

# Supporting Local Foods in the 2018 Farm Bill

By Ryan Smith



## Introduction

For the past several decades, the prevailing mantra of American agricultural policy can be summed up in one phrase: “Get big or get out!” Under the guidance of Secretary of Agriculture Earl Butz (1971–1976), domestic farm policy shifted to favor large, industrial farming operations predominantly growing commodity crops like corn and soybeans in vast monocultures, and mostly disregarded smaller, diversified farms that sold locally. Large agribusiness and food companies flourished under this climate and established global supply chains that sought to increase production efficiency and boost crop yields, all the while cheapening basic food staples and providing ever-increasing profits to multinational processing companies. The result was a highly consolidated food system that, among other consequences, decreased crop diversity and led to economic destabilization in many rural communities. At the same time, many American consumers became disconnected from food production and unaware of where their food came from.

While the lasting effects of these policies can still be felt today, farmers, consumers, and communities across the country have sought to reverse these trends and re-localize food production, spawning a local food movement. According to the USDA, the local and regional sector of the food industry is expected to grow to \$20 billion in sales by 2019.<sup>1</sup> Farmers’ markets are popping up in cities and a burgeoning interest in the

“farm-to-table” movement is opening up new markets and creating economic opportunities for farmers and food producers alike.

Recent Farm Bills have created a number of programs that support local and regional food systems. However, the reality remains that many farmers selling locally continue to face significant barriers—such as distribution or physical infrastructure, access to capital, and information gaps—that prevent them from expanding their businesses and thriving. Moreover, many of the USDA programs that have supported local and regional producers, and have helped to drive this current growth, lack permanent baseline funding and must be renewed with each iteration of the Farm Bill. As the 2018 Farm Bill continues to take shape, it is important to take a look at opportunities that will foster the growth of local and regional food economies.



Farm stand run by the Homeless Garden Project, Santa Cruz, CA. Photo by Fabián Aguirre. Berkeley Food Institute.

# Why Supporting Local Food Systems Matters

## Creating Economic Wins for Farmers and Rural Economies

With the American farm economy in a slump, food producers are increasingly desperate to find additional revenue streams to ensure long-term farm viability. Local food markets can help achieve this by opening up new markets to farmers and stimulating rural economic development. Recent research indicates that local businesses, including small and mid-sized farms that supply local markets, can have a number of positive impacts on local economies. First, they often spend a greater share of their revenue buying supplies from local companies and hiring local labor than their large scale counterparts.<sup>2</sup> Moreover, farmers who participate in local food supply chains also tend to receive a substantially greater portion of the final retail price than those who sell through less direct means. On average, American farmers collect only 14.8 cents of each dollar spent on food by consumers.<sup>3</sup> However, according to a 2010 study by the USDA's Economic Research Service, producers participating in more direct food supply chains typically received a greater share of the final retail price, with producer net revenue per unit ranging anywhere from one to more than seven times the price received in mainstream chains.<sup>4</sup> This, in turn, leads to a greater farm survival rate for local food suppliers, especially for those who sell directly to consumers.<sup>5</sup>

## Addressing America's Growing Obesity Epidemic

America is in the midst of an obesity epidemic that has been fueled in large part by a national diet laden with heavily processed foods and devoid of fresh fruits and vegetables. Consequently, the medical and non-medical costs of obesity-related illnesses are expected to skyrocket over subsequent decades and make up a significant share of national healthcare spending. Increasing the visibility and incentivizing the purchase of fresh, locally grown fruits and vegetables holds great potential to help mitigate this alarming trend. Farm-to-school programs, for example, combine education

with local food, helping to instill healthy eating habits in children that lead to healthier life-long eating patterns. Likewise, programs that offer recipients of the Supplemental Nutrition Assistance Program (SNAP, formerly known as food stamps) financial incentives for purchasing fruits and vegetables at farmers' markets, or that help establish local food channels in disadvantaged communities, can help increase their consumption.



Food education for Nottingham Elementary in Arlington, VA with farm owner Sara Guerre, bottom left. Photo: Lance Cheung. USDA Photo Library.

## Increasing Food Equity

Access to nutritious, affordable, and culturally appropriate food is a basic human right. Unfortunately, food insecurity still disproportionately affects underserved communities in the United States, many of which include minority, immigrant, rural, and economically vulnerable populations. Individuals in these communities often face the paradox of going hungry while simultaneously suffering the consequences of a diet comprised of excessive amounts of low-quality food. Initiatives that expand the accessibility and affordability of locally produced foods not only have the potential to improve the quality of food available to these communities, but they can also spur community empowerment by giving customers more choice—both within the food system and within society at large.



Post-rain farm runoff washes past dirt barriers and toward waterways in Pennsylvania. Photo: Lynn Betts, USDA-NRCS. USDA Photo Library.

## Decreasing Environmental Impact of the Food System

Local food systems can help fight environmental degradation in a number of ways. First and foremost, local food does not have to travel as far to reach the consumer, decreasing the amount of greenhouse gases emitted in the shipping process.<sup>6</sup> Small farmers and producers (who are more likely to sell locally) are often more likely to adopt environmentally sustainable agricultural practices, such as crop diversification, becoming effective stewards of natural resources and the soil. By preserving biodiversity and reducing land degradation and pesticide use, small farms provide valuable ecosystem services to the wider society.<sup>7</sup>

## Local Food Policy Opportunities in the 2018 Farm Bill

### 1. Reauthorize and provide additional funding through the Farmers Market and Local Food Promotion Program as well as the Value Added Producer Grant Program

The Farmers Market and Local Food Promotion Programs (FMPP and LFPP) are competitive grant programs administered through the USDA's Agricultural Marketing Service. The Value Added Producer Grants Program (VAPG) is administered through the USDA's Rural Development Agency. For over a decade, they have been pillars in the agricultural economy, providing

financial support for farmers' markets, farm-to-retail marketing, local food-business development, producer-owned value-added business development, and value-chain coordination. From 2008 to 2016, the FMPP financed 857 projects nationwide at over \$58 million. However, during the same period, the demand was much greater with over 2,700 applications submitted, requesting \$201 million. According to a recent study, FMPP-supported markets had more business development, market promotion, education, and civic activities than those that were not supported.<sup>8</sup>

### The FMPP In Action<sup>9</sup>

The Highland Center, a nonprofit in Monterey, Virginia, addressed marketing and training needs of farmers' markets in western Virginia and eastern West Virginia. In 2010, the organization created a committee of market managers, collaborators, vendors, and other community stakeholders to assess the market environment and help markets improve. With the help of FMPP funds, they held workshops to develop marketing plans to optimize sales and profits for each market. Organizers created an online service called "Faces of Farmers," which featured market vendors, farms, and products, to enhance the local producers' online presence and create a connection with consumers. As a result, average sales for the participating markets increased by 155 percent and vendor sales increased by 38 percent over a two-year period.

The 2014 Farm Bill provided these programs with \$30 million per year in mandatory funding. The House of Representatives' draft of the 2018 Farm Bill (HR 2) proposes to reauthorize but eliminate mandatory funding for these programs, meaning their existence would be contingent upon year-to-year discretionary funding. This could effectively eliminate them altogether. Conversely, the Senate's initial draft proposes the formation of the Local Agriculture Market Program

(LAMP), an integrated, streamlined version of the FMPP and VAPG—and provides the program with \$60 million per year in mandatory funds in perpetuity.

The possibility that these essential and very popular programs may not receive any funding in future years is unacceptable. Lawmakers should follow the Senate’s lead by reauthorizing and establishing mandatory funding for these programs in the next Farm Bill.



Farmer Keng Xiong of Fresno Family Farms, who accept SNAP benefit tokens. “It gives low-income families a chance to come to the farmer’s market. The real benefit is that the quality and taste are much better,” says Xiong. Photo: Lance Cheung. USDA Photo Library.

## **2. Reauthorize programs that support expanded access to, and incentivize the purchase of, local foods in underserved populations**

The Food Insecurity Nutrition Incentive (FINI) Grant Program is a competitive grant program established in the 2014 Farm Bill that funds community efforts to help low-income families participating in SNAP purchase more fresh fruits and vegetables directly from farmers. In its brief existence, it has found great support in communities across the nation and has demonstrated positive early results. A 2015 evaluation of FINI-funded programs demonstrated that between 74 and 94 percent of participating SNAP farmers’ market shoppers reported buying or consuming more fruits and vegetables as a result of the program. Additionally, between 55 and 74 percent of participating farmers reported making more money due to the program, with many noting that the increased sales allowed them to expand their operations.<sup>19</sup> Both the House

and the Senate drafts of the upcoming Farm Bill have reauthorized and increased mandatory funding for this program, which benefits both farmers and families. The final bill should include \$600 million of mandatory funding over the next 10 years to ensure that it can meet demand.

Likewise, the Seniors Farmers’ Market Nutrition Program (SFMNP) awards grants to states to provide vouchers for low-income seniors to purchase eligible foods from farmers’ markets, roadside stands, and community supported agriculture programs. Through these vouchers, the SFMNP aims to improve the nutritional status of a population that is especially vulnerable to poor nutrition and diet-related diseases. A review of six SFMNP programs around the country found that each program demonstrated positive associations with increased fruit and vegetable consumption among participants, high participant satisfaction, and increased revenues for farmers.<sup>11</sup> The drafts in both Congressional chambers propose to continue funding this program at \$20 million annually; however, they fail to authorize additional spending to expand access to low-income veterans. Lawmakers should expand this program to include veterans and approve \$50 million per year in funding for this program to help veterans and seniors live healthy and productive lives.

## **3. Increase funding for farm-to-school activities**

The USDA Farm to School Grant Program works to increase the procurement and use of local foods in schools while also promoting experiential food learning for American youth. On an annual basis, the USDA awards up to \$5 million in competitive grants; however, demand for the program is currently **more than five times higher** than the available funding. Since its implementation in 2013, over 1,600 applicants have requested more than \$120 million in grant funding, of which the program has fulfilled only 365 awards. Increasing the annual mandatory funding to at least \$15 million is essential to continue building on the program’s initial success. Additionally, the scope of the program should be broadened to fully include early-care and early-education sites, summer food-service program sites, and after-school programs.

These programs provide meals to millions of children on a daily basis and ensure access to nutritious meals outside of formal school settings. Regrettably, neither chamber of Congress has addressed these issues in their initial drafts. Linking local food producers with large institutions, such as schools, represents a major opportunity to stimulate local economies and promote healthy eating habits among our youth. Lawmakers must consider these provisions in the final bill.

#### **4. Provide stable funding for the National Organic Certification Cost Share Program (NOCCSP)**

The process of becoming organically certified can be expensive, yet it is an essential step for our farm economy to meet the growing demand for certified organic food. The NOCCSP provides vital financial assistance to small and mid-sized farmers so that they can afford annual certification costs. Having the USDA-certified organic label adds huge value to these operations and leads to increased farm revenues. On average, areas of the country that have a high concentration of organic agricultural activity experience higher median household income by over \$2,000 and lower poverty rates by 1.3 percent.<sup>12</sup>

The 2014 Farm Bill authorized \$11.5 million in annual mandatory funding for the NOCCSP; however, it too has not been included in the initial House draft of the 2018 bill. In contrast, the Senate's proposed bill proposes to renew the program at an equal funding level. Again, congressional lawmakers should follow the Senate's lead by reauthorizing this program with at least an equivalent amount of funding.

#### **5. Help farmers comply with food safety requirements**

Many of the new rules and regulations set forth by the Food Safety Modernization Act (FSMA) in 2010 were developed with large operations in mind, making it both difficult and costly for many smaller-scale farmers to fulfill these requirements. In 2010, as a part of FSMA, Congress created the Food Safety Outreach Program (FSOP) to fund food safety training and education for producers and processors disproportionately affected by the new regulations. However, while the FSOP aims

to close information gaps surrounding compliance, many small farmers still struggle with the costs incurred to upgrade safety infrastructure and adopt procedures to comply with, and attain, food safety certification. In addition to continuing funding for the FSOP, policymakers should authorize a Food Safety Cost-Share Program that will help small and mid-sized farmers cope with these potential financial barriers.



Jennifer Sowerwine, Assistant Cooperative Extension Specialist at UC Berkeley, describes how to make a sanitizing solution for harvest buckets for food safety. Photo: UC Agriculture and Natural Resources.

## **Conclusion**

At a time when American farm incomes have seen a 45 percent decline over the past four years, investing in local and regional food systems is a reliable way to ensure that our family farmers can continue to make a living and that rural communities are able to prosper.<sup>12</sup> Furthermore, making nutritious, locally-produced foods more accessible, affordable, and prominent can help mitigate the obesity epidemic as well as diminish environmental degradation—two of the most pressing issues facing our country and our planet. There are countless more opportunities to support local and regional food systems in the Farm Bill; however, those listed have already proven to be successful. It is incumbent upon policymakers in Congress to include the aforementioned provisions in the 2018 Farm Bill so that American farmers and eaters alike can thrive.

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*Ryan Smith graduated with a MPH from the UC Berkeley School of Public Health in 2018.*

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