MFRAC Sub-Committee 2016 Annual Report

Harvey Reed, Sub-Committee
Sub-Committee Chairman

2016 Sub-Committee
ANNUAL REPORT
I’d like to bring to the Minority Farmers and Ranchers Advisory Committee attention to an issue of great importance to more than 266,838 small farmers across the country today. We need to prepare ourselves for the 2018 Farm Bill and a new Transition in our government. While small and underserved farmers have a vested interest in a regulatory process that should be open, transparent, grounded on facts, respectful of our system of the USDA, which faithfully reflects and implements the will of Congress and adheres to the separation of powers in the Constitution. This 2016 End of the Year Sub-Committee Report is documenting and compiling the work done since the Public Meeting in New Orleans. As we near the Transition of a new governance in our country and agriculture is one of the last to receive a Secretary, we must be cognizant to what may happen with a new Farm Bill.

Particularly in the field of maintaining the **Office of Advocacy and Outreach**, all affected stakeholders – businessmen and women, farmers, agribusinesses– benefit from a process that should be fair, generates support and respect from diverse viewpoints, and achieves policymakers’ goals.

Small and underserved Farmers and Ranchers across the country are uniquely affected by Federal laws and the regulations based on those laws; rural agribusinesses also are challenged on the regulatory front. Unbeknown to them the farm bill programs such as crop insurance and conservation programs are most readily recognizable as affecting agriculture, producers confront numerous other regulatory challenges. A list that is by no means exclusive includes lending and credit requirements; interpretations of the tax code; health care provisions; energy policy; labor and immigration laws; environmental statutes ranging from air and water quality concerns to designations of critical habitat and other land uses. For small and underserved farmers and ranchers, regulations don’t just impact their livelihood. Unlike nearly any other economic enterprise, a farm is not simply a business: it’s often a family’s home. As government regulation affects the ability of a farmer to use his or her land, that regulatory impact ‘hits home’ – not just figuratively but literally. That happens because the farm often is home and may have been passed down in the family for generations. While regulatory demand is unreasonable or inscrutable, it could be frustrating to them. If it takes away an important crop protection tool for speculative or even arguable reasons, it can harm productivity or yield. If it costs the farmer money, he or she will face an abiding truth – farmers, far more often than not, are price takers, and not price makers: with little ability to pass costs on to consumers, farmers are often forced to absorb increased regulatory costs. And when, under the rubric of ‘environmental compliance,’ the regulation actually conflicts with sound environmental methods the farmer is already practicing, the result can be met with resistance and ultimately a
lack of respect for the process itself. This Sub-Committee believes a fair, transparent, open and updated regulatory process will benefit not just farmers and ranchers: it will reinvigorate public respect for the important and critical role regulations must and do play while benefiting taxpayers, small agribusinesses and women and people in all walks of life.

Given this set of facts – an administrative statute that is 70 years old; an explosion of Federal laws and requirements; greater Federal demands on state governments with fewer resources to accomplish them; an increase in the amount and scope of litigation; expanded ability of parties to sue; the development and use of computer models to simulate or sometimes substitute for real-world conditions; the broadening scope of environmental statutes to affect and sometimes override economic considerations and property rights; the judicial principle that courts must defer to agencies rather than interpret the law themselves – it is no surprise that the impacts of regulations on agriculture have increased. Coupled with this set of facts is another critical component: the increasing difficulty of Congress in finding agreement on bipartisan solutions. In truth, over the past few decades we have seen executive/regulatory and judicial activities increase to the point that those branches are deciding policy questions at the expense of Congress – where the Constitution explicitly vested policy decisions. At the heart of regulatory reform should be a bipartisan effort to rectify this imbalance.

In recent years, Congress has sought to address shortcomings in the existing system, considering legislative proposals to make improvements in the Administrative Procedure Act. Unfortunately, to date such efforts have failed to gain sufficient bipartisan support. This Sub-Committee believes, however, that there are common principles on which both parties agree.

The striking feature on regulatory reform that gives this Sub-Committee cause for optimism is that, for years, even decades, we have seen both Democratic and Republican presidents enunciate a set of principles that are strikingly similar. Being the voice of “Small and Underserved Farmers and Ranchers”, clearly there are different emphases and priorities, we believe Republican and Democratic Presidents alike have reiterated the desirability and need for an honest, transparent, open and credible regulatory process. Note the statements below taken from Executive Orders and other presidential documents, some nearly four decades old that speak to these questions:

 Regulations ... shall not impose unnecessary burdens on the economy, on individuals, on public or private organizations, or on State and local governments. ... Regulations shall be developed through a process which ensures that ... the need for and purposes of the regulations are clearly established; meaningful alternatives are considered and analyzed before the regulations is issued; and compliance costs, paperwork and other burdens on the public are minimized.

 President Jimmy Carter, Executive Order 12044 (March 23, 1978)
Regulatory action shall not be undertaken unless the potential benefits to society for the regulation outweigh the potential costs to society; regulatory objectives shall be chosen to maximize the net benefits to society; among alternative approaches to any given regulatory objective, the alternative involving the least net cost to society shall be chosen.

President Ronald Reagan, Executive Order 12291 (February 17, 1981)

Federal regulatory agencies should promulgate only such regulations as are required by law, are necessary to interpret the law, or are made necessary by compelling public need, such as material failures of private markets to protect or improve the health and safety of the public, the environment, or the well-being of the American people. ... In choosing among alternative regulatory approaches, agencies should select those approaches that maximize net benefits (including potential economic, environmental, public health and safety, and other advantages; distributive impacts; and equity) unless a statute requires another regulatory approach.

President Bill Clinton, Executive Order 12866 (September 30, 1993)

National action limiting the policymaking discretion of the States shall be taken only where there is constitutional and statutory authority for the action and the national activity is appropriate in light of the presence of a problem of national significance.

President Bill Clinton, Executive Order 13132 (August 4, 1999)

The public must be able to trust the science and scientific process informing public policy decisions. Political officials should not suppress or alter scientific or technological findings and conclusions. If scientific and technological information is developed and used by the Federal Government it should ordinarily be made available to the public. To the extent permitted by law, there should be transparency in the preparation, identification and use of scientific and technological information policymaking

President Barack Obama, Memorandum for the Heads of Executive Departments and Agencies (March 3, 2009)

Our regulatory system must protect public health, welfare, safety, and our environment while promoting economic growth, innovation, competitiveness, and job creation. ... This order...reaffirms the principles, structures, and definitions governing contemporary regulatory review that were established in Executive Order 12866 of September 30, 1993. As stated in that Executive Order and to the extent permitted by law, each agency must, among other things: (1) propose or adopt a regulation only upon a reasoned determination that its benefits justify its costs (recognizing that some benefits and cost are difficult to quantify; (2) tailor its regulations to impose the least burden on society, consistent with obtaining regulatory objectives, taking into account, among other things, and to the extent practicable, the costs of cumulative regulations ...

President Barack Obama, Executive Order 13563 (January 18, 2011)
The Office of Advocacy and Outreach is a very powerful tool for small and underserved farmers and ranchers. In order to be successful we must adhere to the below commitment:

The committee works in the interest of the public to ensure socially disadvantaged farmers have equal access to USDA programs. The committee shall advise the Secretary on:

1. The implementation of section 2501 of the Food, Agriculture, Conservation and Trade Act of 1990 (7 U.S.C. 2279);
2. Methods of maximizing the participation of socially disadvantaged farmers or ranchers in USDA programs; and
3. Civil rights activities within USDA, as such activities relate to participants in USDA programs.

On behalf of small and underserved farmers, I hope the Minority Farmers and Ranchers Advisory Committee will work as a cohesive group to ensure the Recommendations and Comments is adhere and implemented. This Advisory Committee serves as the unified voice of agriculture in the effort to ensure that America’s farmers, ranchers and growers have access to a legal and stable workforce. Thank you for your consideration of supporting small and underserved farmers, their businesses they own, and their employees.

Sincerely,

Harvey Reed
Harvey Reed
Sub-Committee Chairman

Rural Development
Forest Service
NIFA
Foreign Ag Service
**Priorities and Recommendations**

**2017 Outline for Sustainability:**

**Section 1:**

- To recommend a common framework for small agribusinesses across the range of business models;

- To recommend that the 13 million dollars be utilized for the following:
  - Recommends that the Office of Advocacy and Outreach be expanded to other regions in the country to more effectiveness.
  - Recommends that this Committee increase to quarterly public meetings and that **ALL** travel and lodging is cover in advance.

- To recommend guidance to small agribusinesses that are considering or beginning sustainability programs;

- To recommend a means for small agribusinesses to assess their developing or existing sustainability programs;

- To recommend resources for incorporating additional strategies into small agribusinesses existing sustainability programs; and

- To recommend a platform to articulate the unique nature and value of sustainability programs in small farmer activities.

**Section 2:**

**Rural Development Programs (Title VI):**

**Background:** While small and undeserved farmer and ranchers have increased their presence in rural communities, and have a vested interest in the economic well-being of these areas. Their activities, earnings, and patronage dividends directly support the rural American economy. Federal policies must continue providing rural communities with the tools necessary to sustain and promote economic well-being.
• **Rural Business Opportunity Grants** program and the **Rural Business Enterprise Grants** program – are combined into a single program called the Rural Business Development Grants program. The new program will function in a manner similar to its predecessors and award competitive grants to public agencies and non-profit community development organizations for business development, planning, technical assistance, or job training in rural areas.

• **Valued-added Producer Grants (VAPG)** – Reauthorized to receive $63 million in mandatory funding with additional funding subject to appropriations through 2018. Recognizes the benefits of small and underserved farmer and ranchers participating in the VAPG program and encourages USDA to view this group as a priority in administering the program.

• **Rural Cooperative Development Grants** – Reauthorized at $40 million for each fiscal year through 2018, subject to appropriations. Establishes an interagency working group to foster cooperative development and ensure coordination with Federal agencies and cooperative organizations.

• **Rural Broadband Loan Program** – Increase the existing program from funding competitors to existing rural communication recommends and mandates more oversight and reporting requirements.

**Policy Resolutions:**

1. Encourage and promote rural development, including through farmer-owned businesses.

2. Strengthen programs to better enable farmers and their cooperatively-owned businesses to capitalize on new value-added market opportunities.

3. Maintain Value-Added Producer Grants, including farmer cooperative eligibility, and full funding.

4. Ensure USDA’s Cooperative Services is able to meet the needs of our nation’s small and underserved farmers and ranchers by providing relevant and timely information, statistics and research in addition to effective program administration.
Section 2a:

Energy

This Sub-Committee supports an energy policy that maximizes a role for small and underserved farmers and ranchers in energy independence. The small farmers are vital players in this country’s quest for energy independence and in ensuring that producers are able to capitalize on expanded market opportunities. Renewable energy sources, along with conservation, are important tools in securing a more affordable and accessible domestic renewable energy supply.

This Sub-Committee recommends passage of a comprehensive energy bill recognizing the contributions of the small and underserved farmers and ranchers in the renewable energy industry.

Recommendations:

1. Recommend legislative and regulatory action to meet U.S. and agriculture’s energy needs.

2. Recommend expanded development and use of renewable fuels and other energy sources as part of a comprehensive energy policy to help meet U.S. agriculture and our nation’s energy needs.

3. Recommend a consistent and reliable policy of renewable fuels incentives and other provisions encouraging production of renewable fuels. New approaches to federal investment in the renewable fuels industry should encourage innovation and market stability.

4. Recommend voluntary policies promoting the development of technologies to further utilize manure as a feedstock to produce gas, fuel, or electricity, especially if these projects are cost-effective and recommend an economic benefit to farmers and/or farmer-owned businesses.

5. Recommend the importance of, and continuing role for, traditional energy sources, especially for the agriculture industry and rural America.

6. Recommend affordable technology advances for cleaner utilization of fossil-based fuel sources.
Section 3:

Foreign Agriculture Services / Transportation & Infrastructure

**Background:** Improving our transportation infrastructure must be a national priority deserving urgent attention – sooner rather than later. Capacity constraints, structurally deficient bridges, deteriorating roads, and locks and dams long past their expected useful life require our full attention as a nation.

**Recommendations:**

1. Recommend modernization of U.S. transportation infrastructure to maintain and enhance U.S. agriculture’s global competitiveness.

2. Recommend legislation to fully fund construction of new locks on the Upper Mississippi and Illinois River System.

3. Recommend improvements in rail capacity, competition, service and accessibility in rural America.

4. Recommend expansion of key trucking routes on the interstate system.

5. Maintain and expand agricultural hours of service exemption.

6. Pass long-overdue trucking productivity improvements, including increased allowable weights for hauling agricultural commodities.

7. Recommend policies that promote the construction of pipelines in the United States to accommodate increased domestic energy production, improve the reliability and flexibility of our country’s energy delivery networks and to complement rail lines, highways and waterways.

8. Recommend measures that facilitate increased U.S. port efficiencies and policies that prevent port disruptions that cause economic harm to agricultural shippers and producers.
Section 3a: International Trade

Background: This Sub-Committee recommends a level playing field for U.S. agriculture in the global marketplace. Market development and promotion programs are vital to maintaining and expanding U.S. agricultural exports, countering subsidized foreign competition, protecting American jobs and strengthening small and underserved farm income.

Recommend a strong market development and promotion programs in pursuit of increased agricultural exports and the farm-level benefits they generate.

Over the past year, this Sub-committee notice that the resources for both FAS and APHIS have come under significant pressure due to budget issues. This pressure has come at a time when competition in key foreign markets has only increased. These resources, including personnel and infrastructure, are extremely valuable in ensuring that overseas markets remain open and efficient for U.S. agricultural exports.

This Sub-Committee recognized the benefits of multilateral negotiations. However, in the absence of an active multilateral round of trade negotiations, the U.S. should continue to engage in bilateral and regional negotiations to improve foreign market access for U.S. agricultural products.

Recommendations:

1. The U.S. trade remedy law process should be strictly adhered to so as to maintain it as a viable tool for small and underserved agriculture businesses.
2. Recommend passage of the Trans-Pacific Partnership agreement.
3. Recommend the negotiation of a comprehensive and ambitious Transatlantic Trade and Investment Partnership that addresses tariffs, sanitary and phytosanitary (SPS) and other non-tariff trade barriers, including geographic indicators.
4. Market Access:
   a. Maintain and expand U.S. agriculture exports and global competitiveness, including substantially improved access to foreign markets.
   b. Maintain and strengthen USDA Export Programs and funding; and ensure continuation of the branded program and current cooperative eligibility in the Market Access Program.
   c. Recommend increased market access for U.S. agriculture exports, including to Cuba.
5. Recommend enhanced resources for USDA’s Foreign Agricultural Service (FAS) and Animal and Plant Health Inspection Service (APHIS) in recommend of U.S. agriculture exports.
Section 4b:

Sub-Committee Position:

This Sub-Committee urges Congress to pass the Trans-Pacific Partnership (TPP). For agriculture, the TPP offers tremendous opportunity to farmers and their co-ops to expand exports and generate additional economic activity across farm country. The agreement contains meaningful reductions in barriers erected by other countries to U.S. agricultural exports by lowering tariffs and working to ensure that sanitary and phytosanitary (SPS) standards are based on science.

Current Status:

While TPP negotiations concluded with the U.S., Australia, Brunei, Canada, Chile, Japan, Malaysia, Mexico, New Zealand, Peru, Singapore, and Vietnam in October, 2015. The President signed the TPP Agreement on February 4, 2016. Ratification rules in the TPP require that six countries, representing 85 percent of combined GDP, approve the agreement before it enters into force. Therefore, to meet this threshold both the U.S. Congress and Japan’s Legislature must pass the agreement.

Background:

TPP would benefit the agriculture sector primarily from market access provisions, such as reduced or eliminated tariffs and tariff-rate quotas (TRQs). In addition, TPP includes a chapter on SPS measures that build on the WTO’s SPS Agreement, provisions specific to trade in products of biotechnology, and addresses rules around the use of Geographic Indications (GIs).

Tariffs: In addition to providing overall increased market access by lowering/eliminating tariffs, in a number of cases it will level the playing field for U.S. agriculture versus competing exporters. U.S. products are often at a competitive disadvantage in certain TPP markets due to tariff preferences recommend through other agreements that the U.S. is not party to, such as the Japan-Australia Economic Partnership. Tariff disparities will continue to widen in those instances the longer TPP goes without being implemented.

Sanitary and Phytosanitary (SPS) Standards: The SPS provisions would require TPP countries to maintain science-based SPS measures and to clarify and build on provisions of the WTO’s SPS Agreement. The cooperative technical consultations process, along with the dispute settlement provisions in the TPP, represents an important advancement over the WTO SPS Agreement.
**Biotechnology Provisions:** TPP is the first U.S. agreement to include provisions specific to trade in products of modern biotechnology. The agreement would commit parties to recommend transparency on government measures related to biotechnology trade, and recommend information-sharing procedures for parties to follow when the low-level presence (LLP) of biotech material is detected in a food or agricultural shipment. It would also establish a biotech working group under the Committee on Agricultural Trade that would encourage information exchange and cooperation on trade-related matters.

**Geographic Indications:** Particularly important to the U.S. dairy sector, the TPP’s GI provisions would create an improved set of tools to combat the use of GIs in the future to block U.S. exports from TPP members. New due process and transparency provisions governing the recognition of GIs, particularly GIs that may conflict with common food names in TPP markets, will significantly strengthen the ability of the U.S. to combat barriers and help to preserve market access opportunities for U.S. companies.

**Future Opportunities:** The additional market access gains for the U.S. under TPP will largely come from Japan and Vietnam since the U.S. currently has FTAs with Australia, Canada and Mexico, Chile, Japan, Peru, and Singapore. However, a number of countries that have significant market potential for U.S. agricultural exports have signaled their interest in joining the TPP in the future – Indonesia, Thailand, and the Philippines, to name a few. In addition to the overall benefits to the U.S. agriculture sector, it will assist the small and underserved communities in their essential role in helping farmers gain financially from the global marketplace. Individual producers, who largely do not have the resources or production volume to export on their own, are able to use their numbers through co-ops to gain access to foreign markets. Small and underserved farmers and ranchers can use the earnings from these overseas sales to increase their revenues. In this way, smaller producers can profit directly from increased export opportunities that result from TPP.
Section 4:

National Institute of Food and Agriculture (NIFA)

Food Safety

**Background:** Small and underserved farmers and ranchers are committed to providing a safe and affordable food supply for consumers globally. This Sub-Committee urges that any actions by Congress be based on best available science and prudent risk assessment. American consumers need to have confidence that their food is safe and that the best science is being used to ensure that the most wholesome products possible.

**Recommendations:**

1. Recommend food safety legislation and regulations based on best available science, and that are risk-based, commodity specific, and applied equitably.

2. Ensure food safety regulations enhance our nation’s food safety while avoiding negative impacts to small and underserved farmers and other producers.

Section 4a:

Nutrition & Labeling

**Background:** A large and increasing number of federal dollars are spent to ensure nutritious food is available for our nation’s individuals, families, and children who rely on federal nutrition programs. Small and underserved farmers and ranchers are able to supply the nation and the world with nutritious and wholesome food. This Sub-Committee urges that any actions by Congress to update or change nutrition policy be based on best available science and USDA’s Dietary Guidelines.

**Recommendations:**

1. Recommends USDA food and nutrition programs and the continuation of USDA commodity purchases using Section 32 funds.

2. Encourage USDA’s food and nutrition programs to recommend all forms of fruits, vegetables, and tree nuts as outlined in the Dietary Guidelines.
3. Ensure that federal nutrition policy is consistent with the Buy American provisions and encourages healthful consumption of meat, farm-raised aquaculture, dairy products, grains, and fruits, vegetables, and nuts, based on best available science.

4. Recommends the healthful consumption of higher fat content milk and milk products through federal nutrition programs.

5. Recommend the use of agricultural production technologies, such as the production and use of biotechnology, as long as they are proved safe and do not pose a risk to public health.

6. Recommend legislative and regulatory efforts to grant federal preemptive authority on all food labeling requirements, including:
   a. the formation of one standardized nutritional labeling system for food labels and grocery store shelf markers that is based on best available science and criteria that is public and readily available to consumers, and
   b. a clear definition of “all natural.”

7. Oppose state and local food labeling initiatives that conflict with science and increase food costs without achieving any substantiated benefits.

8. Recommends the reauthorization of federal child nutrition programs, recognizing the need for flexibility while building on advancements made to ensure students have access to healthy, nutritious food.

Section 4b:

Sub-Committee Position:

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Current Status:

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Tariffs: In addition to providing overall increased market access by lowering/eliminating tariffs, in a number of cases it will level the playing field for U.S. agriculture versus competing exporters. U.S. products are often at a competitive disadvantage in certain TPP markets due to tariff preferences recommend through other agreements that the U.S. is not party to, such as the Japan-Australia Economic Partnership. Tariff disparities will continue to widen in those instances the longer TPP goes without being implemented.

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Geographic Indications: Particularly important to the U.S. dairy sector, the TPP’s GI provisions would create an improved set of tools to combat the use of GIs in the future to block U.S. exports from TPP members. New due process and transparency provisions governing the recognition of GIs, particularly GIs that may conflict with common food names in TPP markets, will significantly strengthen the ability of the U.S. to combat barriers and help to preserve market access opportunities for U.S. companies.
**Future Opportunities:** The additional market access gains for the U.S. under TPP will largely come from Japan and Vietnam since the U.S. currently has FTAs with Australia, Canada and Mexico, Chile, Japan, Peru, and Singapore. However, a number of countries that have significant market potential for U.S. agricultural exports have signaled their interest in joining the TPP in the future – Indonesia, Thailand, and the Philippines, to name a few. In addition to the overall benefits to the U.S. agriculture sector, it will assist the small and underserved communities in their essential role in helping farmers gain financially from the global marketplace. Individual producers, who largely do not have the resources or production volume to export on their own, are able to use their numbers through co-ops to gain access to foreign markets. Small and underserved farmers and ranchers can use the earnings from these overseas sales to increase their revenues. In this way, smaller producers can profit directly from increased export opportunities that result from TPP.
Agencies Reports
“Rural poverty in the United States has no geographic boundaries. It is acute in the South, but it is present and serious in the East, the West, and the North.”
August 5, 2016

Ms. Paul Garcia, Chairperson
Mr. Randall Ware, Vice Chairperson
Sub-Committee Members
OAO Administrator(s)

Re: Sub-Committee, July, 2016 Report
   Rural Development Services

Dear Ms. Garcia:

In order for this MFRC Sub-Committee can proceed to make a comprehensive report and evaluation of the current economic situations and trends in American rural life under the Rural Development Services, as they relate to the existence of income and community problems of rural areas, including problems of low income, the status of rural labor, including farm labor, unemployment and underemployment and retraining in usable skills; rural economic development and expanding opportunities; sources of additional rural employment; availability of land and other resources; adequacy of food, nutrition, housing, health, and cultural opportunities for rural families; the condition of children and youth in rural areas and their status in an expanding national economy; the impact of population and demographic changes, including rural migration; adequacy of rural community facilities and services; exploration of new and better means of eliminating the causes which perpetuate rural unemployment and underemployment, low income and poor facilities; and other related matters.

It was back in 1967 the President's National Advisory Commission on Rural Poverty Commission believed that the United States had the resources and the technical means to assure every person in the United States adequate food, shelter, clothing, medical care, and education and, accordingly, recommends action toward this end. Until this day there are still millions of rural residents denied the opportunity of earning a living? Those on that Commission truly believed it is the obligation of society and of government, to assure such people enough income to provide a decent living. In order to achieve this, basic changes were recommended in public assistance programs.

This Sub-Committee has found several areas of concerns that we feel have not been address properly as of this date. The lack of following Federal Statues, Consultants Recommendations, Congressional Research Services and this Sub-Committee Recommendations. Congress and the Secretary are duly responsible for the enactment to the “spirit of the law” of advice from those to carry out all Statues and Recommendations. We are urging the Secretary of
Agriculture to review the information in this August, 2016 MFRC Sub-Committee Report and explain what action has taken place in its enactments and recommendations.

Respectfully submitted,

Rural Development, Forest Service, NIFA and FAS
When the effects of the 1929 Depression began to be felt by the rest of the nation, rural residents had been struggling for several years with low incomes and low standards of living. The Federal Emergency Relief Administration began aiding rural families in 1932. Later, the Farm Security Administration and the Work Projects Administration provided much needed assistance to rural families and farm households.

In the post-World War II era, widespread rural poverty, most notably among farmers, continued to dominate rural policy concerns. The Eisenhower Administration’s Under Secretary for Agriculture, True D. Morse, began a Rural Development Program in 1955 to assist low-income farmers. Because agriculture was the major economic activity in many rural areas of the time, a focus on farms and farm households became de facto rural policy. The War on Poverty during the 1960s continued the focus on rural poverty as a central policy issue. With the continued decline in agriculture as rural America’s dominant economic activity, policy attention shifted to rural revitalization. The 1980s farm financial crisis and economic dislocation in rural America brought the importance of rural structural change to the forefront of policy concerns. The further decline of farming to less than 8% of rural employment and the loss of many manufacturing jobs during the past decade have highlighted the growing gap between many rural areas and the nation’s urban/suburban areas. While no overarching framework guides rural policy at the federal level, adequate housing, employment creation and business retention, human capital concerns, poverty issues, medical care, and physical infrastructure development remain key foci of federal rural policy.

The rural population has declined over the past decade. According to the U.S. Census, as of July 2012, approximately 46.2 million people (14.6% of the U.S. population) lived in rural areas, down from approximately 16% in 2000. While rural farming and mining counties have long experienced dwindling populations, more recently rural retirement and recreation areas have also seen declines as the baby-boomer generation increasingly opts for urban areas in retirement. Manufacturing now accounts for about 22% of rural private sector earnings and about 11% of all rural jobs. The service sector, as with the U.S. domestic economy as a whole, however, dominates rural job opportunities. Although over 90% of total farm household income now comes from off-farm sources, farming, and agriculture more generally, remain the major legislative focus for much of congressional debate on rural policy. Since 1973, omnibus farm bills have included a rural development title. The most recently passed is Title VI of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246). Agriculture and manufacturing issues are increasingly seen as part of global and regional restructuring issues, which have significant implications for rural areas, especially those areas where these production sectors remain dominant. How to position rural areas to better compete in a global environment is a key issue framing debates about the future of rural America.
Omnibus farm bills are the major modern legislative vehicle for addressing many rural development issues. While other legislation has significant implications for rural areas and rural residents (e.g., transportation initiatives, environmental regulation, finance and taxation, Medicare, Social Security), Congress has used periodic farm bills to address emerging rural issues as well as to reauthorize a wide range of rural programs administered by the various USDA rural development mission agencies. While the extent of overlap between federal agencies and programs targeting rural areas has been of concern to some rural policy observers, legislation enacted since 1990 reflects an effort to address rural issues more comprehensively.

Congressional Research Service, 7-570, www.crs.gov, RL31837
Summary

More than 88 programs administered by 16 different federal agencies target rural economic development. The United States Department of Agriculture (USDA) administers the greatest number of rural development programs and has the highest average of program funds going directly to rural counties (approximately 50%). The Rural Development Policy Act of 1980 also designated USDA as the lead federal agency for rural development. The Federal Crop Insurance Reform and Department of Agricultural Reorganization Act of 1994 created the Office of the Under Secretary for Rural Development and consolidated the rural development portfolio into four principal agencies responsible for USDA’s mission area: the Rural Housing Service, the Rural Business-Cooperative Service, the Rural Utilities Service, and the Office of Community Development.

The Agricultural Act of 2014 (P.L. 113-79), the most recent farm bill, was enacted on February 7, 2014. Among other changes, the law consolidates several business loan and grant programs into a single business support platform. The law allows prioritization of rural development projects that support strategic economic and community development. The new law provides $150 million in mandatory spending for backlogged rural development loans and grants and $63 million in mandatory spending for the Value-Added Product Grants program. Most existing programs authorized by the Consolidated Farm and Rural Development Act and the Rural Electrification Act were reauthorized. The Access to Broadband Telecommunication Services in Rural Areas Program was reauthorized and establishes new procedures to compare applications and set funding priorities. Additionally, a new Gigabit Network Pilot Program for high-speed broadband service was authorized at $10 million for each fiscal year FY2014-FY2018. The bill also authorizes a new Rural Energy Savings Program to fund loans to qualified consumers to implement energy efficiency measures. A new provision directs USDA to begin collecting data on the economic activities it funds to assess the short-and long-term viability of award recipients.

This report provides an overview of the various programs administered by USDA Rural Development’s mission agencies, their authorizing legislation, program objectives, eligibility criteria, and FY2005-FY2016 funding for each program. The report is updated as new USDA Rural Development programs are implemented or amended.
U.S.C. § 2279a: Requires the Secretary to adjust the bases and yields and make available any appropriate commodity program benefits if he or she determines that crop acreage bases or farm program payment yields established for farms owned or operated by socially disadvantaged producers were not established in accordance with the law. The Secretary shall also make such changes in the administration of the Consolidated Farm and Rural Development Act as are deemed necessary “to provide for the fair and equitable treatment of socially disadvantaged producers” if it is determined that application of the act with respect to such producers is inconsistent with the act’s requirements.

7 U.S.C. § 1632a: Establishes value-added agricultural product market development grants. The Secretary must give priority in awarding these grants to projects that contribute to increasing opportunities for certain groups, including socially disadvantaged farmers and ranchers. The Secretary also must reserve 10% of the amounts made available for each fiscal year to fund projects that benefit beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

7 U.S.C. § 1932(c): Establishes rural cooperative development grants, for which appropriations of $50 million for each of fiscal years 2008 through 2012 have been authorized. If the total amount appropriated for a fiscal year exceeds $7.5 million, the Secretary must reserve an amount equal to 20% of the total amount appropriated for grants for cooperative development centers, individual cooperatives, or groups of cooperatives that serve socially disadvantaged groups and a majority of whose boards of directors or governing boards are comprised of individuals who are members of socially disadvantaged groups.

7 U.S.C. § 2204b: Directs the Secretary to prepare a comprehensive rural development strategy based on the needs, goals, objectives, plans, and recommendations of local communities, sub-state areas, states, and multistate regions. Such strategy must “take into account the need to improve the economic well-being of all rural residents and alleviate the problems of low income, elderly, minority, and otherwise disadvantaged rural residents.”

7 U.S.C. § 5923(c): Establishes grants for the rural electronic commerce extension program and specifies that selection criteria for such grants shall include “the extent of participation of low income and minority businesses or microenterprises in a proposed project or activity under the extension program.” A development center or grant applicant must obtain contributions from nonfederal sources of an amount equal to 50% of the grant amount, although this amount may be reduced to 25% if the grant recipient serves low-income or minority-owned businesses or microenterprises.
Broadband

A. Extend the three year buildout requirement to a four year period.
Underserved and Tribal Communities face numerous barriers to broadband deployment that occasionally make it difficult to complete projects within the three year broadband service buildout requirement, and provide complications for USDA reporting requirements. Extension of the build out requirement will allow residents additional time to acquire necessary rights-of-way permits through tribal and allotted lands (‘checker board areas’ and non-Indian fee lands within reservation boundaries), address issues with environmental impact studies, and provide additional time to address tribal specific cultural needs.

B. Include Community Connect Grant as eligible for SUTA Provisions
The Substantially Underserved Trust Area (SUTA) provisions promulgated by the 2008 Farm Bill (Public Law 110-234, May 22, 2008) allow tribes to participate in loan, loan guarantee, and grant programs available through the Rural Utilities Service.

Due to high non-connectivity rates of broadband service in the Underserved and Tribal Communities, and to create a more level playing field for residents’ participation in USDA Rural Utilities Service programs, the Community Connect Program should be added to the list of the eligible programs for SUTA.
Housing

We strongly urge the Secretary of Agriculture to ensure that both underserved communities and tribal governments are eligible for USDA housing programs as direct recipients of funding.

Underserved and Tribal Communities access to a range of USDA housing programs would significantly impact the capacity of residents to deliver affordable housing services. Specific programs that should include direct tribal access include: the Section 515 Rural Housing Loans; Section 502 Direct Housing Loans; Section 504 Very Low Income Home Repair Grant and Loan Program; Section 533 Housing Preservation Grants; Section 538 Guarantee Program; and USDA Rural Development’s Rural Utilities Services.

Housing and Community Development Programs and Activities – Underserved and Tribal Communities and Low Income Residents.

(a) In general. - The Secretary is authorized to provide assistance directly to Underserved and Tribal Communities, their designated housing entities, and their low-income residents in those areas for the following housing programs and activities:

(1) rural housing loans (42 U.S.C. §1471-§1472);

(2) direct housing loans (42 U.S.C. §1472(h));

(3) very low income home repair grants and loans (42 U.S.C. §1474);

(4) housing repair, rehabilitation, and preservation programs (42 U.S.C. §1490); and

(5) Multi-family housing construction, acquisition, or rehabilitation programs (42 U.S.C. §1490p-2).
Agency Mission

The core mission of RD is to ensure that rural America thrives by improving the quality of life for all rural Americans. RD programs are delivered through three major program areas: 1) Rural Housing and Community Facilities; 2) Rural Business; and 3) Rural Utilities.

Key Barriers to Equitable Delivery of Programs

The Assessment Team’s analysis highlights positive aspects of the Agency’s performance along with potential and actual barriers to equitable participation in programs, including the following key barriers to equitable program delivery:

a) SDG lack of knowledge and awareness regarding RD programs, eligibility requirements, application procedures, and terms and conditions of assistance.

b) Multiple office staff workplace issues, including office-specific diversity concerns, which ultimately impact delivery of programs.

c) Eligibility/qualification requirements, which may impede SDG participation in programs.

d) Insufficient outreach to SDGs and other under-served groups.

e) Geographic inaccessibility of office locations to many SDGs.

f) Program design, ranking, and application processes favor larger producers over smaller producers, which are often SDGs.

g) SDG customers are not kept informed of important program information and timelines.

h) There is insufficient outreach/marketing to SDGs and other under-served groups.

i) Application processes, eligibility requirements, technical practices, and timelines are inconsistent with unique needs of tribal and Native American customers.

j) Insufficient and ineffective SDG outreach; some field staff hostility to SDG outreach; ineffective assistance to SDGs; inadequate visibility in the SDG community.

k) Complexity of the application process, particularly for SDGs.
Key Recommendations

1. RD should establish a comprehensive education and information program to target underserved populations, particularly in areas with high SDG concentrations. The communication and education program should be multi-faceted, using the most cost-efficient existing organizations, such as CBOs, 1890 Institutions, Tribal Colleges and Universities, public schools, churches, employers, military installations, and other Federal, state, and local government agencies to reach intended audiences. RD should provide information to these organizations and secure cooperation for them to disseminate broadly, to their employees, students, members, and other constituents.

2. In order to expand RD’s presence and successful utilization of existing program dollars that are not reaching SDG communities, RD should seek organizations such as CBOs able to 1) identify RD programs appropriate for their constituents; 2) educate potential applicants to build capacity; 3) assist with the application process; and 4) work with borrowers to increase the likelihood of success after funding is provided. RD should create certified outreach partnerships by training organizations with technical and substantive knowledge as well as strong ties to SDGs, particularly in states that have not fully obligated funds or are serving under-served populations.

3. RD should reinstitute a Direct Lending Business Program to assist small and SDG-owned businesses, which often require smaller loans to facilitate growth and success.

**RD:** Under-representations in the National workforce include Hispanics/Latinos, and Asians; under-representations in State Offices include Hispanics/Latinos; Area Personnel in the 15 USDA-selected States include Hispanics/Latinos (*several States/Areas*), and Blacks/African Americans (*several States/Areas*).
(1) Department-wide (“DW”) Recommendations

DW-1 Building on the cultural transformation message developed and disseminated by the Cultural Transformation Initiative Task Force, the Secretary’s entire senior team, including Under Secretaries, Assistant Secretaries, and Administrators, should each personally lead a DIA communications campaign—for example, —Re-birth of [All] the People’s Department’l—targeting selected key stakeholders (for example, employees, customers, beneficiaries, CBOs), and the general public.

DW-2 Building on the USDA Cultural Transformation Initiative Statement of Purpose, the Secretary’s Office should prepare and issue the Secretary’s “Diversity, Inclusion, and Accessibility Statement” to all employees, to be posted in all facilities, on the website, blog, and other prominent locations, and to be included in personal mailings to employee homes, such as the annual mailing of W-2 statements.

DW-3 The Secretary should re-issue, and emphasize to all senior leadership and managers/supervisors (along with the entire workforce) rigorous enforcement of a comprehensive USDA “Zero Tolerance” Policy, clearly prohibiting all forms of discrimination, harassment, and retaliation, along with related standards of conduct, and including mandatory discipline for violations regarding both employment and program delivery.

DW-4 The Secretary’s Office should develop, in writing, a customized persuasive statement, i.e., —the business case,— clarifying how effective DIA measures facilitate better achievement of the USDA Department-wide mission, vision, and strategic objectives. Under Secretaries should lead the development of —business cases —specific to each of their Agencies.

DW-5 The USDA Strategic Plan should include a section on DIA, including measurable goals and objectives. Progress against the DIA components of the Strategic Plan should be reported at a minimum in USDA Annual Performance and Accountability Reports, and more often as appropriate.

DW-6 The Secretary’s Office should lead the development and implementation of a sustained employee DIA education/communications plan, educating all employees about the business imperative of DIA at USDA via their customized Agency business cases, including each employee’s individual responsibilities.

DW-7 The Secretary’s Office should lead in the development and implementation of a sustained DIA public communications plan, emphasizing the business imperative of DIA at USDA and how it serves the public interest.
The Secretary’s Office should prepare a video on the Secretary’s DIA commitment, featuring the Secretary and participation by a diverse group of senior USDA officials, for wide distribution at National, state, and local levels, on the USDA website, during employee on-boarding, and for other internal and external uses, maximizing distribution into rural communities (Community-Based Organizations, 4-H Clubs, Farm Bureaus, National Farmers Union, National Grange, 1890’s, Land-Grant Institutions, County Committees, Job Fairs, etc.).

The Secretary’s Office should develop and implement the next phase of a —New Era of Civil Rights and DIA‖ OSEC Communications/Educational Campaign, commencing no later than Fourth Quarter 2011. The Campaign should target broadcast and narrow-cast media and be led by a diverse group including the Secretary, Under Secretaries, Administrators, and others focusing on outlets such as television, radio, print and web-based media, and other major outlets, such as DiversityInc (interview), regarding —turning the page‖ at USDA. Ensure that narrow-casting outlets include those relevant to African Americans, Hispanics/Latinos, Native Americans, Asians, Females, other groups, and the farming/ranching industry.

To highlight implementation of these Recommendations, the Secretary should issue a Department-wide Memorandum (including distribution to all employees, key Congressional Committees, and concerned Caucuses) emphasize the Secretary’s expectations with respect to the Report? The Secretary should also conduct DIA visits, no later than the First Quarter 2012, to the top 10 states with highest concentrations of under-served and socially disadvantaged populations, and involve key Congressional, state, and local participation from those Districts visited.

Senior USDA leadership should assume an active role in the Federal Interagency Diversity Partnership, an organization dedicated to increasing diversity in the Federal workforce (in which USDA has had low-level participation, to date). Participation should be at the Assistant Secretary/Administrator level or above.

Create an external USDA Diversity, Inclusion, and Accessibility (“DIA”) Executive Advisory Board, consisting of external stakeholders/experts to provide broad, independent advice on enhancing DIA efforts at USDA.

Create an internal USDA Executive Diversity, Inclusion, and Accessibility Leadership Council consisting of senior officials drawn from across USDA.

Supplementing the external Advisory Board, USDA should establish “strategic alliances” or informal “partnerships” with one or several nationally-recognized corporate diversity leaders, for regular exchange of information on policies and practices, particularly “best practices.” These public/private partnerships would specifically address issues of workforce and marketplace DIA; marketing to a diverse constituency; use of customer and
workforce surveys; strategies for diverse and inclusive recruiting, retention, and advancement; most effective methods of monitoring, reporting, and accountability; and other related topics. This relationship should include mutual workplace speaking engagements; co-authoring articles; joint sponsorships of DIA Conferences with multiple corporate and government sponsors, speakers, brainstorming workshops, and best practice sharing sessions; and other ongoing synergistic interactions.

**DW-15 Establish by Secretarial Reorganization an Under Secretary for Diversity, Inclusion, and Accessibility; Civil Rights; and Departmental Management.** The combined and enhanced roles of the Assistant Secretary for Administration, which include human resources, budgeting, marketing, outreach, as well as civil rights enforcement and compliance, would be trifurcated under a new direct report to the Secretary, an Under Secretary position responsible for three functions: (1) Administration; (2) Civil Rights compliance and enforcement (under the OASCR); and (3) Diversity, Inclusion, and Accessibility led by the USDA —Chief Diversity Officer (including the Office of Advocacy and Outreach, and an Office of Emerging Customer Development). Civil Rights and Administration would remain under an Assistant Secretary and DIA would report to a Chief Diversity Officer. The Secretary has already taken some preliminary actions in this direction, but more formal action is essential to send a strong positive message of priority to internal and external stakeholder groups.

**DW-16 Appoint Chief Diversity Officers for every major Agency**, reporting directly to the Agency Administrators/Chiefs, with matrix reporting to the USDA CDO and the Assistant Secretary for Civil Rights. Conduct monthly meetings with all Agency CDOs, chaired by the USDA CDO.

**DW-17 Appoint Chief Diversity Officers in every State Office** with dual diversity/compliance functions, with staffs and budgets, and direct reporting to State Directors and matrix reporting to the USDA CDO/ASA.

**DW-18 Create within every major Agency CDO Office an “Office for Emerging Customer Development,”** to replace —outreach— positions.

**DW-19 Study optimal, most efficient means of staffing of both CDO and ASCR activities, both previously under-staffed in the field.**

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To improve and ensure enhanced accountability for diverse workforce representation, USDA and its Agencies should expand beyond the EEOC-required MD-715-01 analytical requirements and voluntarily utilize the more rigorous OFCCP-model Federal contractor self-evaluative requirements. This would include analyses of (a) current personnel utilizations against pertinent labor pools, and (b) potential adverse impacts of all key aspects of workplace DIA functions, including identifying under-representations and under-performances, and preparing and implementing specific remedial action plans, along with annual reports to senior management on progress against goals.

USDA should hold all managers accountable for utilizing a diverse pool of applicants for all vacancies/promotions, with limited exceptions to be approved/denied by the USDA CDO. The CDO would direct follow-up actions to remedy the reasons for exceptions, where such exceptions are temporarily approved.

The scope of the USDA CDO responsibilities should include conducting, analyzing, and reporting on Annual Organizational Health surveys of all USDA employees. The Surveys must include comprehensive DIA questions (covering the workplace and —marketplace), to broadly measure job satisfaction, morale, and effectiveness of USDA policies, programs, and performance. USDA should simultaneously establish a methodology for regular Department, Agency, and Office reviews, summaries, reports to the Secretary, feedback to the workforce, trend tracking, and responsive actions (such as setting supervisory performance objectives, as detailed above, and training).

USDA should enhance active recruitment from major corporations and other Federal Agencies for senior positions, including —Exchange and —Lend an Executive programs, and focus on diversity in such recruitment.

Following the model of President Obama’s May 2010 Memorandum mandating recruiting/hiring process changes (—Hiring Reform Action Plan, see Exhibit 14), USDA should work with OPM as necessary to re-assess and revise, as needed, all job descriptions in job categories of minority and female under-utilization. The goal would be to ensure that job descriptions are not unduly restrictive in order to reduce adverse impacts, and remediation of any such impacts disclosed. See Executive Order 11246; 41 CFR § 60; Section 503 of the Rehabilitation Act of 1973; 38 U.S.C. § 4212. While OFCCP requirements apply only to Federal contractors, not to Federal departments and agencies, the Team recommends that USDA voluntarily adopt these well-established, effective methodologies and make them mandatory throughout the Department.

2 Pursuant to 42 U.S.C. § 2000e-16; 5 U.S.C. § 901 et seq; Executive Order 11748; and Section 501 of the Rehabilitation Act of 1973, as amended by Pub. L. 99-506, 100 Stat. 1807, October 21, 1986, Equal Employment Opportunity Commission Management Directive 715 (MD-715) requires heads of all executive agencies to submit an annual report on their workforces that includes workforce demographic data, in an effort to ensure that all employment decisions are free from discrimination. Pursuant to Executive Order 11246 and implementing regulations, the Office of Federal Contract Compliance Programs (—OFCCP) requires Federal contractors to annually conduct a workforce analysis, comparing incumbent personnel with —availability in the relevant job categories and labor pools; if the analysis demonstrates that women and/or minorities are underrepresented, the contractor must implement affirmative action to increase the participation of minorities and women in the workplace. The regulations further require numerous analyses of applicant flow, hiring, promotions, terminations, and other aspects of workforce management, to detect any —adverse impacts, and remediation of any such impacts disclosed. See Executive Order 11246; 41 CFR § 60; Section 503 of the Rehabilitation Act of 1973; 38 U.S.C. § 4212. While OFCCP requirements apply only to Federal contractors, not to Federal departments and agencies, the Team recommends that USDA voluntarily adopt these well-established, effective methodologies and make them mandatory throughout the Department.
In concert with the Secretary’s Cultural Transformation training initiative and Recommendations in the Agency Assessment Sections, beginning with an RFP/RFI/RFQ process in FY 2011, **USDA should dramatically upgrade mandatory nation-wide DIA in-person training, covering both the workplace and the marketplace (customer service).** The materials should include an educational module designed to counteract employee resistance to —targeting‖ under-served populations.

**USDA should establish a knowledge transfer/mentorship program** using, among others, senior/near-retirement USDA employees to transfer institutional knowledge and mentor rising high-potential minorities and women.

**USDA should implement a rigorous succession planning methodology** for incorporating minorities and women in higher positions at USDA.

**USDA should expand upon actions of the Cultural Transformation Initiative by designing and incorporating specific, meaningful, and measurable DIA objectives in all senior official and managers’ performance plans, and using them to appropriately affect compensation, promotion potential, and other areas of employee performance and progression.** Standards will vary depending on job category (e.g., —bonus-eligible‖ positions), but new, specific DIA objectives will be impactful. (As noted above, with some exceptions, employees generally do not regard the —Civil Rights/EEO‖ component of their performance evaluations as meaningful or having any positive or negative impact on their careers.)

**Building on the recent addition of a diversity category to the Secretary’s Honors Awards in 2010,** **regularly recognize and publicly reward outstanding performance in diverse workforce development and marketing practices** and results at Departmental, Agency, and State levels.

**Organize and Implement an Intra-Agency Data Validation and Integrity Team** to verify the validity of existing data, and dramatically improve the integrity of all data gathered in the future:

a. Obtain the Race/Ethnicity/Gender OMB approval as soon as possible. Implement the requirements to collect such data from applicants and customers in the four USDA Agencies (FSA, RD, NRCS, and RMA), and other customer-service Agencies as appropriate. Provide necessary roll-out materials, training, and early monitoring of compliance to correct deficiencies. Regularly report to the Office of the Secretary on progress.
b. Require AIPs and financial institutions with USDA-guaranteed loan programs to collect the same data from their applicants and customers, and design templates for recording and retrieving race/ethnicity and gender information about applicants and insureds.

c. Establish a USDA management priority to improve data collection/retrieval throughout USDA.

**DW-31** FSA, RD, NRCS, and RMA (and other customer-serving Agencies as appropriate) should *develop a template (such as that used in this Assessment) for regularly collecting and reporting on customers served, by race/ethnicity and gender*. The information should be reported to the Agency heads on a monthly basis, and the Secretary on a quarterly basis. It should be used to develop marketing plans (discussed below) and measures for performance evaluations.

**DW-32** USDA should commence reporting to Congress under Section 14006 of the 2008 Farm Bill in FY 2011 using best available data, and prepare annual reports to Congress as required thereafter. USDA should provide not only numbers and percentages of customers by race/ethnicity and gender, but also dollars awarded/paid/obligated and percentages for each SDG, along with comparisons to the percentages of SDGs in the relevant populations. USDA should include customers for all Agencies and all programs, not just farmers and ranchers (as required by Section 14006).

**DW-33** USDA should prepare *Annual Reports to Congress* (Senate/House Agriculture and other interested Committees) from the Secretary (prepared by the Under Secretary for DIA) covering:
- Employment diversity goals and performance/improvements;
- Under-served, including socially disadvantaged, customer service goals and performance/improvements;
- Civil rights employment complaint metrics, performance, and —lessons learnedl;
- Program civil rights complaint metrics, performance, and —lessons learnedl; and
- New initiatives to better serve the under-served.

**DW-34** USDA should require *Annual DIA Business Plans from all major Agency Headquarters and State/County Offices*, showing goals/objectives for inclusion of under-served, including socially disadvantaged, populations, with metrics, deadlines, evaluations of performance against goals, and end-of-year results reports to the Secretary.

**DW-35** The ASCR should develop, institutionalize, and lead an ongoing annual process to review, analyze, and report on “lessons learned” from (a) EEO complaints, and (b) program
complaints, closed during the year. This should include identification of recurring themes underlying the analysis of complaints, results of investigations (which often turn up areas for improvement in communications, training, and other areas even when there is no finding of discrimination, and certainly do so when there is such a finding), and recommendations for improving practices to avoid such complaints in the future. These reports should be distributed on the intranet to all employees, and to all USDA senior officials and managers.

**DW-36 USDA should reconstruct the Program Complaint process, commencing with completing its implementation (already underway by ASCR) of a simple complaint form (rather than the current—letter requirement), similar to the EEOC Charge Form, and simplifying all steps in the process, including eliminating unnecessary review levels, to enable more expedient investigations and decision-making. All Program Complaints should be filed at Headquarters, not at the State or local level (provide pre-paid envelopes addressed to USDA).**

**DW-37 USDA should install and widely publicize two toll-free Hotlines (one for employees; one for customers), integrated with the Complaint System, which would log in and create files for all complaints received, and follow normal processes for investigation and closure.**

**DW-38 USDA should annually outsource to a highly-rated private sector entity 10% of Program and EEO complaints for investigations on 60-day tracks and compare the findings, timing, and hours invested per matter with USDA-conducted investigations. Take appropriate follow-up actions with respect to USDA practices.**

**DW-39 Building on the EEO Accountability Program, recently established in OHRM through the Cultural Transformation Initiative, USDA should develop and produce a simplified policy manual for all employees, which includes permissible and effective methods to discipline employees who violate anti-discrimination, anti-harassment, and anti-retaliation laws and policies.**

**DW-40 Following the IRS-announcement model (capitalizing on the deterrent effect of audits, prosecutions, and punishment), USDA should internally publicize documented, confirmed acts of USDA discrimination, harassment, and retaliation, and corresponding penalties consistent with applicable restrictions, such as privacy laws, as a way of educating the workforce as to—real-world experiences, recent developments, and reminding them of the importance of a shared commitment to DIA values and processes.**

**DW-41 USDA should now and annually remind all Agencies of the fundamental requirements for Civil Rights Impact Statements (DR 4300-002) (“CRIS”)—which have strong potential for integrating DIA in administrative policy and transformational change efforts—and OASCR and the Agencies should rigorously enforce those requirements, as appropriate, by requiring and providing additional information and concluding with denials, conditions, and monitoring of performance, as appropriate. OASCR should communicate as**
needed with the Department and Agencies as to lessons learned, evolving standards, and new initiatives regarding CRIS.

**DW-42 USDA should work with OPM and Congress as necessary to enable streamlined discipline for civil rights violators**, including suspensions/terminations, to maximize availability of effective, message-sending disciplinary measures.

**DW-43** For a provisional, one-year-period (until confidence and trust is restored in USDA’s operations), **USDA should require immediate referral and review of all denied (and perhaps inordinately delayed) loan/program applications, and all foreclosures, of SDGs, at USDA CDO-Headquarters.**

**DW-44 USDA should re-establish a “Testing Program”** (using accepted protocols of farmers and RD customers, such as HUD Testers) for customer service equity evaluations.

**DW-45** In concert with various moratoria on such foreclosures, **USDA should create within the office of the Under Secretary for DIA responsibility for review of all proposed foreclosure actions impacting SDGs; USDA should take all reasonable steps to re-structure non-performing loans with, and avoid foreclosures against, SDGs whenever feasible.**

**DW-46** Beginning in FY 2012, initiate —Rebirth of _All The People’s Department, ‘‖ or similarly-themed, messaging approach.

**DW-47** In addition to OSEC communications, the Office of Communications should establish and develop a high-volume —Model Department‖ Education/Communications Campaign designed to educate the public, customers, and potential customers about USDA vital programs and communicate a positive, proactive Departmental message and leverage the Secretary’s —New Era of Civil Rights‖ (and now, DIA) mission.

**DW-48** Myth/rumor-busting: USDA should develop a strategy for improved information flow to anticipate and dispel key myths about and within USDA (examples of such myths include: FSA County Committees decide who get USDA loans; the number of minority farmers is decreasing; —targeting‖ under-served populations is —reverse discrimination;‖ all minority farmers are small, etc.).

**DW-49** —Re-brand‖ and educate the public about USDA in recruiting efforts to SDGs and others by emphasizing not just agriculture but important USDA workforce skill sets such as asset management, finance and accounting, risk management, insurance, science and engineering, and economics.

**DW-50** USDA should apply for the designation —Best Federal Agencies‖ at DiversityInc—the result is a —freel analysis, comparisons with benchmarks, and suggestions for improvement, all which can be used as additional input for DIA enhancements at USDA. This effort should be led by the new USDA CDO.
**DW-51** USDA should adopt a semantic/philosophical change to eliminate negative and misimpressions: for example, the term ―outreach‖ should be expunged in favor of ―marketing, and ―diversity‖ should be used in place of ―civil rights‖ when the real intent is ―diversity."

**DW-52** Expanding upon current statutory requirements for assembling program customer data by race/ethnicity and gender (―Transparency and Accountability for Socially Disadvantaged Farmers and Ranchers‖), **USDA should develop a rigorous process for conducting annual utilization (―Market Penetration‖) analyses of its customer base focusing on relevant SDG populations, including numbers, dollars, and types of assistance, and identifying underutilizations to serve as the basis for Annual Marketing Plans (see next Recommendation, below).**

**DW-53** Based on the results of the Market Penetration Analyses, **each Agency, State Office, and Region/Area/County Office as appropriate, should work collectively to prepare and implement Annual Marketing Plans, including ―outreach‖ grants, and other goals, objectives, and corrective actions to remediate areas of under-service to SDGs (in a similar manner as the Team has proposed that USDA collect and analyze under-utilization data for USDA employment categories, with plans for corrective actions).**

**DW-54** Based on each respective Annual Marketing Plan, **each Agency, State Office, and Region/Area/County Office as appropriate, should prepare Monthly and End-of-Year Performance Reports**, reflecting performance against goals and including actions to be taken in the next Annual Marketing Plan. **Performance evaluations for leadership in each Agency should be positively (or negatively, as appropriate) and measurably affected by performance against goals.**

**DW-55** USDA should establish and disseminate within each customer-serving Agency **annual customer satisfaction surveys**, including DIA questions. The USDA CIO and Agency leadership should analyze and publish the results, and work with the Department and all Agencies on needed improvements indicated from the surveys.

**DW-56** USDA should develop and implement, or facilitate/sponsor the implementation of, a **Mentor-Protégé Program** (similar to that in other Federal Departments, such as DOD) wherein ―Mentors‖ provide **broad business advice and assistance to small/beginning/disadvantaged farmer/rancher/business owner ―Protégés,‖ to assist them in operating and growing their businesses."
Legislative and Departmental Authorities

**FAS was established on March 10, 1953,** by Secretary's Memorandum No. 1320, Supplement 1. Public Law 83-690, approved August 28, 1954, transferred the agricultural attaches from the Department of State to FAS. These memoranda were consolidated in Title 5 of the Agricultural Trade Act of 1978, as amended. Secretary's Memorandum No. 1020-39 dated September 30, 1993, transferred the functions of the former Office of International Cooperation and Development to FAS.

Title 5 of the Agricultural Trade Act of 1978, most recently amended in 2008, states that the Administrator of FAS is given the power to “exercise such functions and perform such duties related to foreign agriculture,” and may also be assigned other duties by law or by the Secretary of Agriculture (Title 5, section 502b). Additionally, the Administrator is responsible for oversight of FAS, the General Sales Manager, and the Agricultural Attaché Service (Title 5, section 502c).

Specifically, 7 USC §5693, mandates: “The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by –

1. Acquiring information pertaining to agricultural trade;
2. Carrying out market promotion and development activities;
3. Providing agricultural technical assistance and training; and
4. Carrying out the programs authorized under this Act, the Food for Peace Act (7 U.S.C. 1691 et seq.), and other Acts.” (Title 5, section 503)

USDA Regulation 1051-001 (June 2005) defines the role of the Foreign Agricultural Service as the Department’s lead agency in coordinating all agricultural matters with foreign countries. Regulation 1051-002 (December 2004) further states that FAS’s responsibilities “include, but are not limited to, the responsibility to coordinate the carrying out by Department agencies of their functions involving foreign agriculture policies and programs and their operations and activities in foreign areas; acting as a liaison on these matters and functions relating to foreign agriculture with the Department of State, the United States Trade Representative (USTR), the U.S. Agency for International Development (USAID) and foreign governments; conducting functions of the Department relating to the World Trade Organization, and legislation affecting international agricultural trade; and administering and directing the Department’s programs in international development, technical assistance and training carried out under the Foreign Assistance Act of 1961, as amended.”
September 1, 2016

Ms. Paul Garcia, Chairperson
Mr. Randall Ware, Vice Chairperson
Sub-Committee Members
OAO Administrator(s)

Re: Foreign Agriculture Service
2016 Report

Dear Ms. Garcia:

This Sub-Committee understands that FAS plays a critical role in USDA’s efforts to collect, analyze, and evaluate global commodity market intelligence and data for all major agricultural commodities. What we found is to be a disconnection with small-scale farmers and producers relatively its outreach program to recruit and train for global productions. Knowing that FAS has all authority affecting international agricultural trade; and administering and directing the Department’s programs in international development, technical assistance and training carried out under the Foreign Assistance Act of 1961, as amended. Since the FAS is considered to be among the most credible, timely, and reliable in the world. Those policymakers’ who the ability to make sound decisions about trade policies, market development programs, food security issues, and export assistance activities is dependent on the quality of this underlying analysis should strongly consider the small-scale farmers and producers. Please understand that these agricultural markets rely on the information to develop and implement domestic and international programs and make key business decisions.

FAS should provide this Sub-Committee what efforts have been made to utilize their technical expertise and experience to small-scale farmers, producers, including minority-serving institutions. They should what extent they provided leadership in developing a department-wide strategy to achieve USDA goals abroad those small-scale farmers and producers. FAS must also be committed to increasing program monitoring and evaluation the inclusion of those small-scale farmers and producers in order to establish best practices throughout their Agency. Because FAS places a high level of importance on managing for results that supports the Agency’s capacity to administer public resources, they must ensure accountability and transparency, and ensure programming is driven by evidence, not by anecdote.

Given that having to increase economic activity in food-related sectors of the economy help rural communities build and maintain prosperity. Nowhere is this more evident than in food and agricultural trade. For every $1 billion of food and agricultural exports, an estimated 7,800 jobs
are supported and an additional $1.34 billion in economic activity is generated. The importance having more of the small-scale farmers and producers is highly important.

Overall, we have found that the U.S. farmers and ranchers are among the most productive and efficient in the world. However, they face complex, unfair obstacles in the global marketplace where 95 percent of the world’s consumers are. In order obtain more Cooperative efforts with U.S. industry adding more small-scale farmers and ranchers will help to ensure that U.S. producers have fair market access, understand market trends, and help in overcoming constraints.

To have FAS expand their international market opportunities for U.S. food and agricultural products in many ways. Their unrivaled global network of agricultural affairs and agricultural trade offices connect small-scale agricultural exporters to foreign customers and provides crucial information on international agricultural markets is relevant. In addition, FAS must deliver technical and regulatory capacity building programs that help partner countries understand and accept U.S. agricultural and trade policies and small-scale enterprises.

The FAS must make inclusive small-scale farmers and ranchers in order to increase U.S. food and agricultural exports by $10 billion by end-year 2018. We must view the bellow objectives:

**Increase effectiveness of FAS market development programs and outreach activities**

Explain what timely and efficient delivery of market development programs to small-scale farmers and ranchers to help (e.g., improved websites, user manuals and an enhanced Unified Export Strategy database system).

What has been done to leverage private sector resources such as small-scale farmers and ranchers for market development programs that expand trade by communicating the value of FAS market development programs, trade capacity building programs, and exports, to U.S. stakeholders?

What expansion and enhance partnerships with Small- and Medium-Sized Exporters (SMEs), by improving communication through State Departments of Agriculture, the National Association of State Departments of Agriculture (NASDA) and State Regional Trade Groups (SRTGs) and provide better matching exporter assistance solutions to SME/related agricultural companies?

What was their increase in public awareness of export opportunities through education and outreach efforts, including reaching out to new-to-export SMEs and new-to market agriculture-related companies to encourage active participation in foreign trade shows and a wide variety of exporter assistance education tools?
What has been done to focus on FAS credit program tools on maintenance or development of markets to enhance that small-scale farmers and ranchers participate in the U.S. food and agricultural exports?

How many small-scale farmers and ranchers are connected to the FAS network and outreach with all interested parties, foreign and domestic, by having specific regional or commodity expertise, working closely with FAS Field Offices?

To ensure long-term program sustainability how many small-scale farmers and ranchers by improving risk assessment and recovery of assets and revising methodology for determining fee structure and refining actuarial data to ensure it appropriately reflects long-term operational costs.

What are the number of small-scale farmers and ranchers who have worked closely with U.S. commodity exporters, financial institutions, and industry trade groups to improve delivery of their programs?

This Sub-Committee has gone through the means of developing this supplemental report for the MFRC, we feel that recognizing the importance of small-scale farmers and ranchers as the foundation of America’s agricultural and rural economy. We ask that more emphasis go into understanding that sustainable rural renaissance can be anchored into a vibrant, dynamic, small-scale agriculture sector and we believe that our recommendations and comments, if implemented, will contribute to this resurgence.

Respectfully submitted,

Rural Development, Forest Service, NIFA and FAS
Specifically, 7 USC §5693, mandates: “The Service shall assist the Secretary in carrying out the agricultural trade policy and international cooperation policy of the United States by –

(1) Acquiring information pertaining to agricultural trade;
(2) Carrying out market promotion and development activities;
(3) Providing agricultural technical assistance and training; and
(4) Carrying out the programs authorized under this Act, the Food for Peace Act (7 U.S.C. 1691 et seq.), and other Acts.” (Title 5, section 503)”

<table>
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<tr>
<th>2005 - 2015</th>
<th>Underserved Participation Data</th>
<th># of</th>
<th>Race</th>
<th>Gender</th>
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<td>Bill Emerson Humanitarian Trust</td>
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<td>Export Sales Reporting Program</td>
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<td>Wool Apparel Manufacturers Trust Fund</td>
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Recommendations:

1. How can we assure that once, the vast majority of rural counties that depends on farming as their primary source of income be guaranteed FAS assistance?

   a. If we fewer farmers, and how can the FAS help in outreaching to these farming-dependent counties that are the home to only 9 percent of the rural population?

2. What can FAS do in these counties to assist those nonfarm sectors that are a major source of employment and income, providing nearly 80 percent of the jobs in farming-dependent counties?

   a. These jobs are being held by farmers and non-farmers alike. Many farmers and farm families depend on nonfarm jobs and incomes to make ends meet.

3. The FAS will need to change their outreach program with the small-scale farmers and ranchers while the remoteness of these counties creates a barrier to their development. Understanding that very few urban centers or nearby major metropolitan areas, these counties have limited access to the information, innovation, trade, services, and finance that drive today’s economy.

4. FAS can help in the decline in jobs, income levels in farming-dependent counties compare favorably with other non-metro counties. Farming counties lagged behind other non-metro counties in creating jobs. Total employment has declined and, consistent with national trends, farm jobs declined over the last 30 years. Whit in those counties, new jobs have not being created fast enough to replace those lost in farming.

5. FAS should realize that the decline has exacerbated the already high ratios of nonworking-age to working-age people. If this, historical and current trends continue, however, the future of farming-dependent counties will be one of further declines in population--especially among the working-age and well-educated--and farm employment.

6. FAS should consider that having a domestic interest in America’s agriculture is a priority. In order to resolve that small-scale farms and ranchers can still be stronger and will thrive, using USDA’s farming systems that emphasize the management, skill, and ingenuity of the individual farmer. FAS must provide a positive envision of our competitiveness advantage for small-scale farmers and ranchers to realize that through a framework of supportive, yet responsible, government and private initiatives, the application of appropriate research and extension, and the stimulation of new marketing opportunities. Because small farms and farmworkers succeed in this nurturing environment, not only will they continue their
valuable contribution to the Nation's food supply, but they will also fuel local economies and energize rural communities all across America. In the process of flourishing, small farms will contribute to the strengthening of society, providing communities and the Nation with opportunities for self-employment and ownership of land, and providing a cultural and traditional way of life as well as nurturing places to raise families.

**FAS Domestic Points of Interest:**

7. FAS should recognize the importance and cultivate the strengths of small farms.

8. FAS should create a framework of support and responsibility for small farms.

9. FAS must promote, develop, and enforce fair, competitive, and open markets for small farms.

10. FAS should conduct appropriate outreach through partnerships to serve small farm and ranch operators.

11. Establish future generations of farmers.

12. FAS must emphasize sustainable agriculture as a profitable, ecological, and socially sound strategy for small farms.

13. FAS should dedicate budget resources to strengthen the competitive position of small farms in American agriculture.

14. FAS must provide just and humane working conditions for all people engaged in production agriculture.

15. FAS must assure that small-scale farmers and ranchers embody a diversity of ownership, of cropping systems, of landscapes, of biological organization, culture and traditions. By having a varied farm structure contributes to a diversity of cropping systems and, therefore, to biological diversity. These large numbers of smaller farms contributes to a diverse and esthetically pleasing rural landscape and open space, particularly appreciated by urban people as well as rural neighbors. Having a connection to the land has always been central to the spiritual and cultural values of our country's indigenous people. Furthermore, widespread ownership of land is an essential principle of our Nation's earliest public policies. With land ownership and farming provided a foundation for community and tradition for the new settlers and pioneers who often fled from oppressive regimes to seek greater opportunity in America.
16. FAS must realize that less than 2 percent of the Nation's population engaged in farming, most consumers have little connection to agriculture and food production. This is a consequence; they have little connection with nature, except as a place for recreation, and lack an appreciation for farming as cultivation of the earth for the production of food that sustains these small-scale farmers and ranchers. Most consumers have little connection to agriculture and food production. This is a consequence; they have little connection with nature, except as a place for recreation, and lack an appreciation for farming as cultivation of the earth for the production of food that sustains these small-scale farmers and ranchers.
July 2016 Chairperson Sub-Committee Report

Rural Development Forest Development National Institute of Food and Agriculture Foreign Agriculture Services

Harvey Reed, Chairperson
July 15, 2016

Ms. Paul Garcia, Chairperson
Mr. Randall Ware, Vice Chairperson
Sub-Committee Members
OAO Administrator(s)

Re: Sub-Committee July, 2016 Report

Dear Ms. Garcia:

This Sub-Committee of the “Minority Farmers and Ranchers Advisory Committee” would like to submit a copy of the July, 2016 Committee Report. Since we last met in New Orleans, May, 2016 it was uncovered that there was much needed information that was not addressed during that time. Since we have not seen a Draft of those concerns, this Report is being submitted after talking to those who were there or listening by phone. There’s much needed work to be done by the Sub-Committees since we only have less than a year to show some results. We still look forward to working with this Advisory Committee until our tenure is up and to establishing a productive and positive working relationship.

In this regard, I’m pleased to submit this July 2016 Report, which is intended to accomplish goals outline within. The reasons why this Sub-Committee believes that our (4) agencies has the potential to revolutionize sustainable agriculture and food production for the small farmers and ranchers; to work closely with the U.S. Department of Agriculture (USDA) to coordinate on issues of shared interest pertinent to agriculture and rural communities; and express the Committee's interest in serving as a source of credible and timely information pertinent to USDA's critical role in fostering better services to the relevance to small farms, ranchers, and rural communities.

We appreciate this opportunity to offer these suggestions, and look forward to working to achieve our full potential in enhancing agriculture and food production through small farmers and ranchers.

Respectfully submitted,

Rural Development, Forest Service, NIFA and FAS
“According to the USDA’s National Agricultural Statistics Service’s most recent Ag Census data, the number of young people entering farming continues to decline, but the number of new farmers and ranchers over the age of 35 is on the rise, as is the number of smaller farms and ranches nationwide. Ensuring there will be a new generation of beginning farmers and ranchers — regardless of age or production choice—is important to the future of U.S. agricultural production. Opportunities exist within farming and ranching, but beginning farmers and ranchers have unique educational, training, technical assistance, and outreach needs. Those who are brand new to farming or ranching, and those in their first ten years of operation, need access to capital, land, and informational resources to ensure profitable, sustainable businesses.”

This Sub-Committee was given the tasked with evaluating those four agencies in recommending the process in regards to their policies relating to small farmers and ranchers. Specifically, Sub-Committee was asked to: 1) identify key areas of influence within the overall disparity process; and 2) make recommendations to the Secretary of Agriculture on how to better inform the policy development process with the dissemination of information. Our Sub-Committee will look into two functional areas: economics and communication.

This Sub-Committee shall look at what does those economic analysis seek to address based on data, scope, and methodological considerations in analyses as well as timing, team building, and collaborations relating to the economics of policy development and policy implementation. We need to explore issues that impact the reliability and relevance of economic analyses to the policy-making process. Some of these issues are: 1) existence and use of consistent guidelines for economic analyses; 2) timing and triggering of economic analyses; 3) expertise and other collaborative requirements; and 4) organization peer review.
This Sub-Committee shall address communication within the committees we are assigned: 1) alignments and links across agencies in sharing policies information; 2) linkages and information flow regarding science from agencies to producers and flow of information back to agencies from producers regarding BMP effectiveness; and 3) other policy relevant information. Effective communication for improvements to small farmers and ranchers requires that high quality data (agriculture and economic) be generated and shared at an early stage with appropriate stakeholders in the agricultural communities.

This Sub-Committee should begin with the premise that local, state, and federal budgets will continue to face significant cuts, and many of the funds that traditionally have helped small farmers and ranchers implement Best Practices may no longer be available. This means that USDA and its partners will need to target their remaining resources to sources that contribute disproportionately to funding problems, and will need to act proactively in our defense to achieve agriculture quality improvements.

Our Sub-Committee should begin seek how partnerships can be a very effective way for the USDA to facilitate and accomplish positive change in agricultural with their agriculture programs and funding, especially in light of the limited statutory authority the agency has over agricultural operations and outreach. This strategy is not new to the USDA and, in fact, there are numerous examples of successful partnerships between the USDA and agriculture, industry, and various CBO’s/NGO’s groups. This Sub-Committee should work with their constituencies to gathered, reviewed, and discussed several of these examples and others outside the Agency as a means of identifying key factors for why and how partnerships can enhance efforts to address problems.

Key factors to be considered in deploying working partnerships as a core strategy include:

This investment is needed in order in building trust predicated upon mutual respect and deference in appropriate circumstances;

- Different roles and how to identify the best role to support partnership;
- Mechanisms essential for supporting partnerships;
- The best contexts in which partnerships can be successful.

The scope of these partnerships can range from a national to regional to state to local, and USDA can play various roles in the partnership depending on the nature of the issues. Because the vast majority of small farmers and ranchers’ impact associated with agriculture are non-point in nature, this Sub-Committee should establish the dialogue to discuss the need for the USDA to increase its attention to and support of partnership approaches to effectively advance agricultural small farmers and ranchers’ goals. In order for the USDA to make a more meaningful, lasting, and significant impacts across the landscape, we are identifying three areas
where partnerships can increase the effectiveness of and foster more rapid and sustained implementation of solutions to the small farmers and ranchers’ challenges:

- Partnerships to advance collaborative research to better understand the knowledge behind challenges and opportunities and to support collection of better data from which to develop solutions;

- Partnerships to discuss and resolve an agricultural impairment issue; and Partnerships to implement agricultural small farmers and ranchers’ solutions.

- This Sub-Committee also noted that agricultural certainty was another issue around how USDA should leverage a partnership approach, which could play in increasing adoption of safeguarding measures by farmers.

**Develop a coordinated public engagement plan at the national, regional, and local levels to exchange information on agricultural and small farmers and ranchers’ quality issues.**

- Identify and reach out to key leaders (state and local grower associations, land grant extension, tribes, and other key leadership) early in the process to notify industry about a small farmers and ranchers’ quality issue.

- Develop appropriate outreach materials to explain the dissemination behind the practices, impacts, small farmers and ranchers’ quality goals.

- Instruct the USDA Administrators and Directors to establish a process to coordinate data sharing across agencies and other stakeholders.

Demonstrate Best Practices at the small farmers and ranchers level to facilitate understanding of the connection between action and impact.

**Sub-Committee Recommendations**

With significant cuts to a variety of funding sources likely, USDA needs to make the most efficient and effective use of the resources and funding remaining. Along these lines, USDA should: apply resources and funding commensurate with the challenges of the end-users; assign staff with excellent technical and customer skills dedicated to this task; and strengthen traditional partnerships and expand into non-traditional relationships to leverage USDA resources and funding more strategically.
To do this, we are recommending that USDA take the following steps:

**Ensure adequate staff are available with resources and funds to work effectively in the field with agriculture on small farmers and ranchers’ issues, help catalyze effective technology transfer to agricultural producers, and connect more effectively to the CBO’s/NGO’s and Land Grant Universities.**

- Create and maintain full-time Regional OAO Agricultural Advisor positions which report directly to the National Administrator in all USDA Designated Regions.

- Expand support of the USDA’s Land Grant University (LGU) Liaison positions in all USDA Regions and work with the NGO’s/CBO’s and LGUs to provide salary and adequate travel budget.

**USDA should work proactively to address small farmers and ranchers’ quality issues.**

- Encourage opportunities with NGO’s/CBO’s, institutions, organizations, and LGUs, to develop effective technology transfer programs.

- Engage stakeholders before planning regulatory actions to encourage voluntary local action, discuss possible solutions, and convene key stakeholders to better align resources to address the problems.

- Develop and support integrated training for USDA employees to increase their effectiveness in working with small farmers and ranchers.

- Invest in developing curricula through partnerships with NGOs/CBOs, LGUs and community colleges that address regulatory issues facing agriculture, for both agriculture and natural resources students.

**Outreach Efforts**

- USDA should develop a coordinated public engagement plans to exchange information on agricultural and small farmers and ranchers issues.

- USDA should ensure it has adequate staff with resources to work effectively in the field with agriculture on small farmer and ranchers issues, specifically Regional Agricultural Advisors, NGO’s/CBO’s and Land Grant University liaison positions in all Regions.
• USDA should work proactively with small agriculture producers to address opportunity issues early and often, and continue to encourage and support state certainty programs, especially with respect to stewardship.

• USDA should continue to improve the effectiveness and reach of currently available resources by leveraging resources with others, including State and Federal programs, Section 319 funds, USDA National Institute of Food and Agriculture (NIFA) opportunities small farmers and ranchers to obtain state revolving funds from those private foundation funds and private markets.

• USDA should enable and provide resources for a multi-entity, multi-disciplinary partnership to develop and use tools and protocols for improved measurement, documentation, and verification of water quality benefits from agricultural practices and strategies, and to improve the use of resources for the development and delivery of critical best management practices.

USDA should convene, support, and facilitate a multi-entity, multi-disciplinary partnership to evaluate and advance more effective approaches to delivering real improvements to help with nutrient management and other critical conservation practice efforts, and to advance more effective use of federal and state resources invested in small farmers and ranchers programs. This will help in providing the following:

• Credibility
• Flexibility
• Technical Feasibility
• Economic Viability
• Environmental Soundness
• Transparency
USDA must increase the effectiveness and reach of currently available resources by leveraging resources with others.

- **(NIFA)**
  - Use Section 319 funds to help States develop reasonable levels of stewardship for certainty agreements, strategically waive the 40 percent cost-share requirement if necessary, and work with State and federal conservation programs and USDA NIFA to coordinate water quality funding opportunities which should include small farmers and ranchers.
  
  - Expand the use of State Revolving Funds to establish wetland mitigation banks and use the proceeds from the sale of the resulting credits to reimburse the SRF loan or purchase development rights on farmland.
  
  - Reach out to private foundations to explore aligning private sector resources more effectively with Agency efforts.
  
  - Leverage private sector efforts to establish performance metrics for agriculture to meet its water quality challenges for small farmers and ranchers.
  
  - Continue to encourage ecosystem services markets by providing guidance to the States on ways to support markets and improve small farmers and ranchers’ water quality in advance of regulatory drivers.

- **Partnerships Recommendations**
  
  - Partnerships are especially critical for NIFA in addressing small farmers and ranchers’ water quality issues:
  
  - The diffuse and complex nature of how this impacts the small farmers and ranchers necessitates working at the appropriate watershed level, and thus with the many entities in that watershed.
  
  - Given limited resources, partnerships can help and are critical to leveraging funding, expertise, and people.
  
  - Developing consensus on NIFA necessitates having the key stakeholders, especially agricultural stakeholders, at the table.
These partnerships recommendations should help NIFA pursue the following specific partnership strategies to increase the pace and success of overcoming some of today’s most pressing water quality challenges related to small farmers and ranchers agriculture issues:

- **NIFA should empower and provide resources for a multi-entity, multi-disciplinary partnership to develop and use tools and protocols to improve measurement, documentation, and verification of small farmers and ranchers’ water quality benefits from agricultural practices and strategies.**

- **NIFA** must establish trust in their partnership(s) with small farmers and ranchers to coordinate existing efforts to research, develop, and pilot technical tools, such as farm-level tools for evaluating the effectiveness of nutrient management and other best management practices.

- **NIFA** must be required to establish partnership(s) with small farmers and ranchers in order to facilitate with the evaluation and adaptation of tools to improve their performance.

- We are encouraging **NIFA’s partnership(s)** to engage non-traditional disciplines, such as robotics engineers and IT developers to provide more user-friendly tools.

- **NIFA should help to foster and support a multi-entity, multi-disciplinary partnership(s) with small farmers and ranchers to help improve the use of resources for the development and delivery of critical best management practices.**

- Dedicate a portion of 319 resources for small farmers and ranchers to help build watershed-level capacity to develop plans and projects that will improve water quality.

- Develop partnerships with states to implement science-based, economically achievable, best management practices.

- Develop and provide funding for active outreach strategies in order for small farmers and rancher obtain information and lessons learned from 319 and other watershed projects and require projects to deliver findings and recommendations to partners and agencies as a component of grant funding.

- Establish prizes for small farmers and ranchers for their incentivize development of improvements to existing conservation practices and development of innovative practices and technologies. NIFA should prioritize and improve their effectiveness of nutrient management, improved documentation of cover crop effectiveness, and more optimal and effective placement of filtering practices.
• **NIFA must improve their support for and visibility of the role of Outreach for those small farmers and ranchers.**

• **NIFA** Representatives must increase and better coordinate communications with small farmers and rancher on relevant USDA’s activities and dedicate time for meeting and interacting with producers and stakeholders in the field on an on-going basis.

• **NIFA** Collaborators working with small farmers and ranchers to identify the top priorities for agricultural resource conservation issues in the region and facilitate partnership approaches to develop and implement solutions to those issues.

• **NIFA** must create and support improved tools for communicating the activities for the small farmers and ranchers, including more effectively designed and user-friendly online information and web pages.
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<th>Program Activity</th>
<th>Timeline</th>
<th>Customer/Stakeholder</th>
<th>Purpose</th>
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<td>Trade Promotion</td>
<td>Bi-annually, usually in Washington DC or Baltimore, MD</td>
<td>U.S. Agricultural Export Development Council</td>
<td>These regularly scheduled conferences are specifically tailored to be listening sessions to help FAS leadership and staff better address the issues and needs of diverse commodity and food export interests across the United States.</td>
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<td>Trade Promotion</td>
<td>Ongoing</td>
<td>Cooperators and U.S. Industry</td>
<td>FAS partners with 75 cooperating groups representing a cross-section of the U.S. food and agriculture industry. In turn, these groups also provide input on market access issues for hundreds of products.</td>
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<td>Trade Policy</td>
<td>Periodic meetings scheduled in consultation with Office of Secretary of Agriculture on as needed basis</td>
<td>U.S. Agricultural Technical Advisory Committees</td>
<td>Ensures that representative elements of the private sector have an opportunity to provide their views on trade and trade policy matters to the U.S. government.</td>
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<td>Capacity Building/Food Security</td>
<td>Annually</td>
<td>Private Voluntary Organizations (PVOs) attending the International Food Aid and Development Conference</td>
<td>Largest food aid and development conference in the United States where USDA and USAID meet with PVOs and U.S. farmer associations to coordinate food aid implementation and exchange ideas.</td>
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<td>Ongoing</td>
<td>U.S. Agency for International Development and U.S. Department of State</td>
<td>Cooperating funding partners for many of FAS’s trade capacity building programs and activities, and principal U.S. Government foreign assistance and foreign policy leaders.</td>
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