
2015-2017 Subcommittee Transition Memo

**USDA's
Minority Farmers and Ranchers
Advisory Committee**

Harvey Reed, Chairperson

MEMORANDUM

January 12, 2017

TO: Ms. Kenya Nicholas

FROM: Harvey Reed, Subcommittee Chairperson

SUBJECT: 2015-2017 Subcommittee Transition Memo

Ms. Nicholas,

As this USDA Minority Farmers and Ranchers Advisory Committee come to an end in June, 2017 and having a New Administration who may make some changes. Realizing that this Subcommittee has been responsible to monitor the actions of the following USDA's Agencies:

1. Rural Development
2. National Institution for Food and Agriculture
3. Foreign Agriculture Services
4. Forest Services

In order to avoid any delays in reporting to the Office of Advocacy and Outreach on this Subcommittee activities as well as recommendations and suggestions, this is the Transition Memo for your office. Many may feel aggrieved and marginalized, but well-designed outreach programs such as those the OAO has already created can restore trust and goodwill between the Committee Members and those small-scale farmers and ranchers who represent.

Hopefully, this Transition Memo will help the Office of Advocacy and Outreach to better orientate the New Subcommittee on their responsibilities and assignments.

Thank you for your consideration. We look forward to strengthening our partnership with the USDA for many years to come.

Respectfully,



Harvey Reed
Subcommittee Chairperson

Summary

This Transition Memo is being prepared to assist the incoming Subcommittee under this New Administration for the agencies which they will represent. We were given the task to review the activities of the following USDA Departments:

5. Rural Development
6. National Institution for Food and Agriculture
7. Foreign Agriculture Services
8. Forest Services

Each of the above USDA's Agencies should be broken down with the use this Subcommittee's previous reports of recommendations and suggestions and follow through with caution. It is imperative that the Subcommittee Members take this committee seriously and not use it as another listing on their resume'. Whoever is the Chairperson should review the **CRAT and the Jackson-Lewis Report** which outline the deficiencies and made strong recommendations for this Executive Branch Department.

Each Committee Member should take to task that they representing over 266,000 small-scale farmers and ranchers and they have just become their **voice**. Understanding that, each Subcommittee Member should make it their business to communicate effectively with one another especially their Chairperson.

They must remember that since the conception of the USDA's Office of Advocacy and Outreach was established by the 2008 Farm Bill to help improve access to USDA programs and to improve the viability and profitability of small farms and ranches, beginning farmers and ranchers, and socially disadvantaged farmers or ranchers. Under this Office the ***Small-Scale, Beginning Farmers and Ranchers*** is the primary responsibility for this Subcommittee.

More than 150 years, the U.S. Department of Agriculture (USDA) has served the people and places of our country that are hard to reach, off the beaten track, or otherwise underserved. Rural America provides our nation's food and enough for record agricultural exports, as well as the majority of our energy resources, the fiber for goods and manufacturing, and more than 35 percent of our nation's

military members. By recognizing their strategic importance to our national and economic security, as well as the values they give to our national identity.

This Subcommittee main focus was to help to support communities and create opportunity in rural America. While the United States is experiencing record agricultural productivity and exports, ensuring Americans are more food secure and spend a smaller portion of their paychecks at the grocery store than most developed nations.

The next subcommittee should make it their priority to ensure that the USDA embraces all forms of production and producers of all sizes—from organics to urban agriculture, conventional, from the smallest to the largest farms and ranches across the nation. Their support should help empowered the explosion of the local food movement and significant growth in farmers markets and direct sales by farmers to schools, hospitals and other institutions. Subcommittee Members need to focus on expanding access to healthier food, implementing the most significant updates to school meals in decades for our nation's youth, making changes to our programs that ensure mothers and newborns have access to more nutritious food, and helping to reduce child hunger to the lowest level on record.

By the end of 2008, rural areas were reeling from the Great Recession. At the depths of the recession, rural counties were shedding 200,000 jobs per year, rural unemployment stood at nearly 10 percent, and poverty rates reached heights unseen in decades. Many rural communities were ill-positioned to bounce back quickly, since widespread job loss came as the economy was increasingly focused on technology, advanced manufacturing, and services.

Subcommittee Members should take a long look at over the course of the Previous and New Administration, that the USDA continue to target investments to help rural/urban areas grow, and also transformed itself into a 21st century service provider that delivers programs and services to all Americans. This present Subcommittee should have better coordinated recommendation for federal investments into both rural and urban areas, in partnership with local, state, and private sector partners. We did not do a good job executing an aggressive strategy to bolster and complement production agriculture by removing obstacles to U.S. trade and increasing exports, maintaining record exports. We need to strengthen

the emerging bio-economy by supporting renewable energy and manufacturing of bio-based products.

The incoming Subcommittee will need to concentrate on the record number of producers invested in conservation and elevated eco-markets. There's a need for more investments in affordable rural housing, energy efficiency and availability, community facilities, clean and reliable drinking water and wastewater systems, and internet access, coupled with historic levels of loans and grants for rural businesses. They should make it a priority to build a new era for civil rights at USDA, charting a stronger path for the future where all Americans are treated with dignity and respect.

There's a strong need to invest in rural/urban America and make improvements in the economy. While the median household income in rural areas of the U.S. increase by 3.4 percent in 2015 and poverty rates have fallen. A need to focus more on the rural population to help stabilized while they are beginning to grow. Many rural counties/parishes have added over 250,000 jobs in both 2014 and 2015, and the rural unemployment rate has dropped below 6 percent for the first time since 2007. It has been noted that hunger is down in rural and urban areas alike, as about 8 million fewer people are struggling to provide adequate food for them or their families compared to the height of the recession, and child food insecurity is at an all-time low.

The New Subcommittee must be able to establish policies to create and invest in a strategy for rural America, and with those efforts, the future of our rural communities may look bright. They must recommend that more work is needed to be done to ensure that USDA's targeted investments continue to help the rural/urban economy retool itself for the 21st century.

Looking back to 2009, we recognized that the USDA had invested more than \$6.9 billion in loans and grants for more than 1,200 projects expanding broadband service for nearly 6 million people who live and work in rural America, including tribal areas. These investments must be increase in order to have more rural/urban businesses given the connectivity required to compete in the global economy and have opened the doors to state-of-the-art health care, educational and cultural resources.

Foreign Agriculture Services

Agricultural Production and Exports

This Subcommittee should look at the agricultural exports which topped \$1 trillion since 2009, far and away the best in the nation's history. Those exports made up 20 percent of U.S. farmers' cash receipts, support more than 1 million American jobs, and generate an additional \$1.27 trillion in U.S. business activity. They need to look into the number of small-scale farmers and ranchers who are not participating in the U.S. agricultural exports having delivered trade every year since the 1960s—meaning they consistently export much more than they import—making it a more economically secure nation.

Going back to 2009, the USDA has worked to remove hundreds of unfair barriers to trade; opened or expanded key markets for products such as beef, dairy, fruits and vegetables, and more while generating billions of dollars in sales for U.S. businesses.

During this Subcommittee tenure, we have not fought hard enough to preserve and expand markets because the livelihoods of rural/urban Americans depend on it. We missed out on this Subcommittee servicing the ninety-five percent of the world's consumers live outside of our borders with utilization small-scale farmers and ranchers. Our first year as a Subcommittee in 2015 alone, we found that the USDA resolved more than 150 trade-related issues involving U.S. agricultural exports valued at \$2.4 billion. We understand that the USDA had also negotiated to eliminate restrictions on U.S. beef in 15 countries since January 2015. And despite the historic animal disease outbreak affecting poultry in 2015, USDA negotiators enabled U.S. poultry producers to maintain 74 percent of their market share. Just a year removed from the highly-pathogenic avian influenza outbreak, the USDA has helped the United States recapture nearly every market.

Strengthening Global Food Security

As Subcommittee Members representing the Foreign Agriculture's Service, food security is critical to economic security, as well as national security, not only for the United States, but also for other nations around the world. Please understand that the United Nations estimates that worldwide demand for food will increase 60

percent by 2050. While international organizations recognize that food insecurity is common in conflict-affected countries, and those policies that will help build resilience to food insecurity can limit violence, strengthen governance systems, and build up civil society.

Ever since 2007-2008 global food price crisis underscored the breadth of these challenges, and prompted those farmers and ranchers to work across agencies to design a new global food security program called *Feed the Future*. Launched in 2009 after the *2008 Farm Bill*, *Feed the Future* has helped to reshape how the United States combats global hunger and malnutrition, while supporting agricultural development. This Subcommittee need to be more proactive with small farmers and ranchers for the U.S. Agency for International Development (USAID), USDA supports this government-wide effort by investing in cutting-edge research to strengthen agricultural production and nutrition in Feed the Future focus countries, and promoting open data and sharing between nations to ensure that research will contribute to efforts to feed the world. By having an open agriculture and nutrition data is a powerful tool for long-term sustainable development. This Subcommittee need to understand that the USDA has served as the U.S. Government lead on the Global Open Data for Agriculture and Nutrition (GODAN) initiative, focused on opening agriculture and nutrition data to support sustainable development and solve longstanding global food security challenges, since its creation in 2013.

National Institute for Food and Agriculture

Food Safety

The New Subcommittee should work to accomplished what this New Administration represents some of the most significant positive changes to America's food safety system since the 1950s. Subcommittee Members must recognize that the USDA has made changes to meat and poultry labels, updated our food safety inspection methods, enhanced our ability to quickly and broadly investigate food safety outbreaks, modernized how our laboratories test for pathogens like E. coli and Salmonella, and reconsidered all the ways we help safer food reach store shelves. Largely, the new standards are expected to prevent 50,000 cases of foodborne illness annually. Thus far, the total number of foodborne illnesses attributed to products that we inspect—meat, poultry and processed egg products—fell more than 12 percent from 2009 to 2015, a signal that our strategy is working.

Subcommittee Members also has to realize the New Administration may shift the overall paradigm of federal food safety efforts from one of response to one of prevention. This is why the Subcommittee should recommend to establish a zero tolerance policy for raw beef products that contain certain strains of E. coli and developed new Salmonella and Campylobacter performance standards for poultry parts (legs, thighs, wings, etc.), which consumers purchase far more frequently than whole chickens. Research showed that in August 2014, the USDA finalized the most significant update to poultry food safety inspections since 1957, requiring for the first time that all poultry facilities create a plan to prevent contamination, rather than addressing contamination after it occurs. For small-scale farmers and ranchers they must recommend to help ensure proper handling, preparation, and storage of food, in 2009 the USDA introduced a new educational campaign focused on “clean, separate, cook, and chill,” highlighting four basic safe food handling practices to prevent cross-contamination. And back in 2015, they launched the *Foodkeeper app* for smartphones and tablets to offer consumers valuable storage advice and food safety information about more than 400 common food and beverage items whenever and wherever they need it.

Local and Regional Food Systems

A surge in consumer demand for locally-produced food in the urban communities is creating jobs and opportunity throughout rural/urban America for farms as well as the small businesses that store, process, market, and distribute food locally and regionally. The USDA must continue to strengthen local and regional food systems by investing in projects that recruit and train farmers, expand economic opportunities for small businesses and increase access to healthy foods.

Delivering Stronger Service

While faced with a discretionary budget that has been reduced by nearly 10 percent since 2010, they have consistently looked for ways to proactively improve and modernize the way we do business while avoiding unnecessary layoffs and disruption in the services that millions of Americans rely on. Again in 2012, they launched the *Blueprint for Stronger Service*, challenging the workforce to use creativity and innovation to find ways to do a better job with the resources they had at their disposal. Through those efforts, they have saved the taxpayers \$1.6 billion through things like workforce reductions, closing offices and laboratories that were no longer used, implementation of modern cloud computing, and much more.

Forestry Service

With agriculture, forestry, and land stewardship have emerged as a central component of United States' effort to stem the impacts of climate change. In order to meet the national goal of reducing greenhouse gas (GHG) emissions by 26-28 percent below 2005 levels by 2025, the nation's food and forestry producers will have to embrace innovation and conservation. Again, launching in 2015, in direct response to President Obama's Climate Action Plan, the USDA's Building Blocks for Climate Smart Agriculture and Forestry set the nation's first measurable benchmarks in food and forestry to reduce net emissions and enhance CO2 sequestration by 120 million metric tons per year. Having small-scale farmers and ranchers as well as the nation's public and private forests could offset up to 14 percent of GHG emissions each year. The New Subcommittee need to know that our forests are one of the earth's best filters of GHG, while the Forest Service developed a landmark Forest Planning Rule in 2012—the first such rule in more than 30 years—to guide management of the 193 million acres in the National Forest System.

They need to give agriculture and forest producers a reliable source of regional data and science-based information to help them address region-specific risks due to climate change, USDA established seven regional Climate Hubs and three sub-hubs. After 2009, the USDA has invested over \$656 million to support climate change research by USDA scientists and partners at land-grant universities, helping inform small-scale farmers, ranchers, and land managers as they evaluate and respond to climate-related challenges.

By putting wood to good use is another tactic in climate plan. And using wood helps to reduce GHG emissions by storing carbon and simultaneously offsetting emissions from conventional building materials. During September 2015, in partnership with the Softwood Lumber Board and the Binational Softwood Lumber Council, USDA announced the first winners of the U.S. Tall Wood Building Prize Competition. Studies have shown that competition was held to promote forest restoration and retention and foster sustainability in the built environment.

They estimated that 30 to 40 percent of the U.S. food supply is wasted, and food waste is the single largest component in our landfills, which pump methane—a

greenhouse gas—into our atmosphere. Our partnership with the Environmental Protection Agency (EPA) to initiate the U.S. Food Waste Challenge sets the first-ever national food waste reduction goal of 50 percent by 2030 in an effort to reduce the amount of wasted food in landfills, which in turn will reduce GHG emissions.

Diverse USDA Culture

Looking back at the USDA, they had a reputation marred by decades of systemic discrimination. Having thousands of claims had been filed against the Department for denial of equal service, many based on race, and thousands of these claims languished for decades, unresolved. Inside the USDA, their workforce—many of whom work alongside our customers in their own communities—did not reflect the diversity of their customers. It was soon after President Obama took office, President Obama called on the USDA to uproot inequality and fix its broken system. In response, the Department acted swiftly and aggressively, making it our mission to change the culture of the USDA. In order root out exclusivity and build a culture of accessibility, they had to create new policies, corrected past mistakes, and charted a stronger, more inclusive path for our employees and the communities we serve. This New Subcommittee should read the “**Jackson – Lewis**” Report that covered a great deal of the USDA’s Agencies regarding this problem.

It was also noted that in January 2009, there were 14,000 administrative civil rights cases pending at the USDA and no formal processes was in place to establish or provide pathways to justice for the USDA customers. Since that time, they’ve settled more than 23,000 claims, including thousands as part of large-scale class-action lawsuits with Native American and African-American farmers and ranchers. This New Subcommittee will also need to look into a unified claims process for women and Hispanic farmers and ranchers, providing more than \$2.5 billion in combined payments to claimants, more than \$118 million in debt relief and millions of additional dollars to nonprofit and educational institutions.

Rural Development and the Next Generation

After realizing that the USDA has engaged its resources to support a strong next generation of farmers and ranchers by improving access to land and capital; building new markets and market opportunities; extending new conservation opportunities; offering appropriate risk management tools; and increasing our outreach, education, and technical support. Please note that from 2009-2016, the USDA increased their investment in new and beginning farmers by increasing participation across several key programs by an average rate of 18 percent. During 2009, through their popular Beginning Farmer and Rancher Development Program (BFRDP), the USDA made 256 grants valued at \$126 million to support more than 50,000 beginning farmers and ranchers. They also targeted outreach and technical assistance to veterans, minority and limited-resource farmers and ranchers with \$82 million in grants to 349 partners. But in 2009, the USDA issued more than 138,000 direct and guaranteed farm operating and farm ownership loans to beginning farmers and ranchers, and 72 percent of USDA's microloans have gone to beginning or underserved farmers. In order to help new and beginning farmers access technical assistance, capital and farm land, we created a new website—www.usda.gov/newfarmers—to provide more tailored information and contacts.

But in 2016, they announced a new USDA Urban Ag Toolkit, which highlights an innovative kind of new farmer who has the passion to find agricultural opportunity on places like rooftops, vacant lots, and in old warehouses. By helping new and beginning farmers effectively manage risk, the USDA needed to provide better crop insurance coverage to over 15,000 new and beginning farmers and ranchers working more than 3.8 million acres; beginning farmers and ranchers have saved over \$15.5 million in premiums and administrative fees.

Additional Support for New and Beginning Farmers

In 2009, they recognized that the rapid aging of the American farmer was an emerging challenge. The average age of the American farmer now exceeds 58 years, and 2014 data show that almost 10 percent of farmland in the continental United States will change hands in the next five years. How can they keep these communities economically vibrant and attract new farmers, ranchers and other business owners, workers and their families? The next generation of farmers and

ranchers may come from farming backgrounds or be new to agriculture; they may be college graduates coming home to farm with their families; or they may be veterans, second career seekers, immigrants, and people from all ethnic backgrounds. Beginning farmers and ranchers will also face challenges themselves; above all, access to land, profitability, capital, and technical assistance. As these challenges are exacerbated by the aging farmer, USDA must continue to aggressively expand and ease participation by new and beginning farmers in new and existing credit, land tenure, extension, conservation, and risk management programs.

Focusing Rural Development on Underserved Areas

USDA's rural economic development strategy also includes a strong focus on underserved areas. Long-term poverty disproportionately affects rural communities. Remote rural towns and villages often do not have access to vital resources, such as high speed broadband or educational institutions. Rural communities have fewer people, making it more expensive to provide services on a per capita basis. In the years ahead, in an environment of constrained budgets, it will be important that USDA continue to create an environment that strengthens rural communities' ability to leverage local assets and federal resources.

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