIN ISLANDS

Good morning, and thank you to my colleagues and our witnesses for joining me today as we host this important discussion on the consequences of and recovery from the COVID–19 pandemic on small producers serving local markets.

I would also like to welcome you all to the first Subcommittee hearing for the Biotechnology, Horticulture, and Research Subcommittee for the 117th Congress. I'm looking forward to working with all of you and finding ways to address our shared priorities—such as supporting agricultural research, improving, and expanding the National Organic Program, and facilitating new developments in agricultural technologies. This Subcommittee has jurisdiction over a variety of very exciting and important aspects of our food and agriculture sectors, and it's an honor to serve as Chair again.

The COVID–19 pandemic has undoubtedly had a lasting impact on our agricultural communities around the country—notably impacting small farmers and ranchers, and including our small, certified organic producers.

During the pandemic, producers were required to significantly adapt their business practices and operations to meet the challenges posed by COVID–19, which shifted how these producers were able to participate in agricultural markets.

The pandemic further caused unprecedented interferences within supply-chains and challenges to market access for many small producers serving local markets—local markets which are becoming increasingly more important as a way for producers to add value to their operations.

This story is true in my district of the U.S. Virgin Islands. Farmers in the Territory are mostly small and local producers who are working to recover from the supply chain disruptions. Producers from my district are certainly seeking all opportunities to strengthen their supply chain while serving the local community.

Each year, consumers across the country purchase more and more products from local markets. The USDA reported a farm-level value of direct food sales totaling $11.8 billion in 2017, including sales from 8% of U.S. farmers, confirming significant growth in these local agriculture markets.

Farmers across the country are taking advantage of this growing demand through a variety of alternative business models and production practices, including direct-to-consumer marketing, farmers' markets, community-supported agriculture (CSA), community gardens, and food hubs.

However, in order to ensure the success of our farmers and producers as demand for local markets increase, it is vital to examine the impact of COVID–19 on our supply chains and facilitate economic recovery.

Our witnesses today include some of those farmers and producers who have seen first-hand the impact of COVID–19 on small farms servicing local communities, and I am grateful to hear about their experiences—which are crucial to advancing our work here today, and as we look forward to the next farm bill.

The CHAIR. I would now like to welcome the distinguished Ranking Member, the gentleman from Indiana, Mr. Baird, for any opening remarks he would like to give.

## OPENING STATEMENT OF HON. JAMES R. BAIRD, A REPRESENTATIVE IN CONGRESS FROM INDIANA

Mr. BAIRD. Well good morning, and thank you, Chair Plaskett, for calling this hearing today. I am excited for our Subcommittee to come together for the first official hearing of this Congress, and, Chair Plaskett, I look forward to developing a fruitful relationship with you as we serve on this Subcommittee, and the very important role its jurisdiction—especially in the areas of biotechnology, research, and extension—plays in the current landscape of the American farm economy, particularly in regard to the sustainability of the industry, the profitability of our producers, and the stability of our national food supply. And to the Members of this Subcommittee, I thank you for committing to serve on this panel. I value your leadership and expertise, and look forward to serving alongside each of you.

I find today's topic to be of particular importance. We are nearing the end of an indiscriminate pandemic that impacted every corner of our lives. The witnesses before us have an opportunity and an important story to tell. And like many of the hearings held thus far in this Congress, their stories add to the narrative that we can do better to prepare for future emergencies. I thank our witnesses for their time and participation in today's discussion. Of course, I regret that we can't gather in person today, but I appreciate the work that you have done to put in to preparing your thoughts, and look forward to hearing more about your operations and experiences.

Our nation is home to a varied, yet immensely productive, agricultural industry. On one hand, we have a group of developed, larger farms that play a most critical role in the stability of our food supply chain. Operations leverage the efficiencies gained by economies-of-scale to provide our nation the cheapest, safest, and most abundant food supply chain the world has ever known. They bolster national security and stabilize agricultural markets. On the other hand, we have a group of smaller producers. Often they are passionately serving niche markets, or in the beginning phases of their operations, working to build markets and equity. Both of these groups represent American farmers. Both represent a crucial component of our nation's food supply chain and its security. Both experience unique challenges that occasionally rely on policy solutions to improve.

Beginning farmers in the United States face significant challenges in entering production. Those without prior experience, or land they inherit, or large sums of capital have presented with sometimes insurmountable difficulties to begin their operation, let alone to be competitive after they are established. These obstacles, for some small farmers, significantly hinder the ability to bring younger generations into agriculture, and to diversify our nation's agricultural production. I also think there is ample opportunity for the Department to improve outreach and engage for those entering into agriculture. Through today's discussion I look forward to hearing more about these producers and how they overcame their myriad of various challenges, including those set on or aggravated by the COVID–19 pandemic. I also hope to hear how we, as policymakers, can better serve small or beginning farmers, what policies we need to work on, where we can start over, and how we ultimately can ensure that agriculture remains a highly desired industry.

As I said, I am excited about our work and the work ahead. I sincerely look forward to today's testimony, and thank you again, Madam Chair, for calling this hearing. I yield back.

The CHAIR. Thank you, Ranking Member. The chair would request that other Members submit their opening statements for the record so witnesses may begin their testimony, and to ensure that there is ample time for questioning.

I am pleased to welcome such a distinguished panel of witnesses to our hearing today. Our witnesses bring to the hearing a wide range of experience and expertise, and I thank you for joining us. Our first witness today is Mr. Dale Browne. He and his wife, Yvette Browne, are the owners of Sejah Farm, which is located on the Island of St. Croix in the U.S. Virgin Islands. He raises goats,

sheep, and chickens, and farms a variety of organic produce. He is an advocate for locally-sourced produce and meat, and supports educational programs for young farmers, cooking with locally-sourced food, and agritourism. He co-founded the Virgin Islands Farmers' Cooperative with his wife.

Our next witness is Ms. Perri Cooper, who is the Executive Director of the Georgia Organic Peanut Association. In addition to her work there, she is the Director of the Flint River Soil and Water Conservation District, and a beginning farmer in Sumter County, Georgia. She has a degree in Agriscience and Environmental System and a certificate in local food systems.

To introduce our third witness, I am pleased to yield to our colleague on the Subcommittee, and Chairman of the Subcommittee on Commodity Exchanges, Energy, and Credit, the distinguished gentleman from New York, Mr. Delgado.

Mr. DELGADO. Thank you, Chair Plaskett. It is my privilege and honor to introduce our next witness, and my constituent, Tianna Kennedy. Tianna Kennedy is the owner of The 607 Community Supported Agriculture, CSA, and Owner and farmer at Star Route Farm, one of nearly 5,000 farms in my district. The 607 CSA is a multi-farm operation in the Northern Catskills region. The CSA supports four vegetable farms, partners with more than 35 additional neighboring farms and food businesses and serves 800 families in the Catskills and New York City. Star Route Farm is a small-scale, diversified vegetable, herb, and small grain farm.

Ms. Kennedy also serves on my bipartisan Locally-Based Agriculture Advisory Committee. She has an important perspective on the role small scale farmers play in local agricultural markets and supply chain resiliency. The COVID–19 pandemic has made even more clear that we must empower and support our local producers to prevent supply chain disruptions. I am proud that New York's 19th Congressional District is represented here today by Ms. Kennedy. Ms. Kennedy, it is good to see you. I look forward to hearing your testimony, and learning more about how Congress can best support you, and other farmers like you, in the future. I yield back.

The CHAIR. I thank the gentleman. To introduce our fourth witnesses, I am pleased to yield to the Ranking Member of the Subcommittee, the gentleman from Indiana, Mr. Baird.

Mr. BAIRD. Thank you, Madam Chair. It is my distinct pleasure to introduce Jonathan and Kelly Shannon to testify before us today. Jonathan and Kelly are niche market livestock producers and live on a 10 acre farm in rural Montgomery County, Indiana, along with their three daughters, where they raise cattle, pigs, chickens, and goats. Jonathan and Kelly started Shannon Family Farms in 2006, and have continually changed their commodities that they raise to meet the needs of their consumers. In 2016 they partnered with other farm families in the area to form the Four Seasons Local Market, located in downtown Crawfordsville. They did this to create year-round opportunities to sell local products to their community.

In addition to their work on the farm, and with the local market, Jonathan and Kelly both have jobs off the farm, and are actively involved in the Montgomery County Farm Bureau and the Indiana Farm Bureau. I am honored to have both of you with us today, and

I look forward to you sharing your story with this Committee. And with that, I yield back.

The CHAIR. I thank the gentleman for his remarks. We welcome all of our witnesses today, and will now proceed to hearing your testimony. You will each have 5 minutes, and the timer should be visible to you on your screen, and will count down to zero, at which point, your time has expired, please, so that we can get to the questions for so many of our Members which are with us both here in the hearing room and who are with us virtually. Mr. Browne, please begin when you are ready. Unmute and give your testimony. Thank you, sir.

Mr. BROWNE. Good morning, and thanks for the invite Madam Chair.

The CHAIR. Mr. Browne, do you have—are you visible to——

Mr. BROWNE. I am visible, but I am doing both screen and phone for the audio.

The CHAIR. Okay. Excellent. Thank you.

**STATEMENT OF DALE K.K. BROWNE, OWNER, SEJAH FARM OF THE VIRGIN ISLANDS, KINGSHILL, ST. CROIX, USVI**

Mr. BROWNE. Good morning again, and I thank you, Madam Chair, for inviting me to this hearing. My testimony is going to be brief, but punctual. It is my pleasure to be here to testify on the *Supply Chain Recovery Resiliency: Small Producer and Local Agricultural Markets.* My testimony will reflect the impact of natural disasters, COVID–19, and programs offered by USDA during the pandemic on the island. And to couple with that, the local government leadership not being totally involved, or not being involved at all, in any of our agricultural development. I am an advocate for the resurgence of Virgin Islands agriculture. Developing a local food system, and ultimately food security, is a challenge. However, it is one I am willing to take on, and to make sure we have an agriculture resurgence in the Territory. Diversifying our farm over the years has helped us to negate the impact of the COVID–19 pandemic, and this has provided an opportunity for us to bring the awareness of local food in the Territory.

The COVID–19 pandemic has negatively impacted, and has taken a role in the operation of the farm, where we had to operate in new ways, and it has created an additional burden to our overhead costs. There also have been a sudden change in sales value, real time decision-making, labor, productivity, and the threats of all is more of a risk in all parts of it. There was a loss in income to crop and livestock due to COVID–19. Crops did not get to market as before the pandemic. Our farm programs were halted, less patrons and closure of restaurants, chefs unable to meet—have scheduled group dining, catering, supermarkets not taking large quantity of produce, all due to the pandemic. Livestock sales ceased due to the VI Department of Agriculture abattoir extended closure due to maintenance and the pandemic. In addition, we ceased our livestock production, and herd of both sheep and goats were separated to avoid any further breeding production.

The following income generation programs were halted or lowered due to the pandemic from 2019 until present. Our community supported agriculture, which actually we have about 20 members

partaking in that agriculture program during every season. Our Bush Cook/Chef Cook, which is a culinary event. It is held on the farm every year. That we could not partake of. Our CIGNA Contractual Program, which service over 2,000 employees between all three islands. We were unable to meet that. And our youth summer program, which is Bridging the Gap. We were unable to also meet that as well.

One thing that I have observed is that the USDA programs which we do have, which is NRCS–EQIP programs, those programs has changed after our drought, and it even continued during the pandemic. Where—the changes that was there was that the—you received a contract, and you would begin working under contract for reimbursement. But, unfortunately, after the drought and the hurricane we have an issue where now we are asked—or we are told that we have to actually look for our own engineers and complete the project at the same time. So reimbursement for excess spending was not involved. In addition, the EQIP Program is 90 percent reimbursement. The cost of products coming from the mainland is higher than—by the time it gets here, so there is no mitigation, and we have to actually foot that cost, and remain for—the reimbursement that we are allowed by contract. To give a simple example, in one of our contracts for a waste management facility, $57 was the total amount, and therefore it cost us over $400 to complete it. Reimbursement was only $57. FSA programs are available for livestock during the drought, but here still there are some programs that are not most effective for a certain Territory.

[The prepared statement of Mr. Browne follows:]

PREPARED STATEMENT OF DALE K.K. BROWNE, OWNER, SEJAH FARM OF THE VIRGIN ISLANDS, KINGSHILL, ST. CROIX, USVI

It is my pleasure to be here to testify on the "*Supply Chain Recovery Resiliency: Small Producers and Local Agricultural Markets*". My testimony will reflect the impact of natural disaster, [COVID]–19 and programs offered by USDA during this pandemic on our island's agriculture.

I am an advocate for the resurgence of Virgin Islands agriculture. Developing a local islands food system and ultimately food security is a challenge. However, it is one I am willing to take on if "we are going to be part of our islands agriculture resurgence".

Diversifying the farm over the year has help us to mitigate the impact of [COVID]–19 pandemic and this has provided an opportunity for us to bringing the awareness of local food in the Territory.

COVID–19 pandemic has negatively taken a toll on the farm operation, where we had to operate in new ways, and it has also created an additional burden to our overhead cost. There has also been a sudden change in sale volume, where real-time decision-making, labor, productivity, and the threats of all is at more of a risk.

There was a lost in income to crop and livestock due to COVID–19. Crops did not get to market as before the pandemic. On farm programs were halted, less patrons and the closure of restaurants, chefs unable to have schedule group dining catering and supermarket not taking large quantities of produce all due to the pandemic. Livestock sale ceased due to the VI Department of Agriculture abattoirs extended closure due to maintenance and the pandemic. In addition, we ceased our livestock production and the herds of both sheep and goats (ewes and rams) were separated to avoid any breeding.

The following income generating programs were halted or lowered due to the pandemic from 2019 until present:

**Community Supported Agriculture (CSA)**

CSAs are arrangements based on a contractual agreement between a farmer and a consumer. A CSA concept is that the consumer, often described as a "shareholder" or "member", usually purchases up-front a "share" or "membership" prior to the

growing season. Members can rely on fresh, local produce throughout the season. As each crop comes in throughout the growing season, members receive their share, often once or twice a week. The size of the shares varies in quantity and variety. The produce is picked up by members at the farm.

**Bush Cook/Chef Cook**

"Bush Cook/Chef Cook" is a local food culinary event conducted on farm, where 20 or more restaurant, chefs, and cooks participates. The scope of the event is based on the creativity of the participating cooks and chefs. The participants would choose any unconventional method of cooking preferable to their liking (coal pot, three stone, hole in the ground or any bush style cooking).

**CIGNA Health and Wellness Expo**

CIGNA Health and Wellness Expo. Is a health and wellness contractual agreement with the VI Personnel Department to provide bags of local food for 2,000 employees with CIGNA Insurance on St. Croix, St. Thomas, and St. John.

**"Bridging the Gap" Summer Program**

"Bridging the Gap" Summer Program is an agricultural summer camp for age 7 to 18, which exposes its participant to the world of an island agricultural industry within the Virgin Islands. This includes participants from the department of labor summer workforce development.

**USDA Programs**

1. NRCS–EQIP—Environmental Quality Incentive Program is a conservation program which assist farms to develop their farm infrastructure, it is a program for well, fencing, irrigation, and pasture improvement.
   - Since the 2017 Hurricanes Maria and Irma to the Territory I have seen changes to how the program are administered. When contract was issued there were no specific or engineering provided. When a practice were completed and the request for reimbursement was required it was then told of the new changes or engineering requirement. If these requirements were given before starting, then correction would be accepted rather than having to do over after monies have been spent. Then later were told we will have [to] get your own professional engineer at you expense.
   - An EQIP Contract has a 90% reimbursement for practices completed. Therefore, a farmer will have to complete the practice before reimbursement.
   - Contract practice cost are calculated based on cost from the mainland USA. These costs are not relevant to the Territory and when the practice are com-
     pleted the farmer would have spent beyond the cost of the practice and not received any reimbursement for what has been spent.
     - Exp. Contract # EQIP 2014 74F352150GH requires the floor construction of a composting facility of $20'^2$ to be reimbursed for $57.00 with a roof structure reimbursement of $270.00 thats a total of $327.00. The actual cost of the floor completed was $138.00 and the frame and roof was $400.00 that's a total of $538.00 difference of $186.00 not reimbursable.
2. FSA
   - **Reimbursement Transportation Cost Payment Program** (RTCP)
   - Disaster Assistance for Livestock Forage Losses (drought and hurricanes[])

DALE K.K. BROWNE,
Sejah Farm of the Virgin Islands.

The CHAIR. Thank you so much, Mr. Browne, during questioning I am sure we will be able to understand some additional issues with that. Ms. Cooper, please begin when you are ready.

**STATEMENT OF PERRI COOPER, DIRECTOR, GEORGIA ORGANIC PEANUT ASSOCIATION; EXECUTIVE DIRECTOR, FLINT RIVER SOIL AND WATER CONSERVATION DISTRICT, AMERICUS, GA**

Ms. COOPER. Chair Plaskett, Ranking Member Baird, and Subcommittee Members, thank you for allowing me to testify before you today. My name is Perri Cooper. I am incredibly lucky to work with a diverse set of agricultural stakeholders. I have the privilege to work as the Executive Director of the Flint River Soil and Water Conservation District in southwest Georgia, and I am also the Director of the Georgia Organic Peanut Association, a farmer-owned agricultural cooperative that markets USDA-certified organic peanuts and other agricultural products from producers in the Southeast. GOPA has continued to grow, both in number and farmers, since incorporation, but growth has not been without challenges. Without a certified organic supply chain, once peanuts leave the farm, they lose their organic associated price premium.

Certified organic production made up .06 percent of Georgia's total peanut production last year, which is nowhere near the volume to achieve the added value for the shelling, blanching, and roasting facilities to go through the certification process. Certified organic production must be done at a smaller scale. GOPA works with one certified organic shelling facility and one certified organic blanching facility, which is limiting and risky. In 2019, when the cooperative formally incorporated, the one certified organic peanut sheller was still inoperative from Hurricane Michael in October 2018, our first experience with issues of a limited supply chain. This past year post-harvest processing was so bottlenecked that we have only in the past week been able to sell the first part of our 2020 crop. That is a long gap for us to pay farmers for their crop without the ability to sell it.

Investment, specifically in rural infrastructure, to support local supply chains is critical. For certified organic supply chains, this includes support and incentives for certification. While GOPA has been able to tap into several local markets within Georgia, expanding into small- and mid-scale markets, both within the Southeast and outside of peanut producing regions, has been an obstacle. In fact, last year GOPA's Chairman was on a plane to California to attend a natural products expo when the event was canceled due to COVID. GOPA also has a great demand for, but cannot serve, local direct consumer requests. GOPA submitted an unsuccessful 2020 FMPP proposal to explore a pathway for roasting, packaging, marketing to meet these direct consumer demands. While the positive feedback was hopeful, reviewers didn't fully understand the supply chain and commodity production basics. We have seen this pattern repeat for other regional commodity markets, such as another rejected LFPP grant in southeast Georgia focused on small- to mid-scale blueberry supply chain development to serve local markets. Feedback included similar misunderstandings of small rural supply chains.

Projects focused in rural areas, specifically areas of persistent poverty, should be a priority funding area for LAMP programs, and geographic representation and transparency on review panels to ensure there is rural and farmer representation is critical. GOPA

has also applied for a Value-Added Producer Grant to expand to unmet markets. The reduced cost-share requirement through COVID–19 relief funding made the opportunity within reach during a time of production bottleneck. In the regular value-added producer process recipients have to spend money for a 50 percent reimbursement. This can require significant cash flow that can be limiting. I urge the Subcommittee to consider permanent reduced cost-share requirements for this program for eligible groups, such as socially disadvantaged and beginning farmers and small farmer cooperatives.

GOPA also aims to continue to grow the supply to meet this demand by providing an entry point into agriculture for new and beginning farmers in rural areas. My husband and I wouldn't have been able to take the leap into starting our own farm business without the mentorship and market support we found through the farmer network within GOPA. In 2020 GOPA received a Beginning Farmer and Rancher Development Planning Grant to develop a formal mentorship model, and aims to provide other direct support to member farmers.

Farmers are resilient. In the face of natural disaster, extreme weather events, fluctuating markets, and now a global pandemic, resilience in the supply chain is critical, and it starts at the farm level. Small, big, conventional, organic, local, global, this principle holds true across the board, that without stewardship of our natural resources and building healthy and sustainable farms, local agricultural economies suffer, supply chains suffer. Investing in conservation research and on-farm conservation programs is a win for all of agriculture. Research funding through USDA NIFA, SARE, Conservation Innovation Grants through NRCS are all critical for the development of proven and farmer-trusted practices and technologies that promote conservation and improve farm profitability and efficiency.

Programs that offset costs to adopt these practices, such as EQIP, RCPP, and CRP are also critical. My work through the Soil and Water Conservation District has allowed me to see firsthand the direct on-farm benefit of several of these programs. Our supply chain should value the environmental benefits of farms that meaningfully implement conservation practices, and directly reward farmers for conservation and sustainability. If there is one thing I have learned in the last 16 months, it is that our supply chains are not virtual. We can't farm from home. I am excited to be a part of a community in south Georgia that aims to emerge from these challenges stronger than before, with clear opportunities for improvement, and I appreciate the Subcommittee's interest and dedication to enhancing the strength and resiliency of our local supply chains. Thank you.

[The prepared statement of Ms. Cooper follows:]

PREPARED STATEMENT OF PERRI COOPER, DIRECTOR, GEORGIA ORGANIC PEANUT ASSOCIATION; EXECUTIVE DIRECTOR, FLINT RIVER SOIL AND WATER CONSERVATION DISTRICT, AMERICUS, GA

Chair Plaskett, Ranking Member Baird, and Subcommittee Members, thank you for allowing me to testify before you today.

My name is Perri Cooper and I am incredibly lucky to work with a diverse set of agricultural stakeholders across south Georgia and to be here representing them today.

I am the Director of the Georgia Organic Peanut Association (GOPA), a farmer-owned agricultural cooperative that markets USDA Certified Organic peanuts and other agricultural products from producers in the Southeast. The cooperative's mission is to bring added value to established farming operations, and to create new opportunities for small, beginning, and limited-resource producers. GOPA's membership is small, but it markets organic commodities from any farmer in the region.

I also have the privilege to work as Executive Director of the Flint River Soil and Water Conservation District in southwest Georgia. The FRSWCD serves farmers, landowners, partners, and citizens by facilitating the transfer of conservation-driven technology and widespread implementation across southwest Georgia and beyond, acting as a grassroots leader and local voice for stewardship of natural resources.

After years of legwork, meetings, trials, research, and endless discussion, GOPA was formally incorporated in the late spring of 2019. The grower-owned and operated cooperative consists of a mix of small farms including both experienced organic farmers and several beginning farmers; some of these members growing organically for the first time. These farmers recognized that, without assuming outrageous financial risk, no single one of them could produce sufficient volume to supply small to mid-scale niche and local markets for Certified Organic peanuts. Rather, collective marketing would make it possible to tap into these markets. As a result, we've been able to sell Certified Organic peanuts to five small craft food manufacturers in Georgia, and have continued to grow in terms of the number farmers and Certified Organic acres since incorporation.

Growth has not been without challenges. Many of the experienced organic row crop farmers were successfully producing Certified Organic peanuts in the late 2000's thanks to innovative research from retired [USDA]–ARS weed scientist Dr. W. Carroll Johnson III and breeders and pathologists at the University of Georgia. However, once the peanuts left the farm they lost Certified Organic status and associated price premium because of the lack of supply chain.

In order to maintain certification integrity, each step of post-harvest processing and value-add must also be certified. For a crop like peanuts, which has a shell and a skin and must be dug out of the ground, this post-harvest means buying, cleaning, shelling, blanching, roasting, and more. Georgia, the top peanut producing state in the country, produced over 3.2 billion pounds of peanuts last year, and the processing supply chain is at scale to match this impressive production, with innovative technologies and efficiencies. For comparison, Certified Organic production made up 0.06% of this total last year, which is in nowhere near the volume to demand the time, work, or achieve the added value for the shelling, blanching, and roasting facilities to go through the certification process. Inherently, Certified Organic production must be done at a smaller scale. Therefore, options are more limited and identifying similar scale supply chain has been critical. GOPA works with one certified organic shelling facility, and one certified organic blanching facility.

This presents a risk without the added threat of the COVID–19 pandemic. Today, I am here sharing challenges specifically faced during the height of the COVID–19 pandemic. But, in 2019, when the cooperative formally incorporated, the one Certified Organic peanut sheller was still decimated and in-operative from Hurricane Michael in October 2018, our first experience with the issues of a limited supply chain.

This past year, post-harvest processing was so bottle necked, in large part due to impacts from the pandemic and subsequent reduced capacity, that we have only *in the past week* been able to sell the first part of our 2020 crop, which was harvested in October and November of last year. That is a long gap for a small farmer-owned start up to pay farmers for their crop without the ability to sell it. But since the beginning, our farmers have believed that Certified Organic is promising market and have taken on this risk, waiting on the supply chain to catch up.

**Investment specifically in rural infrastructure to support local supply chains is critical.** For Certified Organic supply chains this includes support and incentives for certification.

This sentiment goes beyond the work of GOPA. Despite the City of Albany in southwest Georgia named as the fourth worst hit U.S. city by COVID on a per capita basis in April 2020, and the high rates of poverty in the largely rural region, relief programs such as the Farmers to Families Food Box Program did not tangibly impact the city or surrounding area in the same way it did the urban hub of Atlanta. This left the nonprofit arm of the FRSWCD to develop our own box program with support from local farmers and businesses, even without post-harvest and supply chain infrastructure. Would this small-scale infrastructure that supports local

food systems have allowed food hubs that typically serve the more populous urban areas of the state to reach a community in need? Or even expand the impact of our own grassroots work to address the obvious gap?

While GOPA has been able to tap into local markets within Georgia, peanut production is very region-specific. Craft food manufacturers outside of this region that serve their own local communities simply can't source local Certified Organic peanuts. And frankly, where the southeast lags behind in Certified Organic infrastructure, other regions have increased capacity. GOPA has seen interest to meet this market need, which would expand GOPA's opportunities and diversify markets. However, when marketing efforts in earnest began in 2020, the cooperatives first full year of operation, they were soon derailed. In fact, GOPA's chairman was on an airplane to California to attend a natural products expo when the event was canceled. Even untapped local markets here in the Southeast have been inaccessible in this same time. These relationships are built organically—no pun intended—through industry events, meetings, conferences, and workshops. The groundwork for GOPA itself was born from an impromptu lunch meeting at a conference for organic farmers. The importance of these person-to-person interactions can't be overstated.

GOPA has relied heavily on digital marketing (website and Google ads, primarily) since inception. In that time, has been inundated with requests from individuals seeking Georgia-grown Certified Organic peanut products. Requests in the range of 1 to 10 pound volumes of raw and roasted nuts from local individuals looking for peanuts for their own personal use has been significant. This is not something we are set up to offer—again requiring post-harvest infrastructure and logistics that do not exist for a small, Certified Organic local supply chain in our area. GOPA has pursued some grant programs to innovate and offset some costs associated with supply chain development and exploring new markets. This includes a 2020 Farmers['] Market Production Program proposal which developed a pathway for roasting, packaging and marketing to meet these direct-to-consumer demands.

Last year, the LFPP/FMPP program under the 2018 Farm Bill Local Agriculture Market Program received over 400 applications, highlighting the great need for innovative programs that support local food systems. Less than ¼ were funded, which did not include GOPA's proposal. While the positive feedback was hopeful—clear project with straightforward objectives and good management plan—the weaknesses mentioned included overly ambitious sales goals and a confusion about the reference of marketing rotational crops as an objective within this particular project. Ultimately, it is difficult for the applicant to package these proposals in succinct language.

I mentioned earlier the relatively small fraction Certified Organic production make up in Georgia's vast and diverse agricultural landscape. But to GOPA's small farmers, that 0.06% of the state's total peanut production is everything. And it's growing. We've seen incredible interest in not only Certified Organic peanut production, but also in production of rotational crops that GOPA markets through the cooperative. This offers not only diversified market opportunities for established farmers, but an entry point for small and beginning farmers, like myself.

Marketing can't happen without the production of high quality Certified Organic peanuts. This addresses another critical aspect of the supply chain issue—the supply. The blend of beginning and experienced farmers that make up GOPA's membership is no coincidence. At the root of GOPA's formation was a recognition that a specialized skill set was critical to successful production of Certified Organic crops, peanuts in particular, and it needed to be shared with new and beginning farmers. In 2020, GOPA received a Beginning Farmer and Rancher Development Planning Grant to develop a formal mentorship model, in hopes that it would create an entry point for the many beginning farmers that were interested in joining GOPA. GOPA doesn't currently produce enough peanuts to supply current and emerging markets and creating opportunity for beginning farmers and other small farmers seeking to diversify their operations is critical to this success.

The pandemic impacted this BFRD Planning Grant and the opportunity for growth significantly. While GOPA has grown in both acreage and farmers each year, 2020 significantly slowed the rate of that progress. In short, without in-person meetings, targeted outreach, and facilitated opportunities for farmer-to-farmer learning, we haven't been as successful in meaningfully engaging new farmers as we hoped, despite pivoting to virtual and other limited outreach.

**Each of these grant programs mentioned are key programs that offer meaningful opportunities for small-scale local supply chains and should be authorized in future farm bill.** However, BFRDG and FMPP/LFPP specifically can often favor projects focused on mixed specialty crops in urban areas, leaving other commodities, rural communities and farmers overlooked. **Projects focused in rural areas, specifically areas of persistent poverty, should be a priority**

**funding area for BFRDG and LFPP/FMPP. And geographic representation and transparency on BFRDG and FMPP/LFPP review panels by ensuring there are rural and farmer representatives is critical.**

This year, GOPA has also applied for Value-Added Producer Grant, another key program that allows farmers to generate new agricultural products and expand marketing opportunities. The reduced cost-share requirement through COVID–19 relief funding made the opportunity within reach during a time of production bottle neck; **I urge this Subcommittee to consider permanent reduced cost-share requirements for this program for certain eligible groups, including socially disadvantaged and beginning farmers, and small farmer cooperatives.**

Farmers, by nature, are resilient. In the face of natural disaster, extreme weather events, fluctuating markets, and, now, a global pandemic. Resilience in the supply chain is critical, and it starts at the farm level. Small, big, conventional, organic, local, global—this principle holds true across the board. That without stewardship of our natural resources and building healthy and sustainable farms, local agricultural economies and supply chains suffer. Period.

Since 2004, the FRSWCD has secured over $24 million in targeted conservation funding through programs that directly benefit farmers and improve economic and environmental sustainability—the foundation of a healthy and resilient supply chain. Programs like the USDA Conservation Innovation Grant resulted in the development of center pivot irrigation technologies in partnership with growers, contractors and research that improve irrigation water use efficiency, integrated them into commercial operations, and are now adopted globally. The FRSWCD has also successfully implemented several other research and RCPP projects, providing direct technical assistance and on-farm implementation funding towards proven conservation practices. For example, in partnership with the USDA National Peanut Research Lab, the District worked to develop a smart phone mobile app from the Peanut Lab's desktop peanut irrigation scheduling tool, IrrigatorPro. The District the worked with local extension to cost-share soil moisture sensor and app adoption over 50 peanut fields in the lower Flint River Basin. This research is imperative and benefits all farms, including small farms that serve local food systems.

**Investing in conservation research and on-farm conservation programs is a win for all of agriculture.** Research funding through USDA NIFA, Sustainable Agriculture Research and Education, and Conservation Innovation Grants through NRCS are critical for production of science-backed and farmer-trusted practices and technologies that promote conservation and improve farm profitability and efficiency. Adoption of these programs are also key, and NRCS programs that cost-share implementation of conservation practices, including EQIP, RCPP, and Conservation Reserve programs are a critical component of this.

**Our supply chain should also value the environmental benefits of farms that meaningfully implement conservation practices.** This includes maintaining integrity of the National Organic Program, and ensuring the development of any environmental markets has diverse representation and input from stakeholders across a diversity of geography, crop, and scale.

**If there is one thing I have learned during the past 16 months, it that our supply chains aren't virtual, we can't farm from home.** I'm excited to be a part of a community in south Georgia that aims to emerge from these challenges stronger than before, with clear opportunities for improvement, and appreciate this Subcommittee's interest and dedication to enhancing the strength and resiliency of our local supply chains and local farm economies.

Thank you.

The CHAIR. Thank you, Ms. Cooper. Ms. Kennedy, please begin.

## STATEMENT OF TIANNA KENNEDY, OWNER/OPERATOR, STAR ROUTE FARM; FOUNDER/OPERATOR, THE 607 CSA; BOARD MEMBER, CENTER FOR AGRICULTURAL DEVELOPMENT & ENTREPRENEURSHIP, WORCESTER, NY

Ms. KENNEDY. Thank you for this opportunity to share experience as a young farmer today. I know that you all have received a copy of the testimony, so I will just focus on a couple of quick things. But before I do that, I also would just like to talk about the resiliency, strength, and innovation of all of us small-scale producers, such as the other witnesses and myself, and in order to encourage you to adapt your programs to our needs. My name is

Tianna Kennedy. I operate a full diet multi-farm CSA that last year served 800 families in New York City and in the Catskills, but we also work with 50 restaurants and grocers and 21 pantries and food justice organizations throughout New York. I also grow mixed vegetables and small grains on 60 rented acres at Star Route Farm in Charlotteville, New York. I have been farming in Delaware and Otsego Counties in New York for over a decade.

My experience farming has been shaped by a lack of access to secure farmland to grow my business. I apprenticed first for a large vegetable operation for 3 years, but I was burdened by student loan debt, and I was making a farmer's wages, so I wasn't able to buy a business—my own farm right away. I helped a second homeowner start his organic farm on his property, but when he pivoted his business model, I lost my job and my home, and had to start from scratch again. So finally I found a farm partner willing to form an LLC with me, and we rented 60 acres and broke ground on our current farm, Star Route Farm, which I now run with Walter Riesen and Amanda Wong. But because we only had a 10 year lease on that farm, we were unable to put in permanent fencing, and build out an adequate wash/pack/cooler station, so we lose about 30 percent of our vegetables to deer annually and scale our business due to lack of cooler space and storage space.

This past winter we were finally able to purchase our neighbor's property with the help of Local Farms Fund investors, but the property is an old conventional dairy, and has a dilapidated—actually collapsed barn and farmhouse that will take years to rebuild and transition to organic production. However, despite all these challenges, and despite access to land and access to capital until this year, I worked collaboratively with other farms throughout my region to develop creative solutions to these challenges. To mitigate risk and create market advantage to my own farm, I convinced my farmers' market buddies to join me in a multi-farm CSA venture we call The 607 CSA. It now grows 30 to 50 percent annually. The CSA serves as an integral part—proof of concept for an organization that can fill in the logistics, gaps, and address the needs of regional small agriculture.

Last year, before our normal season began, we were faced with the COVID–19 pandemic. Our whole business had to change in an instant. Within 2 weeks we had a fully operational business with 45 local farms and food businesses home delivering to 40 Catskills towns. Though I am proud of the work that we were able to do in scaling up to support the community, we had to take on all of the risk, and weren't able to meet the actual demand at hand because we lacked funding to purchase emergency relief food from our farmers, or even to pay our staff adequately. Everybody was volunteering time to drive food to people's homes.

For myself, and other farm businesses who share my needs, I want to offer these recommendations for the Committee today. CSAs are an important piece of the puzzle, especially for young and beginning farmers, so it would be great to support them. Our member farmers need help with strategic planning and identifying new opportunities. Congress could help by funding outreach and technical assistance to regional food businesses and organizations such as myself to formalize and scale. For us, it is time to purchase or

lease a refrigerated truck and our own pallet jack or two, and there is not a USDA program that allows for a lot of this kind of infrastructure development beyond FSA microloans, so I would love to see items like this included in programs like VAPG, the Local Food Promotion Program, and the Regional Food Systems Partnerships.

We need streamlined access—and accessible—USDA programs. The application process is burdensome and extremely academic. It is its own culture. The applications are often timed during our busiest season, June, and require burdensome funding matches, as my colleagues have explained. The match requirements can also exclude smaller projects and historically underserved communities that do not have access to this sort of funding. It would help to have USDA prioritize LAMP grant applications that serve targeted communities, like those of beginning farmers and BIPOC producers. To get the word out about USDA programs, USDA needs dedicated outreach staff, and to enter into more cooperative agreements to do outreach.

Finally, the Farmers to Families Food Box Program in the pandemic showed what is possible when the USDA invests in connecting farmers with food-insecure communities. We need to continue this type of government support. The first round of funding was successful to small farmers and small distributors, and paid these entities a good price to sell to those in need. In the future, more long-term programs like this could be created. I suggest that if they are: reserve dedicated funds for BIPOC nonprofits and food businesses; consider removing GAP requirements so smaller producers can contribute, because, remember, a lot of people are using rented land; and publish a best practices guide to recruit BIPOC and young farmer distributors for participating in the program. I want to note that however accessible USDA programs can be, they are harder for people that don't have the resources I do. Thank you so much for your time.

[The prepared statement of Ms. Kennedy follows:]

PREPARED STATEMENT OF TIANNA KENNEDY, OWNER/OPERATOR, STAR ROUTE FARM; FOUNDER/OPERATOR, THE 607 CSA; BOARD MEMBER, CENTER FOR AGRICULTURAL DEVELOPMENT & ENTREPRENEURSHIP, WORCESTER, NY

Good morning, Committee Chair Delegate Stacey Plaskett and Ranking Member Jim Baird, the rest of the Committee and Staff. Thank you for this opportunity to share my experiences as a young farmer, operator of a multi-farm CSA The 607 CSA, Board member of the Center for Agricultural Development & Entrepreneurship (CADE), and member of the National Young Farmers Coalition.

My name is Tianna Kennedy and I operate a full-diet, multi-farm community-supported agriculture (CSA) that serves 800 families in New York City and the Catskills. I grow mixed vegetables and small grains on 60 rented acres at Star Route Farm in Charlotteville, New York. I have been farming in Delaware and Otsego Counties of New York for over a decade. My experience farming has been shaped by a lack of access for secure farmland to grow my business. I apprenticed for 3 years before starting my own business, but because I was paid a farmer's wages (minimum wage), I was unable to save enough to buy my own farm. I helped a second-home owner start an organic farm on his property, but he pivoted business models and, in the process, I lost my job and home. I then formed an LLC with my current farm partner and broke land on our current rented property, but I've been unable to put up permanent fencing or build out a viable wash/pack/cooler station since we only have a 10 year lease on the farm (where the landlord currently lives). We subsequently lose 30–40 percent of vegetables to deer annually and are unable to scale our business due to lack of cooler space. This past winter, we were finally able to purchase our neighbor's property with the help of Local Farm Fund inves-

tors, but the property is conventional dairy land and comes with a collapsed barn and a run-down old farmhouse, and will take years to rebuild and to transition to organic production.

Despite not having secure access to land, or access to capital until this year, I have worked collaboratively with farmers throughout my region to develop creative solutions to the challenges we face growing healthy food for market.

I was unable to finance our farm startup in a traditional manner due to my debt-to-income ratio (student loan debt and farmworker wages), so we started a CSA in 2015 to buy seeds and pay for labor in the spring before we were able to harvest crops. To mitigate risk and create market advantage, I convinced my farmers[’] market friends to join us in a multi-farm CSA venture we call The 607 CSA. It grows by 30–50 percent annually. It’s become clear that the work of The 607 CSA serves as an integral proof of concept for an organization that can fill in the logistics gaps and address the needs of regional small agriculture. We’ve discovered that the logistics of moving food from field to fork are insurmountable for many small farms to manage on their own, and so, multi-farm collaborations for aggregation and distribution are not only a creative solution but also a **necessary one and should be supported through USDA programs.**

**Social Impact Metrics**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Farms Supported | 15 | 16 | 17 | 17 | 25 | 45 |
| Families Served (CSA Members) | 101 | 167 | 212 | 240 | 453 | 834 |
| Distribution Sites | 14 | 15 | 17 | 19 | 21 | 50 |
| Crew | 0 | 0 | 0 | 1 | 2 | †10 |
| Subsidized Shares | 0 | 0 | 1 | 5 | 10 | ‡17k |

†27 throughout the year.
‡Worth to Social Justice Programs.
*2020 Survey indicates 3.2 people per share.

Last year before our normal season began, we were faced with the COVID–19 pandemic. Our neighbors were confined to houses and grocery store shelves were bare. Through the CSA, we put out the call to our local farms to begin a pre-season home-delivery *à-la-carte* market for our frightened house-bound Catskills community. Our whole business had to change in an instant. Within 2 weeks we had a fully operational business with 45 local farm and food businesses delivering to 40 Catskills towns. The work was terrifying: at the beginning we came close to running out of personal protective equipment (PPE) and each delivery felt like a run to Mars. We volunteered time, because we were concerned about feeding our rural neighbors and our business model could not support the hours of driving that entailed. We were overwhelmed by the needs of the community, scared for our own lives, and afraid of infecting people when dropping off produce (before we learned the virus was airborne and unlikely to be transmitted through touch). Though we put out calls for help to local ag nonprofits, we received barely any funding to support our work (CADE did find us a source of PPE, paid for the software we onboarded for this market, and helped pay for one administrative support position for a month).

We created a program within our CSA for the wealthier members to support those in need, which helped, but barely scratched the surface of the demand we faced. Though I’m proud of the work we were able to do, in trying to scale up to support the community, we had to take on all of the risk and weren’t able to meet the actual demand at hand because we lacked funding to purchase emergency relief food from our farmers, or to pay our staff adequately. **Farmers who are meeting the needs of the public shouldn’t have to shoulder all of the burden of transitioning to meet the need.**

**We feel that The 607 CSA succeeds by:**

- **Providing a market and trucking logistics for Sustainable Small-Scale Family Farms** in a geographically disadvantaged region. Creating a market in an otherwise unprofitable agricultural region helps to ensure the current farmland stays in production while providing incentive for young farmers to set up operations.
- **Providing organic, nutrient-dense, full-diet, affordable local food** to over 800 Catskills and NYC residents.
- **Performing as a regional foodshed model** promoting scale through collaboration rather than the proven unsustainable and expensive scaling of individual operations.

- **Launching a food sovereignty project in 2020** in collaboration with local nonprofit organizations providing the same organic, nutrient-dense food to pantries, food justice orgs, and emergency food projects like Free Fridges in the Catskills and NYC.
- **Working as an agile network,** able to mobilize rapidly during emergencies as demonstrated last spring at the onset of the COVID–19 pandemic. The admin team, supported by the CSA's network of farms, launched an entirely new local home-delivery business model within a 2 week span in March 2020. The quick start up included 42 farms and served 40 towns in Delaware, Otsego, and Schoharie Counties.
- **Providing flexible employment for local residents.** In 2020, the CSA employed 27 people when many had lost other work.
- **Growing steadily** by word-of-mouth.
- **Practicing inclusive decision-making.** Decisions are made by consensus between farms and CSA crew members and the admin team's working groups informed by a series of annual surveys and, importantly, ongoing conversations.
- **Making way for a Black, Indigenous, and People of Color (BIPOC)-led future.** In the interim, we are on a path towards inclusion, listening, learning, engaging, and responding.

**The 607 struggles in the following ways:**

- **It exists in a false economy in competition with larger, subsidized commodity farms,** masking the real value of food. The market will never allow for the margins to provide living wages for employees, payroll taxes, health insurance, vacation, or retirement plans.
- **Trucking is very expensive and warehousing is precarious.** We've maxed out our local farm storage capacities upstate, have had to hire a third-party trucker from Vermont to take the food from the Catskills to the city, and the future of last-mile delivery is uncertain in the city where warehousing is incredibly expensive, and last-mile logistics are even more so once you get there.
- **The business model has evolved organically** as locations and members have requested to join. The result is a far-flung network and inefficiency in trucking.
- **Unable to meet demand for food-insecure and continually marginalized communities** now that the USDA food box program has ended. While before we were filling in the gaps, we are now being asked to provide the bulk of the food. We have the farms, packers, logistics, and transportation, but lack funding to actually support production and distribution.

**In order to become an organization that can scale to meet the needs of our communities and to sustain our operations in perpetuity the CSA needs the following:**

- **Strategic planning to identify partners for 2021,** develop the food sovereignty projects, and consider the potential of a new 501[(c)(3)] status. Congress could help by funding dedicated Rural Development office staff, non-governmental organizations (NGOs) and extension staff to conduct outreach and provide technical assistance to regional food businesses and organizations like ours to formalize and scale.
- **Vertically integrated Infrastructure**—It is time to purchase or lease a refrigerated truck and our own pallet jack (or two). There is not a USDA program that allows for a lot of this kind of infrastructure development beyond FSA micro loans, so I would love to see items like these be included in programs like the Value-Added Producer Grants (VAPG), the Local Food Promotion Program (LFPP), and the Regional Food Systems Partnerships (RFSP):
  - New e-commerce platforms.
  - Personal protective equipment.
  - Packaging and labeling materials.
  - Signage.
  - Food safety practice upgrades.
  - Food safety certification.
  - COVID–19 testing materials and services.
  - Dry or cold storage, as well as other equipment and upgrades.
  - Hand washing equipment and materials.

- Cleaning supplies.
- Temperature screening equipment.
- Food delivery costs (fuel and maintenance).
- Expanding or restructuring processing lines.
- Purchasing or leasing temporary space or holding pens.
- Transportation services or equipment.
- Staff time for implementing COVID–19 shifts, protocols, *etc.*
- Other measures to protect workers, or aid in preventing the spread of, COVID–19, including providing for worker transportation, housing, and childcare.

- **Streamlined and accessible USDA programs.**

Federal programs like the VAPG and LFPP support local and regional food projects, but they are not accessible to working farmers. Farmers like us who have innovated creative and practical solutions to feed our local communities do not benefit from the programs designed to help. The application process is burdensome and extremely academic and even with a Master's Degree in writing, I did not succeed in securing an LFPP when I applied in 2020. The match requirements also exclude smaller projects and historically underserved communities who do not have access to additional funding. **I urge Congress and the USDA to streamline applications, extend the deadlines particularly during the growing season to winter months, and eliminate the match requirement.**

Farmers do not have dedicated grant-writing staff acculturated to the weighted requirements and other non-explicit intricacies of successful grant writing, nor do they have time to write multi-page essays expounding the many virtues of their proposed projects. They are too busy growing food, adding value to that food, and running their businesses. Nevertheless, farmers deserve all the security and support their well-staffed nonprofit colleagues receive from successfully written USDA grants as they are the people shouldering the bulk of the work and assuming the majority of the risk. It is important to mention that a more-streamlined/simplified granting culture might also improve the quality of the projects and services provided. A simplified funding protocol might allow for more flexible deliverables, which is increasingly imperative in our current reality. Federal funding needs to be able to quickly adapt to new issues as they pop up including: social unrest, political strife, weather events and natural disasters (including pandemics) brought about by climate change. COVID–19 a great example of one such emergency, a more-flexible funding culture, could have been adapted to address.

**In addition, I urge USDA to commit to prioritizing the ranking of all Local Agriculture Market Program (LAMP) grant applications that are submitted by, or intend to serve, beginning farmers or ranchers, socially disadvantaged farmers or ranchers, operators of small or medium-sized farms or ranches that are structured as family farms, and veteran farmers or ranchers.**

**I urge USDA to provide dedicated staff and enter into cooperative agreements to help conduct additional outreach and technical assistance for the VAPG program; train State Rural Development office staff about the program; and support non-governmental organizations (NGOs) and extension staff conducting outreach and assistance for the program. Prioritize providing additional outreach and technical assistance to underserved communities, tribal communities, and for socially disadvantaged farmers and ranchers.**

I am a farmer, and a business owner, but am also involved in the regional agricultural conversation: Through my work at CADE, I have seen how Federal dollars can have a positive impact on regional food systems:

From what information I have readily available, we have seen a total of $1.4M invested by USDA in central NY through CADE since 2015, and another $600,000 that has gone directly to farmers (thank you!), which would total $2M. Here is a very broad strokes breakdown of the $2M:

- Nearly $600,000 in direct grants allocated to central NY farmers for business development and marketing via VAPG or RBDG since 2017, including for value-added dairy.
- More than $1.3M in funding to support aggregation, distribution, and marketing products of central NY farmers via LFPP since 2015—which resulted in

an 117% increase in sales for agribusinesses. This includes our most recent LFPP grant for our Emerging Markets Training Program which includes support for Headwaters Food Hub, Common Market, and Upstate Growers and Packers as hubs.

- $100,000 for strengthening the supply chain to expand farm-to-school local food purchasing via Food and Nutrition Program since 2018

In this year alone, CADE received $100k for distance learning that enabled us to support COVID rapid response. Our Farm & Food Business Incubator which is funded through state and Federal funds, supported in 1 year 309 farm and food businesses through online workshops and one-on-one advising and helped 11 new beginning farmers enter local/regional production—100 percent of whom were socially disadvantaged.

In 2015, The VAPG helped develop the Lucky Dog Hub, in Hamden, New York. With VAPG funds, CADE hired a consultant to help organize the HUB, and bought critical infrastructure of a pallet jack and walk-in cooler. Though Lucky Dog Farm no longer runs the hub, The 607 CSA has taken on the role and we are still using that infrastructure today.

But while CADE succeeds, the inaccessibility to USDA programs is even greater for "socially disadvantaged farmers"—farmers of color who have even less access to the matching requirements, and ability to take the time to complete the application. USDA should **actively conduct outreach to and recruit Black, Indigenous, and people of color (BIPOC) producers and organizations for grant review panels and USDA advisory committees** and strive to ensure that the final make-up of committees and review panels reflects the diversity of the constituencies working in agriculture. We ask Congress to **allocate more resources to provide technical assistance and outreach to BIPOC producers and organizations wishing to apply for programs across the food chain like** VAPG, LFPP and RFSP.

At CADE, we are not seeing Federal money go toward building or securing land access for the next generation of farmers and ranchers, most especially to BIPOC beginning farmers who have the least access to affordable, secure farmland. We would love to see Federal dollars go towards the purchase of public and private land to be made available to young farmers and farmers of color. Land prices are skyrocketing in the Catskills as wealthy people flee New York City—land was prohibitively expensive before COVID but is now much worse.

Also, CADE is working to create equity in agriculture but keeps running up against extreme racism in communities that scare off BIPOC beginning farmers. We need resources for culture change and public dialogue to create safe communities for multiculturalism to exist here. It's hard when our country's divisions and deep seeded racism is playing out so much in rural spaces. But this kind of work is not considered part of agriculture. **USDA needs to think more holistically to support diverse new entrants to agriculture.**

The Farmers to Families Food Box Program in the pandemic showed what is possible if USDA invests in connecting farmers with food-insecure communities. We need to continue this type of government support. The first round, before subsequent changes, was accessible to small farmers and small distributors, and paid these entities a good price to sell to those in need.

If a future, more long-term program was to be created like Farmers to Families Food Box Program, I suggest that it:

- Require that at least 20 percent of dedicated funds be reserved for BIPOC nonprofits and food businesses, especially those with proven experience working with BIPOC producers and communities.
- Remove the Good Agriculture Practices certificate requirement to be a producer participating in the program, so that smaller producers growing good, clean, nutrient-dense food, but without resources to modernize production facilities, might also contribute to the program.
- Publish regional lists of small- and mid-sized, and minority- and women-owned farms qualified to be subcontractors in the program or enact a matching program across contractors and producers.
- Evaluate bid prices based on historic and reasonable costs for a particular farm, producer, or distribution operation in order to ensure that small and specialty farms are adequately compensated.
- Set a goal of subcontracting with small- and mid-sized, and minority- and women-owned farms with distributing to minority-led nonprofits as primary goals of the program, aligning all procurement processes and messaging accordingly, and tracking progress toward these goals.

- Publish a best practices guide to recruit BIPOC and young farmers for distributors participating in the program.

A list of The 607 CSA/Star Route Farm Food Justice Partners who are asking The 607 CSA to take up the slack of the USDA FOOD BOX Program (21k already donated by CSA members in 2021, but we're running out of funds).

*NYC*

**St. John's Bread and Life:** Every day, Bread & Life serves thousands of meals to hungry New Yorkers.

**Bushwick Ayuda Mutua:** A grassroots network of volunteers providing groceries and household staples to residents in Bushwick, Brooklyn with an emphasis on serving undocumented people, low-income families with children and those sick or positive to COVID–19, serving 200 families a week.

**Guanábana Collective:** Guanábana serves as a collective dedicated to centering the voices of Black folks with Antillean roots including the Greater and Lesser Antilles.

**Heart of Dinner:** A nonprofit organization that fundraises to provide cooked-meals and groceries to 1,000 elderly-community of Chinatown, Manhattan.

**Woodbine:** Woodbine is an experimental hub in Ridgewood, Queens for developing the practices, skills, and tools needed to build autonomy. Woodbine serves around a thousand people each week.

**Wat Buddha Thai Thavorn Vanaram:** Wat Buddha Thai Thavorn Vanaram is a Buddhist temple in Elmhurst, Queens. We work with them to do occasional distribution for 100 residents.

*Catskills*

**Delaware Opportunities:** A nonprofit serving Delaware County, New York residents with emergency food and economic relief, school supplies, and home deliveries. The CSA works with Delaware Opportunity to provide 77 food boxes a month composed of organic: veggies, milk, ground beef, eggs, and bread. Together we distribute to families in Delaware County. We are actively fundraising to increase the number served.

Pantries Organized with a generous grant from *CADE Farms:*

| | |
|---|---|
| Burlington Flats Food Pantry | Richfield Springs Food Pantry |
| Community Cupboard | Unadilla Community Food Pantry |
| Cooperstown Food Pantry | Worcester Food Pantry |
| Delaware Opportunity | Helping Hands Food Pantry |
| Greater Franklin Food Pantry | FDT Maryland |
| Loaves & Fishes Food Pantry | Milford Food Pantry |

Thank you for your time and your support! It's a pleasure to share our work feeding our neighbors with you. I look forward to participating in future USDA programs!

TIANNA KENNEDY.

The CHAIR. Thank you very much for that. And Mr. Shannon, please begin when you are ready.

## STATEMENT OF JONATHAN SHANNON, NICHE MARKET LIVESTOCK PRODUCER, SHANNON FAMILY FARMS LLC, CRAWFORDSVILLE, IN; ACCOMPANIED BY KELLY SHANNON, NICHE MARKET LIVESTOCK PRODUCER, SHANNON FAMILY FARMS LLC

Mr. SHANNON. Chair Plaskett and Ranking Member Baird, thank you for allowing us to join this discussion today. Kelly and I are both fully involved in our day-to-day operations of our small niche livestock market in town, where those products end up in the end-consumer's hand throughout our community and beyond. We have submitted some written testimony. I would like to just cover some of the highlights from there, and tell a little bit of our story.

Kelly returned to rural Montgomery County in 2003 after graduating college, and a year later I joined her by purchasing our 10 acre farm, less than 1 mile from where she grew up. As most farm

families, land and profits were too tight to add more family members to the operation, so we both took off-farm jobs. As time passed, we were forced to find what our niche was to make our farm profitable. At the young age of 26 we began Shannon Family Farms, with little knowledge of our local markets or opportunities available through the USDA. The goal was to produce proteins for local consumers and provide buying options for the community.

A few years later, 70 adjoining acres became available to us. As beginning teachers on beginning teacher salaries, many lending institutions would not even entertain a conversation about purchasing those 70 acres, so we were not able to obtain that land, and had to regroup and decide how will we be most profitable on 10 acres? We had no knowledge of beginning farmers or ranchers loans through the USDA at that time, but would self-fund our 10 acres and become profitable. We would become a beef, pork, poultry, and egg producer, and deal with the end-consumer.

From 2006 to 2016 we formed our own agricultural market through our on-farm sales, through attending farmers' markets in surrounding areas, and working with Indiana Grown through the Indiana State Department of Agriculture. Finally, in 2016, we hit a roadblock with market opportunities. Based on this dilemma, we could continue being a small producer, or expanding into a year-round retail business model. Thankfully, there were other like-minded producers in the community that faced some of the same barriers, and we made an effort to find a solution to those reduced market opportunities. Ranking Member Baird mentioned that we started Four Seasons Local Market. That is a cooperative of a few small producers for a year-round retail storefront that sits on Main Street in historic downtown Crawfordsville. We offer locally produced products from the community and across the state. This market is vibrant, and a weekly meeting place of local food consumers who purchase products from local farm families.

Our official interactions with the USDA began in July 2020, almost 14 years after we had begun our small operation. The reason for the encounter was for the Coronavirus Food Assistance Program during COVID–19. Why had it taken us 14 years to discover some of the economic opportunities available to the USDA? We believe that services were mostly offered and benefitted large row crop or large livestock operations, but did not help small producers. Our experience both through CFAP phases at the local FSA office were easy and beneficial. Earlier, I mentioned partnerships with Indiana Grown. That included the Indiana Grown for Schools network, which is a statewide initiative to get products of local producers into the schools. That grant was through the Indiana State Department of Health, Indiana State Department of Agriculture, and Purdue Extension. It funded the creation of a website and buyer's guide so that people would have opportunity to purchase. We have not been able to take advantage of this opportunity, and it is our belief that the USDA could be of assistance by incentivizing schools to use more individual ingredients, and less prepared and pre-packaged foods.

As other livestock producers experienced during COVID, we had a bottleneck in our processing. There are grants that have recently been made available, including the Meat and Poultry Inspection

Readiness Grant to hopefully prevent future bottlenecks. We have been able to give up a few of our staple proteins, grass-fed beef and pasteurized poultry, and have had to move and change with consumer demand. At this time, increased e-commerce opportunities are there, but as many others have found, we have not benefitted from high-speed internet in our rural area. Thank you.

[The prepared statement of Mr. Shannon follows:]

PREPARED STATEMENT OF JONATHAN SHANNON, NICHE MARKET LIVESTOCK PRODUCER, SHANNON FAMILY FARMS LLC, CRAWFORDSVILLE, IN

Chair Plaskett, Ranking Member Baird, and Members of the Subcommittee, thank you for inviting us to join the discussion today. We are both involved in the day-to-day operations of our small, niche market livestock farm where we directly market our products to the local, end consumers of our community and beyond. Through our testimony we will share the successes and struggles those small producers, like ourselves, face in a new era of local food production.

**Background**

Small, local producers that grow and raise food, fuel, and fiber for local communities are a vital part of what makes rural America vibrant. Local, family-owned farms are an economic driver for many communities throughout the United States because of the financial reinvestment into other businesses in the region. What makes local producers successful and able to grow is the access to plentiful agricultural markets. Continued and increased economic opportunities need to be readily available to small farms.

**Growth of Our Farm**

Kelly returned to rural Montgomery County, Indiana in 2003 after graduating college. One year later, I joined her, and we purchased a 10 acre farm less than 1 mile from where she grew up. As most farm families across the country, land and profits were too tight to add more family members to the operation, so both of us took off-farm jobs, as teachers, with the hope of finding our niche in agriculture as time passed. At the young age of 26, we began Shannon Family Farms in 2006 with little knowledge of our local markets or opportunities through the U.S. Department of Agriculture (USDA). The goal was to produce proteins (beef, pork, chicken, and eggs) for local consumers and provide buying options to the community.

A few years later, 70 acres of adjoining land became available for purchase, but with two beginning teacher salaries, local lending institutions would not even entertain a conversation about the purchase of those acres. With no knowledge of Beginning Farmers and Ranchers Loans through the USDA at that time, the land was never acquired. Consequently, we made the conscious decision to most effectively use our 10 acres to grow our operation. This would lead to becoming a beef, pork, poultry, and egg producer that dealt directly with the end consumer.

From 2006 to 2016, we formed our own agricultural market through on-farm sales, attending farmer's markets in surrounding areas, and working with Indiana Grown through the Indiana State Department of Agriculture. Finally, in 2016, we hit a roadblock with market opportunities. Based on this dilemma, we were faced with continuing as a small, seasonal operation or expanding into a year-round retail business model. Thankfully, there were other like-minded small producers in the community that faced the same barriers and made the conscious effort to find a solution to reduced market opportunities.

Four Seasons Local Market was founded in October of 2016 through a partnership of a few small producers in an effort to expand their economic opportunities. A year round, retail storefront sits on Main Street in historic downtown Crawfordsville, IN to offer locally produced products from the community and across the state. This local market is a vibrant, weekly meeting place of local food consumers who purchase products from local family farms. The market has been blessed with continuous growth each year. This endeavor was supported by individual investments from each farm family.

**U.S. Department of Agriculture Interactions and Support**

Shannon Family Farms began their official interactions with the U.S. Department of Agriculture and their local Farm Service Agency (FSA) office in July 2020, almost 14 years after we began our small operation. The reason for the encounter was to participate in the Coronavirus Food Assistance Program (CFAP) during COVID–19 at the recommendation of fellow local producers. Why had it taken us 14 years to

discover some of the economic opportunities available through the USDA? We believed services were mostly offered and benefited large row crop or large livestock operations and did not help small producers. Our experience through both CFAP phases at the local FSA office was easy and beneficial.

Earlier, I mentioned a partnership with Indiana Grown. The partnership included the Indiana Grown for Schools Network which is a statewide initiative that was the product of a 2018–2020 USDA Farm to School Grant, received by the Indiana State Department of Health. In partnership with the Indiana State Department of Agriculture and Purdue Extension. This grant funded the creation of a website and the Indiana Grown for Schools Buyer's Guide. This is a local agricultural market our farm has not been able to take advantage of through meat sales. It is our belief that the USDA could be of assistance in accessing this market by incentivizing schools to use more individual ingredients, and less prepared and prepackaged foods.

**The Future of Local, Niche Market Livestock Production**

The farm's economic opportunities and agricultural markets have become throttled as the country emerges from COVID–19 and its effects on supply chains. A major contributing factor to this decreased revenue is access to reasonably priced, USDA inspected, processing facilities for small producers that are available regionally. Knowing that only 9 days ago the U.S. Department of Agriculture announced $55.2 million in competitive grant funding available through the new Meat and Poultry Inspection Readiness Grant (MPIRG) program,[1] that does not fix that damage that has been done prior to now.

Poultry was a staple protein offered to customers of Shannon Family Farms but has become a casualty in our product offerings due to the local, small, USDA processor not offering poultry processing in 2021. With the increased demand for pork and beef processing, poultry processing was put off to the side by the processor for this year and maybe the future. Small, local, reliable, and affordable processing will continue to be a struggle for local producers like Shannon Family Farms. During the COVID–19 pandemic, supply chains were strained and prices of processing inputs, such as PPE, sanitation products, and packaging increased. Those costs were not absorbed by the inspected processing facilities and were passed directly on to the small producer as evidence by our raising processing costs. It is our sincere hope that as supply chains return to normal that those price increases can be rolled back. Through the years, we have benefited from using a USDA inspected processing facility as our sole processor.

With increased e-commerce opportunities quickly gaining popularity among local food consumers and the benefit of opening other agriculture markets through online sales, the farm yearns for reliable, rural broadband. The USDA ReConnect Program, introduced in 2018, and multiple additional appropriations for FY 2019, 2020, and 2021[2] is a step in the right direction, COVID–19 has magnified the need for that rural telecommunications infrastructure to reach many more local producers.

**Resiliency and Change**

Shannon Family Farms has prided themselves with adapting to customer demand and maximizing return on investment from agricultural products produced with our small amount of acreage. Local demand has increased for cut flowers in recent years. The 2021 growing season has seen pasture acreage at the farm converted to cut flowers rows. With that being said, we will be exploring opportunities through the USDA to secure and expand the future of this agricultural commodity in our local market through grants, operating loans, microloans, and youth loans. This is being done to replace some of the protein sources no longer being raised because of meat processing bottlenecks.

Having new knowledge of economic opportunities for local agricultural markets through the USDA, Shannon Family Farms continues to look toward the future and focus on growth through various agricultural commodities. We cannot tell you what commodity we will be raising in 10 years, but it will mirror the demands of our consumers and customers. It is with eternal optimism that issues facing small producers, like ourselves, can be resolved and new, expanded agricultural markets are opened.

**Conclusion**

Small, local producers are the backbone of rural communities and must work side-by-side with larger producers to provide food, fuel, and fiber to all consumers. Small

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[1] *https://www.usda.gov/media/press-releases/2021/06/21/usda-invests-552-million-grants-increase-capacity-and-expand-access.*

[2] *https://www.usda.gov/broadband.*

farms that work directly with the end-consumer can share the success and struggles directly with them. We have cherished that relationship with our customers since 2006 but are always looking for economic opportunities to expand local agricultural markets especially in the post COVID–19 pandemic era. If anything was demonstrated during the past year, it was the necessity of having local food options available as larger store shelves were minimally stocked or empty. Local producers are able to shorten the supply chain tremendously when the correct tools and supports are in place. Shannon Family Farms looks forward to future opportunities to expand our current market options and grow with different commodity options for consumers.

Kelly and I would like to thank you for the opportunity to participate in this discussion on a topic that is vital to our operation and the future generations being raised on our farm.

The CHAIR. Thank you very much to all of our witnesses for those statements. At this time Members will be recognized for questions in order of seniority, alternating between Majority and Minority Members. You will be recognized for 5 minutes each in order to allow us to get to as many questions as possible. I recognize myself for 5 minutes at this time.

I wanted to ask, Ms. Kennedy, would you speak to the role that consumers play in local agricultural markets, and how did the change in consumer demand impact farmers' business decisions and drive innovation in local markets during the COVID pandemic?

Ms. KENNEDY. Yes, I would love to. I think that, as Ranking Member Baird mentioned, us small farmers usually have to find niche markets, and so usually we are just trying to fill in the gaps of the big guys. But during the COVID pandemic, when the larger supply chains were threatened, and the grocery stores were closed, we became the market. Most of my producers did not have—I mean, the restaurants closed, and so we lost one market, but everybody else that I knew was scaling up, and struggling to meet demand. And so I feel like we all had to pivot in a moment's notice to try to meet those demands to try to feed our members, our neighbors, and people that we had never worked with before.

Yes, during emergency moments the small-scale producers sort of take the burden of the whole food system, but lack the support to pivot and to make those changes, and just take all the risk. And then this year, once the pandemic had started easing off, everybody goes back to business as normal, and forgets that last year they were depending on us for their lives, so that is also a challenge, because then everybody had scaled up, and now we have to find other avenues for the food.

The CHAIR. Thank you. Thank you for that.

Ms. KENNEDY. Does that answer your question?

The CHAIR. Yes. Mr. Shannon, would you agree with what Ms. Kennedy has just outlined?

Mr. SHANNON. Madam Chair, I was sitting here shaking my head on every point Mrs. Kennedy made, that we had record sales through the months of March 2020 and also April 2020. Store shelves were empty, we ramped up. Dealing with livestock, it is a little lengthier process to ramp up. But as things came back to normal, sales, and those consumers, had started to disappear out of local food, but yes, we did take the brunt, and were able to support our local community, and make sure they had proteins in their freezers and refrigerators throughout the pandemic.

The CHAIR. Thank you. Mr. Browne, thank you for joining us. And can you speak towards the unique market access challenges that come with farming on an island off of the mainland?

Mr. BROWNE. Thank you. Yes. We are in one of the most unfortunate circumstances, and that is because our import is almost 98 or 99 percent. So, in a time of supply, where food was being halted during the pandemic, we saw some changes, but we had to make changes as well, and put the protocol in place in order to mitigate what was happening. Most of our wholesale production was lost, and those channels that we used, such as a supermarket, and other restaurants, were actually not taking anything at that time.

Now, we had to actually adapt, in a way, where we had to serve a certain amount of customers at a time, and even though—like the other person before said, we had increased sales, but then, as we go along, we find that it tapers off, so we are looking over the last 6 months where it has tapered off, where the—everything seems to be getting back to normal, and we are now back at the same place, for instance, our local Department of Agriculture, which actually processed meat, has been closed for the last 6 weeks. And during the pandemic it had been closed for almost a whole year. So we had a situation where we had to stop our meat CSA and only deal with the produce CSA, so customers were asking for protein, but, unfortunately, we could not provide it because we are doing commercial sale of protein, and not to go against the law itself to have protein processed through some other method.

The CHAIR. Thank you. I have run out of time, but I want to thank you, Mr. Browne, also for your promotion of local farming and educating young farmers. I would love to see your written testimony about that as well. At this time, Ranking Member Baird?

Mr. BAIRD. Thank you, Madam Chair. Mr. Shannon, in your testimony you mentioned difficulties you faced in obtaining capital to pursue your business plan. I have seen through my years, time and again, the near impossibility for a beginning farmer to begin and run an operation that was large enough to support his family. So my question to you is: how do you suggest and recommend young people go about this process, and what steps should they take to prepare to try to start their operation? Mr. Shannon?

Mr. SHANNON. Thank you, sir. I was encouraged the other day, looking through some of the USDA programs, that there are youth loans available, and what popped into my head were my two daughters that have an interest in agriculture, and finding out ways of how they could add to the farm that is unique to them. What we were really missing, starting out back in 2006, was some succession planning, or a mentor, some guidance for young, beginning farmers on what has worked, what has not worked. So teaming up with that mentor that may be a seasoned farmer looking to retire eventually, to pass that along, to give advice and get you going on the straight and narrow to be profitable. So I believe finding that mentor, whether that is in your local community, anywhere across the country, having that network of folks to give guidance.

Something else that we ran into was business essentials. Grant writing, legalities with business entities, health departments, accounting, Federal tax registration. All of that could be part of the

USDA stepping up and providing those resources and guidance, whether that is through classes, outreach, but having that so that you are prepared early on in your career as a beginning farmer to gain that capital and make those best choices.

Mr. BAIRD. If I may continue on that conversation just a little bit with you, you mentioned the resources of the USDA, but you also mentioned that you worked with the Indiana Department of Agriculture, and all states have departments of agriculture. Can you share with this Committee how you got involved with the Indiana Grown, and how it helped you enter into even more markets?

Mr. SHANNON. Yes. We were attending a conference at one point early on, and Indiana Grown was just in its infancy, I believe around 2015 Indiana Grown began, and they came to present, and the goal was to have a network of Indiana farmers, Indiana-produced products, and share those successes and open markets. We are in a frozen processed meat business. Indiana Grown worked tirelessly for other producers to get them on the shelves, but, again, frozen meat in a grocery store is difficult. There has been much success with other local producers getting on grocery store shelves. Indiana Grown has put on events that we were able to attend and get our face, our name, our store in front of consumers. So we have benefitted from their statewide network, mentoring with other folks later in our career, and being able to, like I said, have that story, have our product, in front of a larger audience, and it is all concentrated at the State House, and has a good look, a good message, that goes out to the community and the state.

Mr. BAIRD. Thank you. I only have about a minute left, but many states have programs like Indiana Grown to support state products, so have any of the other witnesses been able to work with their state departments of agriculture to help enter the local markets, and if so, please feel free to comment. We have about 40 seconds.

Mr. BROWNE. It is Dale Browne, if I may comment? That is one of our biggest challenges here in the Territory, because the Virgin Islands Department of Agriculture has become so very dysfunctional. It is hard for us to actually use that time or have that engagement where the Department is reaching other markets. So we are, like, in a catch-22 position that we have to do it ourselves totally.

Mr. BAIRD. Thank you, and I thank our witnesses again for being here, and appreciate all of their efforts. And I yield back.

The CHAIR. Thank you very much. Our next Member is Mr. Delgado. Mr. Delgado? Mr. Delgado? If not, we will move to Ms. Schrier of Washington State.

Ms. SCHRIER. Thank you, Madam Chair, and thank you to our witnesses. I want to focus on how the Federal Government can better support small- and medium-sized family farms. Right now we subsidize farm production in a manner that really benefits most of the largest corporate farms in the country, and I have heard from small- and medium-sized producers in my district in Washington State that significant barriers exist for them to participate in USDA purchasing programs and local markets, and these need to be addressed. Better supporting market access for family farms will help farmers themselves, it will shrink the carbon footprint of agri-

cultural production, reduce transportation needs, and lead to healthier diets locally, in particular in our schools.

And I know that the pandemic dramatically disrupted life throughout the country, leaving millions struggling to feed themselves and their families, and yet early Federal aid was heavily weighted toward larger farms and corporations because their scale allowed for efficient distribution in a national program. Many specialty crop producers and smaller, family-run operations suffered tremendously, and at a time when more people than ever were facing hunger, small and medium farms had nowhere to send their food.

And at a time when our food supply chains were collapsing, local family farms were in many ways left out. That is why I introduced several bills, including the Farmers Feeding Families Coronavirus Response Act (H.R. 6725), the Food and Farm Emergency Assistance Act (H.R. 7656), and the Farming Support to States Act (H.R. 6956), to assist local growers and producers. These bills aimed to move the management of the food supply chains to the states, since state departments of agriculture have existing relationships with local small and medium farmers, provide emergency grants to assist growers and producers in covering significant costs incurred as a result of the pandemic. And one of the bills would have provided grants to cover PPE and supplies to convert operations, like refrigeration or packaging goods for individual consumers, as opposed to restaurants.

And I am really glad to hear that my colleague, Mr. Baird, brought up this very issue of how state departments of agriculture can help our smaller producers. I was excited to see the recent announcement from the USDA that it will invest $1 billion to purchase nutritious food for state food bank networks from local and regional producers. This announcement mirrors many of the proposals in the bills I just mentioned, and it is vital for those who are administering Federal programs to have relationships with local small producers and food banks in order to better support the local economies and target distribution.

Now, several of you mentioned that the Farmers to Families Food Box Program did not adequately benefit small producers, and, Ms. Cooper, I have a question for you. Can you tell me about your experience with the Food Box Program, and share any insights into how the USDA can ensure small farms are able to participate in this latest round of USDA funding, as well as future programs, and are there some barriers at USDA that we here should be looking to fix?

Ms. COOPER. Thanks so much. And in my written testimony, I mentioned a little bit about the Food Box Program, and our experience with it, and couldn't fit it into 5 minutes, but we actually—in southwest Georgia, when you think of small food infrastructure, there are some more urban areas in the northern part of our state that were really well suited for this. This wasn't true for my area, despite Albany, which is in southwest Georgia, being a nationally recognized top three hot spot during the pandemic on a per capita basis. Through my work with the Soil and Water Conservation District, we actually launched our own Food Box Program to supplement Federal and state efforts.

So through the nonprofit arm we worked with local farmers, and also with our network of nonprofit community garden spaces to source local produce, and then partnered with local restaurant businesses that had been hit by the pandemic, and, through funds raised here locally, purchased hot meals from those locally owned restaurants. So we had both produce boxes and hot meals, and delivered them to folks in need, working, again, with local businesses in our local community to identify——

Ms. SCHRIER. Thank you.

That is incredibly resourceful. I appreciate that. I just want to mention two other things. One is the heat wave hitting the Northwest that has really worried our farmers about crop losses, particularly the tree fruit industry and specialty crops; and second that labor continues to be a huge challenge for farmers in the Pacific Northwest, and we desperately need reform, and I would encourage the Senate to pass our Farm Workforce Modernization Act (H.R. 1603), which I wholeheartedly supported. Thank you, and I yield back.

The CHAIR. Thank you so much for that. As we can see throughout our country, hearing from Mr. Browne, you discussing, Ms. Schrier, that farmers are on the front line of so much of the climate issues that we have in our country, and we have to support them to be able to overcome those and continue producing. They are so vitally important to us. I noted our Ranking Member, Mr. Thompson, was with us earlier, but right now I would like to call on Mr. Scott for his testimony. Mr. Scott of Georgia, but I always say the younger Scott. Right?

Mr. AUSTIN SCOTT of Georgia. Fair enough.

The CHAIR. Scott the younger.

Mr. AUSTIN SCOTT of Georgia. Fair enough. And, thank you. And I want to talk briefly about the supply chain, just a little bit, and I can't talk about this without reminding the American public that is watching, the American farmer gets a little less than 10¢ of every dollar that you are spending at the grocery store, probably even less than that right now.

The increased cost of transportation, and what is happening with inflation at the grocery store, the American farmer is not seeing that revenue. I went to the local grocery store this past weekend, intending to buy steak. I passed over the steak because it simply cost way too much. I looked at the pork, and the pork was unbelievably high, and I ended up with $5 worth of chicken that I paid $7 or $8 for. When we talk about supply chain, it is not limited to the farmer. The American consumer is feeling the brunt of this when they walk into the grocery store, and I want you to know as the consumer that the American farmer is not benefitting from the price increases that you are seeing. So one of the issues, as we talk about supply chain, that I never thought of is the issue of boxes. I think about seed, I think about chemicals, I think about transportation, but I got a call the other day from a farmer saying, "Guess what, we have a crop that is growing, and we can't get the boxes to harvest it and put it in to transport it." And so I thought I might share with you this aspect of what happens in the supply chain.

"Do you have 11 by 12s?" That is the size of the boxes, a text message from a producer to a box supplier. "I will have some in a

few days, we are out of boxes and can't get labor. I am supposed to have some coming in from Honduras at the end of the week." Having to source boxes from Honduras. "Well, do you have 11 by 11s?" "No. I am out of everything right now. I don't know what to tell you. We are having major supply chain and labor problems," and he names another company that I will skip. "All the crate manufacturers are out of crates, and RPC and anchor boxes are non-existent." This is something that the American farmer is just starting to feel. There were enough to cover the producers in Florida for their fruit and vegetables, but now, as the harvest is coming into Georgia and the other states, we may very well see a shortage of fruit and vegetables on the shelves because of supply chain issues with boxes. But the American consumers' buying habits have changed.

And I want to go to Ms. Cooper from Georgia. I spent a lot of time at the Cordele Farmers' Market when I was a much younger man, as did most members of my family. It used to be that you would go to the farmers' market, you would buy your fruit and your vegetables, I should say, not your fruit. You would shuck the corn, and cut it off the cob, put it in the freezer and everything else, and the American consumer has changed, but you mentioned programs, not only Beginning Young Farmers in Georgia. We have Georgia Grown, we have Farmers' Market Promotion Program. What can we do to influence the consumer buying habits to encourage them to go to the farmers' markets, and other ways that they can buy directly from the farmer so that the farmer can get more than 10¢ out of the dollar that the American consumer is spending? And I know farmers from your area that actually carry their product all the way to the Atlanta Farmers' Market because they don't feel like they have the volume of customers at the local farmers' markets there. So just looking for your input there. I know you do a lot with organics, but obviously that is a specialty market, and you have to have the volume of customers as well, so any input there would be appreciated.

Ms. COOPER. Yes, sir, thank you, Congressman Scott. Yes, I farm in Sumter County, which is a really large green bean producing county in our state, and one thing that we observed this past year is that these large green bean packing houses that, like, you said, are typically sending things up to Atlanta to serve larger urban markets, they started opening their doors for local residents to come in and pick up a couple pounds of green beans from the farmer down the road that had been sending everything up to a larger urban market. And this is true for your question, but also for peanuts, and some of the commodity supply chains that are on a small scale in a niche market. There just needs to be a scale-appropriate infrastructure so that farmers don't feel that pressure to go to these larger markets.

For peanuts we handle 2,000 pound totes, which is the industry standard, but we get calls and e-mails all the time of people asking, how can I get 5 pounds of raw peanuts from you, which we can't do because we just don't have the proper infrastructure.

Mr. AUSTIN SCOTT of Georgia. My time has expired, but this is important to me, and supply chain issues are something that we witnessed the fragility of this past year. And, Madam Chair, while

we did some things to help, I think it is very much still there. I yield back.

The CHAIR. Thank you very much, Mr. Scott. At this time we call on Congresswoman Pingree of Maine for her 5 minutes. Thank you.

Ms. PINGREE. Thank you very much, Madam Chair. Thank you to you and the Ranking Member both for your opening remarks, and for having this hearing today. As I think everyone before me has said, this is a really timely hearing. Unfortunately, the pandemic provided so many challenges, but it really showed us the difficulties with the supply chain, but also some opportunities for the very farmers we have with us today, and the small- to medium-sized farmers they represent.

It is certainly been an issue that I have focused a lot of my work in agriculture around, and I am really pleased that we have this chance to talk about how we support more programs at the USDA, and think about tailoring programs to the small- to medium-sized farmer, to developing more infrastructure to support the very concerns people are talking about today, technical assistance, loan availability, more value-added products, getting more from the market, as Mr. Scott said, making sure everybody makes more than 10¢ on the dollar, which is possible when you can direct retail. So there are just so many things you all have discussed, thank you to all of the people who are testifying for us today, because your personal stories really bring it home to all the Members of the Committee.

So let me just see if I can fit in a few questions here and stop talking. To Ms. Kennedy and Ms. Cooper, you both mentioned in your testimony that you applied for USDA Local Food Promotion Grants but had not been successful, we all work on supporting these programs, and then we are very discouraged when there is either not enough money, or the programs that we think should be serving the very needs that you have mentioned aren't available. So could you talk a little bit about that?

And actually, before I mention that, I want to say that I personally have been operating a small farm that has many of the same challenges that you all do, but in particular, Ms. Kennedy, if I could get rid of all the deer that interfere with my ability to harvest the crop, that would be my number one pet peeve, and you just can't buy enough fencing sometime to keep them all out, but could you two talk a little bit about the application process, and the challenges that you have faced, so we can make sure we are really thinking about how the money from those programs get to the very needs you are talking about?

Ms. KENNEDY. Sure. I would love to start, if I may. I am also on the board of a number of nonprofit organizations that do regional ag support here, and those organizations are supported by USDA grants. So the grants are serving our communities, they are just not making it all the way to the farmers.

Ms. PINGREE. Yes.

Ms. KENNEDY. So the difference between the board that I am on and my own farm is that the board has dedicated grant writers, and a staff that is accustomed to the process, and knows about weighted, all of the intricacies of these grants that is a culture unto themselves, whereas the farmers that—as you can see, we are all

competent, educated people, so it is not that it is too complicated, it is just that we are very, very busy. We are doing ten jobs as it is, and then just fitting in that, like, 2 days of grant writing, it just doesn't happen a lot of the time. So part of it is just lack of time dedicated to the kind of bureaucratic process, and part of it is also just that the reimbursement part is a little bit—it—the access to—it is a barrier to access. A lot of farms just don't have the cash flow to make those matches or those reimbursements, and so it is just not worth applying.

Yes, the nonprofit has been funded this year by $1 million, and my farm last year, I got $5,000 for CFAP, or something like that, so there is a huge discrepancy between what actually makes it to the farms and what supports our nonprofit colleagues. I think that——

Ms. PINGREE. Great. Thank you, that is really helpful. Ms. Cooper?

Ms. COOPER. Thank you so much for that question. As you mentioned, we have applied for some programs. Specifically with LAMP programming, just one thing that I have observed anecdotally is that some of the more rural supply chain-focused projects, there is just not an understanding on the review side of what those rural economies and supply chains look like. And even though 30 pages sounds like a lot, it is really hard to succinctly describe what is going on in 30 pages to someone who might not be familiar with your rural community, or what that supply chain looks like. So, having a representative review panel is important, and also reviewers that can critically look at the impact directly to farmers in a meaningful way from these programs, just to echo what my fellow witness shared.

Ms. PINGREE. Great. Thank you so much. I am unfortunately going to run out of time, but I just wanted to thank Jonathan and Kelly Shannon. I really appreciate your testimony, and so many of the things that you mentioned about having more locally grown foods in our school lunch program, the real challenge people have with lack of slaughterhouses and meat processing capacity, loan access, and I just wish you all the success. I won't be here for a second question round, but really, I appreciate it. You laid out a lot of the really important things, and good luck with your flower operation. I know there are opportunities there as well. So thank you for being with us, all of you, today, and thank you to our friend from the Virgin Islands. I really appreciate it. I yield back, Madam Chair.

The CHAIR. Thank you very much, Ms. Pingree. I note that specifically Mr. Shannon, as well as Mr. Browne, talked about the issues with loans, rather Mr. Dale Browne talked about reimbursement, and I think that is something we really need to work on to provide access to these farmers for the financing that they need to be able to be successful, and support our food supply in this country so that we can once again become the number one producers of our own food. At this time I call on Congressman Davis of Illinois. Five minutes to you. No smart remarks.

Mr. DAVIS. Well, thank you, Madam Chair, and Ranking Member Baird. I do have to express my displeasure, Madam Chair.

The CHAIR. Yes.

Mr. DAVIS. I thought this was going to be a field hearing in your district, but instead we are stuck here in the——

The CHAIR. Why don't we do that in February? That is the appropriate time for the Committee on Agriculture to come to the Virgin Islands.

Mr. DAVIS. I like that, and let us plan that. But, thank you for having this very important hearing today. And, actually, I am honored to follow my friend, and co-Chair of the House Organic Caucus, Ms. Pingree on this panel. I appreciate the perspective that organic farmers bring to this conversation. And as we look to move past the pandemic, and overcome obstacles that have challenged and threatened our supply chains, including weather and cyber security, among others, we must identify solutions within existing programs that strengthen our supply chains, and prioritize food security as really a matter of national security.

I have been a major advocate of organic farmers not only because of the consumer choice aspect, but to ensure a level playing field for organic farmers, and also maintain consumer confidence in the integrity of the organic label. My question is actually for Ms. Cooper. As an organic farmer, what are some of the biggest challenges you face, particularly as it relates to the need for strong organic standards in the marketplace, to live up to that commitment of possessing the USDA Organic seal?

Ms. COOPER. That is a really wonderful question, and something that we have been really dealing with here locally. The Peanut Cooperative is the only group of certified organic peanut and other commodity producers in our region. Historically organic peanuts are not produced in the Southeast or in Georgia, and for us it has been new for the farmers, as well as for the certifiers, and there has been a learning curve there. I think that having certifying bodies that can work with growers, as well as with our respected landgrant institutions that provide recommendations for production, both in conventional and in organic production, to understand the system, at times there are arbitrary aspects that may work in other regions or with other crops that specifically don't work in the Southeast, or in peanut productions in particular.

Also, it has been very hard for us to incentivize folks to get certified when we can't certify the supply chain. There is just not a scale-appropriate supply chain, and folks that are scale-appropriate, there is no incentive or support for them to go through the certification process. That has been a huge barrier. You cannot grow organic acreage without growing the organic processing, the organic supply chain that follows, or else you just lose that premium, and then there is no incentive. And then, last, one of the things that the cooperative aims to do through our mentorship and beginning farmer program is to just offer the technical assistance to growers that are going through this for the first time. We have had both beginning farmers and experienced conventional farmers that are interested in diversifying their market come to us with all sorts of questions, and having targeted opportunities for cooperative agreements, or technical assistance dollars for folks on the ground familiar with these systems, familiar with the process, to offer that support is really, really critical. And we have some of that here, but certainly not enough to meet the demand.

Mr. DAVIS. Well, I appreciate your comments, and you actually answered my next question about how strong organic standards translate into better resiliency. But we all know the demand for organic products is going to increase in areas mostly where they don't grow organic products or non-organic products. And, due to this increased demand, I know that many that are in your position are worried about foreign products that may come into our country that do not even come close to meeting the organic label standards that are put in place. Can you offer just your thoughts on some of those concerns, if you have them?

Ms. COOPER. Sure. We face that, certainly, because there is not a lot of organic production here. There is just a limited supply, and the difference in that supply is coming from international markets that typically can offer things at a cheaper price, and so then those efforts here locally, it can be hard to compete with that. Of course, not even specific to Georgia or the Southeast, but just in general the national production volume is not meeting the national demand, and to really uplift and promote the consumption and purchase of those domestically produced products, both conventional and organic, we have high standards of sustainability across the board, and I am really valuing those domestically produced products—it is very important for the industry as a whole, certainly for organics specifically.

Mr. DAVIS. Well, thank you. I yield back, Madam Chair.

The CHAIR. Thank you very much. At this time we call on Salud Carbajal of California for his 5 minutes.

Mr. CARBAJAL. Thank you, Madam Chair, and thank you to all the witnesses that took time to join us today. Local and regional food systems are critical for both rural economies and addressing food insecurity in the United States, which skyrocketed during the COVID–19 pandemic. In my district, these markets give area residents access to fresh and nutritious foods, while supporting the local economy. Public investments in local food systems have proven broadly successful, and need further upscaling and technical support in order to reach more people. Ms. Kennedy, what sort of additional investments, in terms of funding, technical assistance, and outreach can we include or look into to assist and expand local and regional markets, and what lessons can we take from the success and flexibility of smaller operations to apply to the larger food supply chain in the United States?

Ms. KENNEDY. Thank you. Thank you, Congressman. I would like to echo my fellow witnesses, the Shannons, talking about lack of adequate processing for slaughter and packaging of protein. In our rural neighborhoods, there are very few processing centers, and it becomes a bottleneck quickly, so if we want to scale up at all in anything, whether it is dairy, or meat, or veggies, pre-packaged for schools or institutional work, we need those sort of mid-sized post-harvest processing facilities. We also need support in the supply chain in terms of trucking, and one of the other Congressmen mentioned that trucking and boxes are very expensive. In my CSA we spend about 50 percent of our gross on trucking, and so that doesn't leave a lot for the farmers.

Yes, if the larger ag competitors are getting subsidies in trucking, they are getting subsidies, and they are, they have contracts

with schools to provide local school systems with beef, none of us small farms have those. We also don't have crop insurance. So if—we are an organic, diversified, small crop farm, we don't get reimbursed if there is a weather event and we lose our crops. So if all of these sorts of support that our larger brethren are receiving, it would be really wonderful if that were directed to the small, more resilient, more flexible farms, such as ourselves, that can pivot on a dime, change our models, work with whatever the situation is at hand, and that is increasingly important in our time of uncertainty, and in our current climate. But I think that those are some ideas that——

Mr. CARBAJAL. Thank you, Ms. Kennedy. And certainly, as we look to start working on the farm bill next year, we certainly need to take into consideration your input, because we should do more to extend those benefits to smaller companies, such as the ones that you are referencing, and the need to ensure that you are getting your share and support as well.

The organic industry has proven to be an economic driver in my Central Coast district, and in the United States, however I am aware that farmers face steep challenges and barriers when seeking to transition to organic production and maintain certification. Organic farming communities, and the resulting co-benefits, depend on farmers having access to handling, processing, and distribution infrastructure and market opportunities. I am thankful to see that the USDA has recently announced additional grant funding for the Value-Added Producer Grant Program. Ms. Cooper, as a producer of value-added products, have you been able to take advantage of that program, and has it worked for you?

Ms. COOPER. The Value-Added Producer Grant Program in particular, we have a pending application for that, so fingers crossed my answer will be yes in a couple months. But, originally it was not something that we were looking at just because of the 50 percent reimbursement. We faced a huge bottleneck this past year. We couldn't make sales because our processing wasn't up to have our product ready to get it to market, so we just didn't have the cash flow to spend $10 to get $5 back. It just didn't work for us. So when that COVID relief came out, and there was the ten percent cost-share requirement, that is really what attracted us to go for it, and hopefully it is something that will really allow us to tap into some of our currently untapped markets.

Mr. CARBAJAL. Thank you very much. Madam Chair, I yield back.

The CHAIR. Thank you very much. And I would like to thank and acknowledge the presence of the Ranking Member of the full Committee, Mr. Thompson, and yield to him at this time for his 5 minutes. Thank you, sir.

### OPENING STATEMENT OF HON. GLENN THOMPSON, A REPRESENTATIVE IN CONGRESS FROM PENNSYLVANIA

Mr. THOMPSON. Well, good morning, and thank you, Chair Plaskett and Ranking Member Baird, for holding today's hearing, it is incredibly important. I would also like to thank our witnesses for taking time to be here today, and their willingness to share their stories and experiences with us. I think everyone can agree

that this past year and a half has been unprecedented, and our small local producers have been on the front lines working to make sure that consumers and families maintain abundant access to safe and affordable food. Hearing their stories is important. While not the purpose of the hearing, I do like to think that we have an opportunity for some oversight.

The farm bill includes several programs designed to help beginning and small producers and develop local agricultural markets, including the Beginning Farmer and Rancher Development Program, and the Local Agricultural Market Program. The interactions between our witnesses, consumers, communities, and the Department will inform where we need to go from here, and I am most excited about that. So thanks again to Chair Plaskett and Ranking Member Baird for calling this hearing, and to our witnesses for being here. And my question is directed to Ms. Kennedy.

Thank you for what you do. You talked a bit about the Farmers to Families Food Box Program. I had a chance to, obviously, see a lot of that in distribution, talking with producers that were providing the foods to include in that, whether it was dairy or meat, fruits, vegetables, and USDA was able to deliver over 173 million food boxes to families in need before it was abruptly ended by the Biden Administration, while other pandemic-related assistance programs remain in place. Now, in your testimony you mentioned the need to continue this type of support and provided a few recommendations. So, for my own edification, I want to check with you. Do you agree with that decision by USDA, specifically, I guess, by Secretary Vilsack, to terminate this program?

Ms. KENNEDY. I feel like, in my experience, I wasn't really able to access the Food Box Program, so it didn't affect my business. I am at a scale that is a little bit smaller, so I wasn't really considered as a producer. So, like Ms. Cooper, I created my own food box program with my local constituency, and we supplied our local pantries and our local food relief organizations. I think that food relief is still needed. I think that a program like the food box program should still exist. I think, if I would create this new program, I would make sure that small-scale producers could participate, and that it is—because right now, because the Food Box Program has ended, it is us small-scale producers that are taking up the slack, but we don't have the funding to support our efforts.

Mr. THOMPSON. Yes, the Farmers to Families Food Box seemed like it was a real win-win, right? First of all, with the disruption of the food supply chain, because well over 60 percent of meals were eaten in restaurants prior to this pandemic, and all of a sudden there was a processing and packaging issue. And so this allowed, first of all, our families who were most in need economically, especially those who overnight were told by their governors you are not allowed to go to work, you have to stay in your house, you can't work your job. And for the farmers too, to be able to have a market. Really seemed like just an effective tool. And you put on top of that the emphasis was on fresh foods. All nutrition is welcome, but certainly when you look at fruits and vegetables, and dairy and meat, it was just the best of all worlds. I don't know if any of the other witnesses have any experience, any thoughts, on the Farmers to

Families Food Boxes? Certainly, with what time I have left, would love to hear from you as well.

Mr. BROWNE. David Browne from St. Croix. Rep. Thompson, most of these programs were not available to the Virgin Islands, so that even made it harder for us to participate. So these are actually missed opportunities to farms here in the Territory. And there was nothing coming from USDA, whether through rural development efforts or FSA, NRCS, because that is all the programs that we have here. As in reference to the producer grant, that is time consuming for any producer to provide, and there is not a collective on island that can actually help to mitigate that problem. So, therefore, we are totally on the other side of the train as small producers.

So our local Department of Agriculture is practically absent, and during the pandemic it was even more so. So that in itself has put us at a disadvantage here in the Territory. And definitely, if USDA had some of these programs to contribute to the development of food boxes during a time of crisis, that would be adequate. However, we are still facing both cultural and customarily traditional foods that we try to produce locally. And for those programs, what they were asking for, and what was not maintained was a program to actually meet this need. Thank you.

Mr. THOMPSON. Very good. Mr. Browne, Ms. Kennedy, thank you so much for your insight. Madam Chair, my time has long expired.

The CHAIR. That is all right. For the Ranking Member of the Committee, you get leniency in more ways than one. Thank you for being here with us. The next Member is Congresswoman Kirkpatrick.

Mrs. KIRKPATRICK. Thank you, Madam Chair. I really thank you for having this hearing. I come from a multi-generational family of ranchers in northern Arizona. We had an enormous ranch, and ran a lot of cattle, and I just assumed as a kid it would always be there, so it is interesting to me that times have changed. So, anyway, my question is for Mr. Shannon. Livestock producers who are serving multiple markets often have a difficult time getting a market ready product produced, requiring meat slaughtering and processing, as well as aggregation of local meat products for sale at the wholesale market. So can you describe some of the challenges facing local meat producers, and how that impacts business decisions?

Mr. SHANNON. Yes. Thank you for that question. One of the biggest things that we face at this time—we have been using a USDA inspected processor for many years, and had a great working relationship. So, through the pandemic, slaughtering spots were not an issue for us since we had that longstanding relationship. Where it comes into is adequate storage after that processing, because, of course, we cannot move all that product within a week or so, so that storage capacity needs to be there. And looking through COVID–19, nobody in the county or surrounding area had that capacity to store what was being processed to keep up with demand. So that is one of the issues we face.

Another one, I mentioned this in my written testimony, costs have risen because of the supply chain issues, and, of course, those costs do not get absorbed by the processors. That was passed right on to the local farmers and producers. We experienced a large in-

crease because sanitation products, PPE, was not available, and that price was up. Those have been passed on to us, and we are still waiting for that to be returned or rewind to pre-COVID prices. So those are some of adequate, reliable, and economical processing and storage are some of our biggest issues that we face.

Mrs. KIRKPATRICK. Thank you for your answer. Ranching is hard enough as it is, in the best of circumstances, so thank you for staying with it, and for what you do. We need you to be in the business, and you have my full support in any way I can help. I get it, like I said, from the bottom of my heart, and it is not easy. As we saw with COVID–19, the supply chain breakdown occurred through multiple sectors. As this Committee works to strengthen the local food supply chain and prepare for future disruptions, what farm bill programs do you think would help you and the farmer members build resilience, and what additional support could help you all strengthen the market access? That is for Ms. Cooper. Ms. Cooper?

Ms. COOPER. Okay.

Mrs. KIRKPATRICK. Sorry, do you want me to repeat that?

Ms. COOPER. I think I have it. Our biggest thing right now is just the lack of rural infrastructure that is scale-appropriate. We are in the breadbasket of our state, the heart of agricultural production. There are amazing efficiencies and technologies, and they are all just at a scale that is a little bit bigger than where small farmers are, where certified organic production is. So scale-appropriate, certainly. And then the other biggest challenge for us is, of course, the biggest piece of a supply chain is the supply. And while we have so many farmers that are interested in working with us, and we really see this as an opportunity for beginning farmers, it is a leap.

As a beginning farmer myself, I have really been lucky to have the mentorship and the marketing opportunity, but I lease land, and it is a year-to-year lease, and so it is hard to make the specialized equipment investments, and so we are also looking at opportunities like shared equipment, and other benefits of cooperative farming that will help bring those farmers along, and actually build a supply as well. And that is—Beginning Farmer and Rancher Development Program is really critical for that.

Mrs. KIRKPATRICK. Yes. Thank you so much. I mean, for my generation, it was hard work. We didn't want to do it, so we all went to college and became professionals. But my children want to go back into ranching, so we will see how that all shakes out. But, I thank you. My time is up, and I yield back.

The CHAIR. Thank you very much. Our next Member is Mrs. Fischbach. Mrs. Fischbach, your time.

Mrs. FISCHBACH. Thank you very much. I appreciate it, and I appreciate being able to participate in the hearing today, it has been very informative. But I had read in some of the written testimony about the application process for the USDA being rather burdensome, and very heavy on paperwork, things like that. I was wondering if maybe each of the producers could talk a little bit about—each of the witnesses could talk a little bit about how we might improve that process for them, and do more outreach. I believe the Shannons talked about the outreach, but if there was something

that we could do to improve that process? So I don't know who we want to start with, if maybe the Shannons would like to start?

Mr. SHANNON. Sure. Thank you for that question. Again, our relationship only started last year with our local USDA office. That process was easy. But in the past week or 2, looking through some of the grants and programs, it comes down to a time issue, and that has been mentioned before. Simplicity of forms, simplicity of getting paperwork back and forth electronically this day and age is essential. We are busy raising livestock, kids, running businesses. There is not time to sit up for multiple hours looking through paperwork, gathering everything. So whether that outreach is having someone come out, visit the farm, fill out that paperwork alongside you while you are working and producing, but yes, some simplification through technology, and having that paperwork back and forth, would be beneficial.

Mrs. FISCHBACH. Thank you. And, Ms. Kennedy?

Ms. KENNEDY. I agree with the streamlined application. Also, the timing of the application, as I mentioned before, to maybe winter months, when we are a little bit less busy, or at least the vegetable producers. Also, again, just incentive. If we have the reimbursement and matching needs, then people just don't bother applying. So if you were to eliminate or decrease those, then more people would apply. And I think also just making sure there is support for people that don't have—that can't go find these online. Rural broadband issues have also been mentioned, so more outreach, more technical assistance on applications, especially for BIPOC and underserved communities.

Mrs. FISCHBACH. And if any of the other witnesses—I don't have everybody on my screen, so if any of the other witnesses have something they would like to bring up?

Ms. COOPER. I would love to also echo the cost-share, especially for smaller farmers, and in small farm businesses. That cash flow and those cost-share requirements can be quite burdensome. One thing that I would also just like to mention very briefly, in Georgia there has been some effort in different parts of our state, and with the support of our Department of Agriculture, to create hubs for small farm businesses to seek some professional services. I think it is really innovative, and something that could really benefit small farms and small farm businesses is kind of these incubator hubs that offer some of these services, which would be led at a local level, but could definitely benefit from Federal support, certainly.

Mrs. FISCHBACH. Thank you very much. Mr. Browne, did you have anything to add?

Mr. BROWNE. Dale Browne from the Virgin Islands. Most of these programs that are spoken of by the other witnesses aren't available to the Virgin Islands, because we only have Rural Development, and that requires affordable housing, and the Small Minority Producer Grant. You have FSA, that is basically the loans, and programs that require disaster, and NRCS, which is a [inaudible] program. So these other programs are not available. We are basically 2 to 3 miles away from the office itself, and that is an easy trip, however, most of these other programs are not available in the Territory.

Mrs. FISCHBACH. Well, I thank everyone for their input, and with my last 30 seconds I am just going to say that I think one of the big things that we hear, and I hear of the regulation, but that broadband issue, we hear about that in every single Agriculture Committee hearing that we have because it is so vital, and we absolutely need to make sure that we are working on that. But I appreciate all the input from the witnesses, and thank you all for being here today, and I yield back.

The CHAIR. Thank you very much, Ms. Fischbach. Now time for Mr. Lawson of Florida.

Mr. LAWSON. Thank you, Madam Chair, to you and the Ranking Member. It is a real privilege to welcome everyone to this Committee today. Before I ask my question, and my first question will go to Mr. Shannon, do you all still use the *Almanac* in determining climate and everything? I grew up in the country, and when we were farming, that is one of the things that we used was the *Almanac.* But I am going to ask you a question, and someone—and everybody else could—can respond to that, because I think the *Almanac* is still good today.

The question is directed to the Shannons, but anyone may answer this, if we have the time. As you know, Congress and the USDA support a number of programs that provide direct support to local agricultural markets and producers. However, some farmers have little to no knowledge of these opportunities available there. What are some ways that Congress and USDA can better support the outreach to these farmers? Just listening to you all the—this morning, I thought it was incredible, the adjustment that you had to make during the pandemic.

Mr. SHANNON. Yes. To your first question, we no longer use the *Farmers' Almanac.* It is just more word of mouth from more shall we say seasoned farmers in the area that have been around, and seen things. So, no, we don't even have a current paper copy sitting anywhere at home anymore, and you are exactly correct.

Mr. LAWSON. Okay.

Mr. SHANNON. Other witnesses here today are talking about programs that I have never heard of in my life before, and we have been at this 15 years, so getting that word out that these programs are available, these opportunities are available, is the struggle. I don't know if that is starting with the youth loans, reaching out to high school ag classes to show them where that is, see the opportunities there, reaching out to kids in FFA, that those programs are available as beginning and young farmers.

Again, someone in the county, in the local office, going out and stopping at farms that they know are producing produce, livestock, whatever it may be in our region, and saying, hey, are you aware? Here is a handout, a page of what is available to your local area. But no, there was no knowledge, and, again, a lot of these things that are being spoken of I am going to have to go home and look up and see if those are beneficial to us. But that outreach is super important in a face-to-face environment.

Mr. LAWSON. That is amazing. Anyone else care to comment? Because we say we have a lot of programs, and so it will be interesting to see—but anyone else on the panel would like to comment?

Mr. BROWNE. Well—Dale Browne, Virgin Islands. The *Farmers' Almanac,* we can actually produce all year round, so it is not really used by most farmers. For those older farmers, yes, they will use it because there are above-ground days and below-ground days, and if we wait on above-ground days to plant above-ground, we won't plant anything. If we have to wait on the below-ground days, to plant below-ground, we won't plant anything below ground. So we can plant in any conditions once we have adequate water supplies, and knowing the crops, and what the crop dates to actually come to fruition.

Mr. LAWSON. Ms. Cooper?

Ms. COOPER. Representative Lawson, I would like to address your second question. We here in Georgia have an outreach arm called Team Agriculture Georgia that specifically aims to provide outreach to beginning and underserved producers in the state, and convenes various arms of USDA, from NRCS, to Rural Development, to FSA, to engage all of them collectively and provide direct outreach. I think some of the challenges with that are certainly funding, so that it is not just adding additional work to folks here on the ground that are already working really hard, and really dedicating funding to ensure that outreach is effective. And, of course, this past year has been really difficult for the in-person engagement, but in-person opportunities are really invaluable.

Mr. LAWSON. Okay. Thank you. Madam Chair, before I yield back, I am going to share the *Almanac* with you, because it might be before your time.

The CHAIR. I am not even going to respond to you. Thank you so much, Mr. Lawson. Ms. Cooper, may I ask, the program that you talked about in Georgia that assists underserved areas, is that an organization that was created by the state, or by farmers themselves, and how is that staffed and funded?

Ms. COOPER. The one I just mentioned?

The CHAIR. Yes. Yes, ma'am.

Ms. COOPER. It is an USDA outreach arm. I am trying to think of the technical term for it, but a local RC&D is actually the funding body, so they have been seeking small grants, cooperative agreements with NRCS, other opportunities for that. It began just kind of as a coalition of the different agencies talking to each other to identify opportunities, but it is really that extra funding to have someone to run outreach programs, to ramp up our website, to provide a newsletter with upcoming grant opportunities, and that sort of thing.

Those extra resources that go into those locally led projects to make them have some teeth and stand alone, and not just become extra work for agencies that are already stretched so thin I think has really made the difference. If you would like to look it up, it is Team Agriculture Georgia, and it kind of spells out the structure, and how it operates.

The CHAIR. Thank you.

Ms. COOPER. It has been really beneficial for GOPA to look toward that as a resource.

The CHAIR. Thank you very much for that information. All right. Our next Member to question is Ms. Letlow.

Ms. LETLOW. Chair Plaskett, Ranking Member Baird, Members of the Subcommittee, and witnesses, thank you for taking the time to discuss supply chain resiliency, especially focused on our small-scale farms. Our farmers and ranchers are the cornerstone of food production in America. Many of our rural communities are fueled by the perseverance of our local agriculture producers, large and small. However, over the last year we have all seen and experienced the impacts that the COVID–19 pandemic had on our essential food supply chains. As discussed here today, the farm to market sector faced many challenges presented by the pandemic. Small produce and crawfish farmers in Louisiana lost access to traditional direct market opportunities, which ultimately led them to explore new avenues for distribution and profitability.

Mr. Shannon, your testimony is one that I have often heard across my district, a young, beginning small farmer seeking opportunities to grow and expand into new markets. Can you further share with the Subcommittee how Shannon Family Farms is adapting to customer demand, and any plans to maximize on new-found opportunities for local agriculture markets through USDA?

Mr. SHANNON. I sure can. I am going to let Kelly talk on this one a little bit here. Again, husband and wife team, we each have our own kind of—what we are responsible for in the farm, so I will let her go on this one.

Ms. LETLOW. Sure.

Mrs. SHANNON. All right. Basically, we have continued to explore new markets through starting with the farmers' markets, and then just some direct to consumer with people that we knew. Then we got together with some other farmers and developed Four Seasons Local Market, which is where we came together with those other farmers from our community, and decided that we were going to put together a retail space that would be available to our customers year-round.

Basically, in Indiana, our farmers' markets run from basically May until October, and then close, and the question was where do our people go after that October timeframe until we are available the next May? And we found our customers basically just disappeared, so I assume that they go back to using just our basic grocery stores. By establishing Four Seasons Local Market, we were able to draw those customers in year-round, and create that space so that they could get local foods provided to them without as many restraints as there are, like, visiting the farm, or having to drive multiple places to get things.

Ms. LETLOW. Awesome. Thank you so much for sharing that. I have a follow-up question. This past year many small businesses were for forced to close, some temporarily and some permanently. Mr. Shannon, you said that the Four Seasons Local Market has had continuous growth each year. How did the pandemic impact your operations at Four Seasons Local Market, and what are the plans for growing the market as we near the end of the pandemic?

Mr. SHANNON. Sure, I can speak on that a little bit. Mentioned before, record sales through March and April, and in May, things started to come back to normal. We did benefit by a lot of those customers sticking around, but a majority returned to their normal buying habits as supplies increased at the store. So our focus is

how can we work together, large and small, to give folks options in every community? And that is what we are struggling with. We are kind of serving as an incubator. We stepped out on a ledge, took the risk to put the capital in to have a store. So other local producers, very small, in our area are being able to take advantage of putting their product into the store at a very reasonable price to get their name out there, and try to grow that next generation of local food producer.

So in the question of USDA, that was all self-funded, but having those opportunities to capital-heavy investments, starting that, and giving other people options like that, would be very helpful.

Ms. LETLOW. Wonderful. Thank you so much, Mr. Shannon and Kelly, for sharing with me today. I yield back the remainder of my time.

The CHAIR. Thank you very much, Ms. Letlow, and thank you for getting Mrs. Shannon to give us some information as well. Mr. Bacon, you now have 5 minutes.

Mr. BACON. Thank you, and I am going to start off by sharing Rodney Davis's sentiments about the Virgin Islands, it may be the prettiest place in the world. To the panelists, thank you all for being here. I just want to start off just by saying America is the strongest nation in the world, and we have lots of reasons for it. Part of it is our energy independence, which we have to protect, but here we have just got to restate the fact that we are so blessed to also have agriculture independence. We can feed our entire country, and we can feed much of the world, and our agriculture is a national treasure that we have to protect.

So my first question is to all the panelists, or those who want to participate. A few of you mentioned in your testimony that you are either utilizing or looking at establishing e-commerce as a tool to boost your sales. Of course, e-commerce requires strong rural broadband, and many of our rural areas lack this connection. Can any of you speak to how critical rural broadband is, not only for e-commerce, but for the rest of your operations as well? Thank you.

Ms. KENNEDY. I would love to speak to this. I live in Charlotteville, New York, which is in the middle of nowhere, and we don't have broadband internet. We also don't have cell phone service, so I am speaking to you over satellite right now, and I run two businesses, my farm, and this CSA, which is an e-commerce platform, via satellite. Anytime it rains, it goes down. It is Tuesday, and the Moon is a certain color, the satellite goes down. So it is really a huge challenge to run both of those businesses on satellite internet, and I cannot stress enough how important broadband is for our rural area.

Mr. BACON. You make a great point. Thank you. I appreciate it. Anybody else?

Mr. SHANNON. Jonathan Shannon here. As more programs—anything from our accounting to our inventory, everything is cloud-based these days, and the struggle is finding that reliable broadband to run those businesses. We were blessed, through the COVID–19 pandemic, that we had an e-commerce site set up to reach those customers that were not getting out, and that we could make those deliveries to the doorstep. Again, all broadband heavy requirement that is not available. We are blessed today that we

came up to town, *per se,* and there in the city-owned co-working studio in the Chamber of Commerce has allowed us to have reliable internet today to speak to you, because that was not available at home.

Mr. BACON. Thank you very much. Anyone else?

Ms. COOPER. I will echo the Shannons. I also had to come into town to our little, I mentioned a small business incubator. This is the only place I can get reliable internet. In addition to some of the e-commerce, something that we also face here in my work with the Soil and Water Conservation District is implementing a lot of on-farm technologies that really improve efficiencies. A lot of those are becoming cloud-based, app-based, requiring broadband. So, in addition to just basic communication, serving customers, there is also a missed opportunity with farm efficiencies, and being able to implement new technologies actually on the farm as well.

Mr. BACON. Thank you so much. I have a follow-up question for Mr. Dale Browne.

Mr. Browne, in your testimony you mentioned your work with the Bridging the Gap Summer Program that aims to educate kids between the ages of 7 and 18 about agriculture in the Virgin Islands. I am a firm believer in giving our students firsthand experiences on the farm, help them understand where their food comes from. Can you talk a little more about your work in this program? Thank you.

Mr. BROWNE. Yes, I can. Bridging the Gap has been one of our main focus because there aren't any agricultural programs. It is only up to recently our land-grant institutions trying to reinstitute agriculture back into its academic format. Now, since 1984, there has been no agricultural science part of our land-grant institution. So we have taken it on ourselves to actually begin, through summer programs, and through the workforce development from our local Department of Labor, to have students be brought in and be shown different areas, and all aspects of island agriculture, and how we can function as an economic development tool, and career building just as well.

Presently we have ten students to work in the office on the farm, and eight out in the field. One of the things that we do with these students is actually take them through different career levels at the University of the Virgin Islands, and also teach them the practical and the science of growing food on the farm. Now, that is one aspect. The other aspect has been students between 7 and 18 which engage in our summer program, and that includes culinary, working side by side with the older students, and also providing lunches for them that comes directly from the farm. So they are able to actually see the different aspects of agriculture growing, and that not all of their food actually comes from out of the supermarket, from abroad, and giving them that self-value that they can look at, and choosing a career from that.

Mr. BACON. Thank you so much for your insight. That is outstanding. And, Madam Chair, I will yield back.

The CHAIR. Thank you so much. Before we adjourn today, I invite the Ranking Member to share any closing remarks he may have at this time.

Mr. BAIRD. Well, thank you, Madam Chair. I think we both appreciate all of our witnesses here today, as well as our Member participation. And consumers are becoming increasingly interested in where their food comes from, and so, with the discussions that we have had here, we may be shedding some light on an opportunity for young farmers to get involved, and bring them into the agricultural industry. So with that, Madam Chair, I look forward to the opportunity to work with you in the future.

The CHAIR. Thank you so much, Ranking Member Baird. As we wrap up this first hearing of the Subcommittee on Biotechnology, Horticulture, and Research, I would first like to thank all of our witnesses for their testimony and their comments and answers. The expertise and knowledge shared today is invaluable as we work to recover from the COVID–19 pandemic and build back better. Today we heard about the importance of local agricultural markets, the role of urban agriculture, special steps that can be taken to improve the resiliency of our local, national, and global food supplies.

I think that this Subcommittee hearing has shown a tremendous level of bipartisanship, and I am really grateful to the Ranking Member for facilitating that. All of our witnesses showed the—even the range of issues—the range of locations that they are all share so many similar issues in farming, and overcoming the COVID pandemic, and I want to thank them all for that as well. I am excited to continue to work with our panel of witnesses, and the Members of this Committee, to make sure that our small producers and local agricultural markets have the tools that they need to best serve their communities.

Under the Rules of the Committee, the record of today's hearing will remain open for 10 calendar days to receive additional material, supplemental written responses from the witnesses, to any of the questions posed by the Members. This hearing of the Subcommittee on Biotechnology, Horticulture, and Research is adjourned.

[Whereupon, at 11:56 a.m., the Subcommittee was adjourned.]

[Material submitted for inclusion in the record follows:]

SUBMITTED ARTICLE BY HON. STACEY E. PLASKETT, A DELEGATE IN CONGRESS FROM VIRGIN ISLANDS

[*https://www.agri-pulse.com/articles/16100-opinion-reestablishing-us-leadership-in-agricultural-rd*]

**Opinion: Reestablishing US leadership in agricultural R&D**

06/28/21 12:01 p.m. By Rep. Stacey Plaskett [1]

*Editor's Note: Agri-Pulse and The Chicago Council on Global Affairs are teaming up to host a monthly column to explore how the U.S. agriculture and food sector can maintain its competitive edge and advance food security in an increasingly integrated and dynamic world.*

Over the last year, America's food and agricultural sectors have faced robust challenges. The coronavirus pandemic has highlighted the need for a more resilient food system, which is why I'm calling for an investment of at least $40 billion for agricultural research and infrastructure, as well as agricultural innovation.

The U.S. is a world leader in agricultural production, but we need to continue to invest in research and infrastructure to both remain competitive with our friends and neighbors around the world, and to meet challenges to global food security. Last month, top economists reported at the *Federal Reserve Bank of Kansas City*'s [2] annual Agricultural Symposium that while the United States' share of global agricultural R&D investment was 20% in 1960, it declined to 8.9% in 2015. This issue was only exacerbated by the global pandemic, which challenged our agricultural supply chains and magnified the need to expand our agricultural research. We are currently falling behind our peers, but with smart investments we can regain our footing as the leader in global agriculture.

The U.S. cannot reestablish our agricultural research prominence, however, when our research facilities are aging and in dire need of revitalization. Unlike our global partners and competitors, much of the agriculture research in the U.S. is being done in facilities that were built in the 1950s or 1960s. According to a *recent report, 69% of the buildings at U.S. colleges and schools of agriculture* [3] are at the end of their useful life. We are asking an era of students to lead cutting edge research that will feed generations well into the future in facilities that were built for their grandparents.

Our land-grant university system fosters excellence in research innovation while providing training opportunities for the global leaders of the future. We know from *research by leading economists that U.S. public food and agriculture R&D* [4] spending from 1910 to 2007 returned, on average, $17 in benefits for every $1 invested. Our nation's *Cooperative Extension System* [5] keeps farmers in business and transfers important agricultural and food information to people, farmers, businesses and communities. Land-grant universities aren't just pillars of their communities—they're pillars of our entire country's agricultural and research systems. As the new infrastructure proposal is developed, we need to keep Federal agricultural research infrastructure, research, and extension delivery of agricultural innovation as part of the package. Now is the time to invest in these land-grant universities—our incubators for talent, outreach, and agricultural innovation.

Key investments in these agricultural institutions will support American jobs, develop climate-smart practices for farmers and ranchers across the country and world, increase global food security, and help ensure that the agricultural sciences pipeline looks like all of America, not just one region or group.

Right now, we are presented with an opportunity to think critically about what tools we want our agricultural researchers and students to have going into the next decades, and I believe that with this bold research investment, we can make strides to reposition the U.S. as the world agricultural leader well into this century.

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[1] *https://www.agri-pulse.com/authors/379-rep-stacey-plaskett*.

[2] *https://kansascityfed.org/documents/7107/the-drivers-of-us-agricultural-productivity-growth.pdf*.

[3] *https://www.aplu.org/library/a-national-study-of-capital-infrastructure-at-colleges-and-schools-of-agriculture-an-update/file*.

[4] *https://onlinelibrary.wiley.com/doi/abs/10.1093/ajae/aay039*.

[5] *https://pennstate.pure.elsevier.com/en/publications/state-level-cooperative-extension-spending-and-farmer-exits*.

*Congresswoman Stacey Plaskett represents the at large district of the U.S. Virgin Islands in the United States House of Representatives. She is an African-Caribbean attorney who has practiced law in New York, Washington D.C. and the U.S. Virgin Islands. Plaskett is best known for her understanding of economic development and public-private partnerships for growing the economy of developing areas. She is an active community advocate in the Virgin Islands.*

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SUBMITTED COMMENT LETTER BY HON. JIMMY PANETTA, A REPRESENTATIVE IN CONGRESS FROM CALIFORNIA; AUTHORED BY LAURA BATCHA, EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER, ORGANIC TRADE ASSOCIATION

June 21, 2021

Dr. MELISSA R. BAILEY,
Agricultural Marketing Service,
U.S. Department of Agriculture,

**Docket: AMS–TM–21–0034**
***Federal Register* Number 2021–08152**
**Re: Supply Chains for the Production of Agricultural Commodities and Food Products**

Thank you for the opportunity to provide input on USDA's programs and spending related to increasing durability and reliance within the U.S. food supply chain. The Organic Trade Association (OTA) is the membership-based business association for organic agriculture and products in North America. OTA is the leading voice for the organic trade in the United States, representing over 9,500 organic businesses across 50 states. Our members include growers, shippers, processors, certifiers, farmers' associations, distributors, importers, exporters, consultants, retailers and others. OTA's mission is to promote and protect organic with a unifying voice that serves and engages its diverse members from farm to marketplace.

OTA appreciates USDA's commitment to elevating the significance and importance of organic, and welcomes the recent USDA announcement[1] of an additional $20 million for organic cost-share assistance. This is an important step to bridge the gap in previous short-falls for organic producer assistance, but **we caution against limiting organic programs to micro funding or not prioritizing the organic opportunity within the larger funding buckets.** Proportionally, the organic sector has historically been under-funded based on size and growth of market. USDA has a critical opportunity at this moment to correct the course, and meet the organic opportunity with big and bold investments in organic programming and resources.

**We call on USDA to make big and bold investments in organic.** The organic industry soared to a new high of nearly $62 billion in 2020, jumping by a record 12.4 percent (more than twice the 2019 growth rate of organic).[2] In 2020, almost six percent of the food sold in the U.S. was certified organic. As a bright spot in U.S. agriculture, the organic sector should command resources and support that are proportionate to the growth and size of the sector, and reflect the economic, environmental and health benefits provided to organic farmers, businesses, and consumers. Substantial investments are needed at orders of magnitude higher than any previous Administration has ever offered. Increasing funding levels and removing caps on organic-specific programs are key to supporting the organic sector's full potential to grow and thrive.

**Every dollar invested in organic agriculture drives co-benefits for rural economic development and beyond.** U.S. farms and business of all sizes across all 50 states are choosing to participate in voluntary market-based, federally backed, independently certified organic value chains, representing hundreds of specialty crops and grains, livestock, poultry, dairy, fiber, packaged goods and other value-added products. Organic hotspots—counties with high levels of organic agricultural activity whose neighboring counties also have a high level of organic activity—boost median household incomes by an average of $2,000, and reduce poverty levels by an average of 1.3 percentage points.[3] Thriving organic farming communities and the resulting co-benefits depend on farmers having access to handling, processing, and distribution infrastructure and market opportunities. Organic investments also

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[1] *https://www.usda.gov/media/press-releases/2021/06/15/usda-announces-additional-aid-ag-producers-and-businesses-pandemic.*
[2] *https://ota.com/news/press-releases/21755.*
[3] *https://ota.com/sites/default/files/indexed_files/OTA-HotSpotsWhitePaper-OnlineVersion.pdf.*

drive climate benefits,[4] and other economic, environmental and health benefits for all those involved in our food system—from the grower and the processor, to the distributor and the consumer.

We offer the following specific recommendations of areas to support supply chain resiliency of the organic sector. Our recommended funding levels totaling $300 million represent 6% of the $5 billion in funds announced through USDA's Build Back Better Initiative, which is commensurate with organic's market share of the U.S. food industry.

**Establish a National Organic Transition Program at USDA**

Organic farming presents a promising economic opportunity for U.S. farmers, yet less than one percent of domestic farmland is certified organic today. Many farmers face steep challenges and barriers when seeking to transition to organic production. The arduous 3 year transition process is an important prerequisite to becoming eligible for organic certification, but there is little Federal support to help farmers through this transition. Lack of agronomic and technical assistance, access to credit and loans, and adequate tools for managing on-farm risk are all significant barriers farmers face during the transition process. Given the long-term economic and environmental benefits organic agriculture provides, USDA should wisely invest in programs that support farmers in successfully transitioning to, and staying in, organic production. We recommend that USDA establish a national program to support farmers transitioning to organic that includes the following elements.

- **Invest in improvements to technical assistance, risk management, access to land, credit and capital, processing and distribution infrastructure and market development**—Financial, policy, and programmatic improvements are needed to make certified organic production accessible to all farmers who chose to participate in the thriving organic market. Specific focus on reducing financial risks, improving market and infrastructure development, increasing access to land and credit, providing technical assistance, and removing disincentives to transition. *Examples of these improvements are described throughout this document.*
- **Provide grant funding for projects that address barriers to transition**—Many organizations are actively pursuing initiatives that can help address some of the barriers to transitioning to and staying in organic production. USDA should support these efforts by developing a competitive grant program for organizations that provide programs and services that support farmers who are transiting to organic. A portion of the funds should be designated for programs that support socially disadvantaged farmers with limited resources and/or are geographically isolated. *Additional details on grant programs for technical assistance projects are described below.*
- **Evaluate and address the various barriers associated with transitioning to organic**—USDA should conduct a needs assessment of transitioning farmers in the U.S. across production systems, scales, geographic regions, product types, and demographic background of farmers. The results of the analysis should be used to develop, publish, and implement a plan for overcoming the key barriers.
- **Identify staff responsible for assisting farmers who are transitioning to organic.** Farmers need access to a designated point-person at USDA who is able to answer technical, programmatic, and regulatory questions about organic under all USDA agencies, including FSA, RMA, and AMS.
- **Establish a USDA certified transitional program.** Certification of farms in transition can be a key aspect of encouraging increased domestic organic production by providing technical support and supply-chain recognition. While various certifiers have transitional certification programs, these are not harmonized and lack consistent oversight. Transitional certification can prevent "surprises" for operations going through the certification process, because the operation has been inspected and audited during each year of its transition. Furthermore, operations enrolling in a transitional certification program will support supply chain management as transparency in future growth of organic acreage can facilitate appropriate business planning and contract development for buyers and producers. The program would also help develop transitional markets, enabling a supply-chain premium for transitional crops that can incentivize producers to move towards organic and can reduce the financial bur-

[4] *https://ota.com/sites/default/files/indexed_files/OTA%20Climate-Smart%20Ag%20comments_FINAL.pdf.*

den that a 3 year transition period poses. OTA submitted an application to USDA Agricultural Marketing Service's Quality Systems Assessment Program to establish a USDA Certified Transitional Program. USDA made a formal announcement approving the program in early 2017 but months later withdrew the program with no explanation. USDA should reestablish this program, and begin accepting applications from qualified certifiers immediately.

- **Allocate $50 million to support transition to organic.** In addition to providing certification cost-share assistance to transitioning farmers, USDA should invest a minimum of $50 million across department programs to expand domestic organic production by supporting both producers and processors. Technical assistance, increased conservation funding for programs such as the EQIP Organic Initiative, and direct financial assistance should be provided to producers transitioning to organic. For example, conventional farmers transitioning to organic production—an entirely distinct farming system that requires investments and learning new techniques—should be able to qualify under the definition of beginning farmers for USDA programs that provide grants and assistance to that population. Additionally, support for producers should be coupled with tax credits, low interest loans and grants for companies to invest, retool and build organic processing and infrastructure capacity. By supporting transition to organic, USDA will be incentivizing farmers to adopt climate-friendly agricultural practices, creating opportunities for small- and medium-sized farms to thrive, and supporting rural economic development.
- **Facilitate market connections between farmers and buyers.** One of the primary barriers that prevents farmers from going through the 3 year transition process is uncertainty around whether or not they will have a long-term contract for their premium organic crops. USDA should facilitate links between transitioning growers and buyers, and provide incentives for buyers that offer long-term contracts to transitioning and organic producers.

**Market Development & Processing/Distribution Infrastructure**

A significant limit to the continued growth and sustainability of the U.S. organic industry is a gap in domestic supply of organic ingredients and raw products. The growth of organic acreage in the U.S. has never kept pace with demand for organic products, and increasing amounts of imports continue to fill the gap. Overcoming barriers to the growth in domestic organic acreage will require a multi-faceted and regionally-oriented approach.

*Organic Processing and Distribution Capacity*

- **Invest $100 million in organic processing and infrastructure.** Investment in organic processing and distribution infrastructure is critical to support domestic supply chains. All processing facilities that handle organic product are required to maintain an organic certification and systems plan to ensure compliance with the organic regulations and prevent commingling and contamination of organic and non-organic product. To transition more acreage to organic and support farmers transitioning, USDA must put an equal emphasis on increasing processing capacity and supporting market development opportunities to ensure a healthy organic marketplace. USDA should establish a competitive grant program for market and infrastructure development to expand organic processing capacity. The program will assist companies in retooling, refurbishing and rebuilding processing facilities to meet organic market demand across all regions, commodities and scales.

*Organic Certification Continuity*

The pandemic created supply chain disruptions such as capacity constraints, increased demand, supply shortages, and facility closures. Certified organic farmers and handlers need to quickly adjust to bring on new land, processing lines and/or facilities, and storage units. This creates a unique challenge for organic businesses because an on-site inspection must be conducted for a person or operation seeking new organic certification. For organic operations requesting an addition or update to its existing certification, the new land or facility must quickly move through the certification process, which typically includes an on-site inspection. Certified organic products must also meet very specific packaging and labeling requirements. Overall, this leads to reduced flexibility and unique supply chain challenges for organic businesses and farms when on-site inspections are not possible. The continuity of organic inspection operations is critical to the compliance of the organic supply chain, and the health and safety of organic farmers, processors and inspectors must remain at the center of all decision-making. Fortunately, there are many inspection tools

and technologies that can be used to verify organic compliance while travel restrictions and advisories associated with the novel coronavirus are in place.

- During this unprecedented time, it is critical that USDA support the organic marketplace by allowing accredited certifiers to utilize emergency remote inspections when on-site inspections are not possible.

If a farmer or business fails to pay their organic certification fee on time, they are at risk of being issued a noncompliance by their certifier, and having their organic certification suspended. Certification cost-share was reduced and delayed so many operations experiencing financial strain from the pandemic weren't able to rely on full and timely certification cost-share assistance.

- USDA should provide flexibility to operations unable to pay their certification fees by delaying suspension of certification if the only non-compliance is related to late payments of certification fees.

*Market Development*

- **Purchase $100 million in organic food for nutrition programs.** Many U.S. commodities rely on USDA's purchasing power and nutrition procurement programs for supply chain management. However, organic food has largely been shut out of Federal feeding programs such as the school lunch program, the Women, Infant, and Children (WIC) program, and emergency food assistance programs despite the fact that over 80% of U.S. households purchase some organic products on a regulator basis. USDA should establish a pilot program, and work with states to increase purchases of organic food and reduce barriers to purchasing organic food within feeding programs. USDA nutrition programs must be modernized to meet consumer needs and demand while also supporting climate-friendly agriculture and reflecting the diversity of U.S. agriculture. Cost should not be a barrier. For example, USDA should purchase both certified organic and certified transitional to support farmers through the transition process with a stepped-up premium. At the very least, USDA should purchase organic food for feeding programs in line with organic's current overall market share to ensure equitable access. Over 15% of fruits and vegetables sold in the U.S. are certified organic and over 8% of dairy and eggs sold are organic. Therefore, at a minimum, Federal nutrition purchasing should reflect the current market share for organic products.
- **Increase international market development funding to $5 million annually.** Organic is persistently under-funded in the USDA market access program, receiving less than a million dollars annually to promote organic export development despite the fact that U.S. organic represents $62 billion in annual sales. As a comparison, the U.S. Almond Board receives nearly $5 million in USDA market access program funding even though the total global almond market is worth only $11 billion.

**Risk Management Tools & Access to Land, Credit and Capital**

*Crop Insurance Policy Improvements*

Crop insurance is an important financial safety net for farms. Yet organic and transitioning farmers face challenges in finding appropriate crop insurance tools for their operations. Some of the challenges and barriers include: limited availability of policies for the crops and locations where they are growing, difficulty insuring the full value of organic crops; inappropriate restrictions and penalties for using legitimate organic farming practices; contradictions between requirements for crop insurance and other USDA programs; and lack of access to insurance agents who understand organic farming and certification.

These challenges have systemically put organic farmers at a disadvantage for decades. The absence of these safety nets put organic farms at an *even greater disadvantage* during the pandemic, and they experienced supply chain disruptions, revenues losses, and price reductions on top of extreme weather-related yield reductions. Improvements are needed to help organic and transitioning farmers overcome barriers to fully benefit from crop insurance as a risk management tool and farm safety net. USDA should expand or adapt policy options that better accommodate organic crops and production systems, and eliminate policies that penalize farms when transitioning to organic production.

Several specific examples of policy improvements are listed below:

When farms successfully transition from conventional to organic, they can anticipate significant increases in revenue. However, current RMA policies on Whole Farm Revenue Protection (WFRP) coverage limit expansion of revenue coverage to 30%. RMA should ensure that all producers, including rapidly expanding operations

and operations that have recently obtained access to premium markets like organic, are able to obtain coverage under this policy.

- Under the Whole-Farm Revenue Protection Program, recognize the change in farm revenue after a farm has transitioned to organic. Eliminate the 30% cap on increased production value under the expansion provision.

Organic farmers can obtain contract prices that far exceed two-times the conventional price for a specific commodity. However, current RMA policies cap the amount a producer can insure against at two-times the conventional price election regardless of the price indicated on the contract.

- RMA should evaluate whether current caps on the Contract Price Addendum (CPA) improperly limits the ability of an organic producer to obtain crop insurance, and determine whether to eliminate or raise the caps if they do limit the organic producers' ability to obtain crop insurance with the CPA option.

When farmers successfully transition from conventional to organic, they currently cannot utilize their previous conventional or transitional production histories when calculating actual production history for their crop insurance coverage.

- RMA should allow producers to utilize previous yield history, whether conventional or transitional, with appropriate discounts for known reductions in yields that may occur when employing organic production practices, when calculating Actual Production History for their organic crop insurance coverage.

*Loan Program Improvements*

Many USDA risk management programs administered across various mission areas such as the Farm Service Agency, Risk Management Agency, Natural Resources Conservation Service, *etc.* place unnecessary and arbitrary caps on organic producers which minimizes their effectiveness.

- USDA should remove all caps on loans and programs for organic producers if similar caps are not in place for conventional producers.

Organic producers may obtain Marketing Assistance Loans for their crops in storage, but the loan rates are not adjusted for the premium prices that organic commodities receive in the market.

- FSA should make adjusted Marketing Assistance Loans available to organic producers with crops in storage, and provide organic loan rates for certified organic commodities under existing adjustment authority.
- Organic farmers' crops command premiums at market, and FSA should incorporate organic price premiums when determining loan rates for their Farm Storage Facility Loan Program.

*Organic Certification Cost-Share Improvements*

The organic certification cost-share program is one of the only avenues of Federal financial support for organic farmers, and it is especially important for small- and medium-sized farms and for attracting new, young farmers to organic. Last fall, USDA delayed the release of funds and unexpectedly announced that the reimbursement rate would be reduced to a maximum of 50% of certification costs, cutting funding for organic farmers when they needed it most. We are pleased by USDA's recent announcement to include $20 million in additional funding for this program, and expanding the program to include farmers who are transitioning to organic production. Making improvements to the certification cost-share program is one of the most efficient and effective ways to get money into the pockets of organic farmers. Annual certification costs continue to rise, and failure to pay can lead to non-compliance and potential revocation and loss of certification status. Funding this program is essential to keeping farmers enrolled and benefiting from organic certification.

- FSA should increase the maximum reimbursement rate from $750 per certification scope to $1,500 per certification scope, and cover 100% of the costs of certification for qualified small- and mid-sized producers and socially disadvantaged farmers.
- FSA should streamline and improve program efficiency by setting up agreements with USDA accredited certifiers to disburse cost-share assistance. Eligible producers could be reimbursed directly by certifiers rather than having to apply and submit paperwork annually through FSA.

*Provide Tax Credits to Landowners Offering Long-Term Leases*

Organic agriculture production relies on long-term soil-building practices that help to manage fertility and control weeds and disease pressures. Farmers who op-

erate on leased land need security and assurance that they can farm on the land long enough to reap the economic and environmental benefits of their agricultural management investments. Landowners should be incentivized to offer long-term leases to organic and transitioning farmers. This policy can particularly support socially disadvantaged farmers who may be more likely to lease than own land.

- Provide tax credits to landowners offering long-term leases.

**Technical Assistance**

**Invest $50 million in organic technical assistance.** Successful organic and transitioning farmers need to rely on agronomists and extension agents who are trained in organic production methods. However, there is a large gap in technical assistance investment to meet the needs of organic and transitioning farmers across production systems, scales, and geographic regions. There is a lack of crop advisors, extension agents, and other agricultural service providers with organic management literacy to support farmers. A substantial investment across various programs and services is critical to expanding access for organic and transitioning farmers to organic technical assistance. Improved technical assistance gets more organic acres under organic management, develops more domestically-grown organic products, and improves the environmental impact of supply chains.

- **Develop a competitive grant program for organizations providing technical assistance to transitioning farmers.** Many organizations are actively pursuing initiatives that can help address the shortage of organic-focused technical assistance for transitioning farmers in the U.S. USDA should support these efforts by developing a competitive grant program for organizations that provide regionally adapted programs and services that support farmers transitioning to organic. A portion of the funds should be designated for programs that support socially disadvantaged farmers, farmers with limited resources, and/or are geographically isolated.

  Topics for funded projects should include:

  - Basics of organic production: weed control, nutrient management, crop rotation, pest management
  - Systems thinking & long-term strategies for success in organic production
  - Managing risk during transition
  - Organic certification process & record keeping
  - National Organic Program regulations
  - Organic marketing and profitability
  - On-farm & hands-on experiential learning on organic operations
  - Mentoring
  - Farmer-to-Fa[r]mer peer learning networks

  USDA's investments can help support public-private partnerships that expand the availability of technical assistance. Partnerships across organizations, sectors, and supply chain participants create public goods while allowing private businesses to strengthen their own supply chains. For example, the Organic Agronomy Training Service (OATS), sponsored by the Organic Trade Association, seeks to expand the network of agronomists and technical service providers for organic and transitioning farmers. A "train-the-trainer" model, OATS provides science-based trainings for agriculture professionals to gain competency in organic systems to better serve their farmer clients. Over the four training events held in 2019–2020, OATS trained 140 agricultural professionals who have directly impacted management decisions on almost ½ million acres of organic and transitional farmland.
- **Expand USDA National Organic Program's Organic Integrity Database to facilitate producer-to-producer information exchange on organic practices and resources at a regional level.** Producer-to-producer information sharing is a highly effective method of practice implementation. USDA's Organic Integrity Database is a tremendous resource for organic operation information, and could be expanded to facilitate information exchange on organic production practices and resources at a regional level. Extension agencies and NRCS support show the effectiveness of such a model, and this should be expanded to organic specific resources.
- **Reduce or waive industry contributions under USDA–NRCS cooperative agreements from 50:50 to 25:75 for organic technical assistance providers.** NRCS cooperative agreements are one way that USDA can support or-

ganic expertise within NRCS. However, it has been difficult for stakeholders to resource the matching funds needed to establish these positions.

**Workforce Safety, Availability & Training**

The pandemic caused major disruptions in the agriculture workforce and further exposed systemic vulnerabilities. From farm to shelf, at the forefront of our membership's mind is concern about maintaining the safety of their workforce. In general, organic farming is more labor-intensive. Like other food and agriculture businesses, organic farms are challenged to protect essential workers while also facing astronomical operational costs. We echo the concerns that have already been raised by a majority of agriculture stakeholders for the need to maintain a stable supply of labor. Investments in workforce training and human capacity building are also critical.

- USDA should continue to work with other Federal agencies such as FEMA to ensure that an adequate supply of personal protective equipment, sanitation supplies, and vaccines are available to the food and agriculture sectors. Small businesses are especially at a disadvantage for acquiring these resources, so we ask that you provide them enhanced support.
- Tax relief should be provided to businesses that have had to make massive investments to their operations to protect their workforce. In addition to purchasing supplies, business have had to change operational dynamics to accommodate social distancing, as well as cover costs of replacing employees who are sick or quarantining.
- The pandemic has also further exposed the vulnerability of an agricultural workforce that is in short supply, does not have legal status and lacks basic protections. Agricultural workforce policies must support the health, safety and legal standing of agricultural farmworkers, including assistance to protect workers during the COVID–19 pandemic.
- The organic industry is currently experiencing a decline in well-trained and well-qualified inspectors and certification reviewers. USDA should continue and expand efforts to develop human capital within the organic inspector and certification community.
- USDA should explore options for improving the accessibility and affordability of healthcare for farmers, especially socially disadvantages farmers and new or beginning farmers and ranchers.

**Organic Standards Development**

Strong standards provide the foundation for the USDA organic program. For the organic premium to be recognized in the marketplace, there has to be a clear distinction backed by consistent, enforceable standards. Organic is a *voluntary* regulatory program for farmers and businesses who choose to meet strict standards and market their products under the USDA Organic seal. However, the Federal regulatory apparatus at USDA has stifled innovation and continuous improvement within the industry. In the past 10 years, industry has advanced 20 consensus recommendations for improvements to the organic standards, yet USDA has not completed rulemaking on a single one of them. USDA should work with industry to repair the public-private partnership and advance organic standards. This is the number one challenge facing the organic sector and without addressing it, all other assistance and investments USDA makes in organic will be meaningless.

- USDA should realign staffing and resources at the National Organic Program to include an increased focus on organic standards development. Currently, NOP has 63 full-time staff yet only two are dedicated to organic standards development.
- USDA should publish in the *Federal Register* and take public comment on an Organic Improvement Action Plan comprised of the backlog of NOSB recommendations that have not been implemented. The plan must include detailed timelines, prioritization, and implementation plans for dealing with each recommendation.
- Establish a new framework for advancing Federal organic standards to keep up with the marketplace and ensure the credibility of the USDA Organic seal.
- Improve oversight and ensure consistent enforcement of USDA accredited third-party certification agents by including the specific evaluation of how certifiers are interpreting and implementing new regulations and updates to the standards.

Organic is an increasingly important part of American agriculture, and represents one of the fastest-growing food and farming sectors in the U.S. and the global marketplace, achieving $62 billion in annual sales in 2020. Organic provides economic opportunities for farmers, creating jobs and lifting rural economies, while also utilizing sustainable farming practices proven to help mitigate the threat of climate change. Organic also provides a safe, healthy choice to consumers, who are increasingly seeking out the trusted USDA Organic seal on the food and products they purchase for their families. Thank you for providing this opportunity to comment on building a more resilient, equitable and climate-friendly food system.

Sincerely,



LAURA BATCHA,
*Executive Director/CEO,*
Organic Trade Association.

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