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Identifying Barriers in USDA Programs and Services; Advancing Racial Justice and Equity and Support for Underserved Communities at USDA

Dear Secretary Vilsack,

American Farmland Trust (AFT) is pleased to submit these comments regarding the Executive Order on Advancing Racial Equity and Support for Underserved Communities Through the Federal Government. Founded in 1980, AFT is the only national organization that takes a holistic approach to agriculture, focusing on the land itself, the agricultural practices used on that land, and the farmers and ranchers who do the work.

Racial injustice is very much a part of our nation's agricultural history, and unfortunately, injustice and inequity persist to the modern day. Black, Indigenous, People of Color (BIPOC) and other marginalized producers still face challenges such as loan discrimination, barriers to accessing federal programs, unequal receipt of federal funding, and unstable land tenure. Due to this long history, 95% of the nation's farmers and ranchers are white, which is not reflective of the immense diversity of America's population.<sup>1</sup>

AFT applauds the Biden Administration for its commitment to advancing racial equity in the nation's agricultural system. AFT sees many opportunities for USDA to improve equity, from boosting program outreach and simplifying applications, to collecting more detailed census data in order to better target programs and policies to socially disadvantaged communities.

It should be noted, however, that there is no simple solution to these challenges. AFT believes that, in addition to program reforms and development of new programs, truly advancing racial justice and equity will require ongoing and sustained dialog, collaboration, and evaluation. As such, AFT strongly encourages USDA to consider designating an open-ended mechanism or entity responsible for receiving and responding to comments, feedback, and concerns related to

<sup>&</sup>lt;sup>1</sup> USDA NASS, "2017 Census of Agriculture: Highlights: Farm Producers." 2019. https://www.nass.usda.gov/Publications/Highlights/2019/2017Census\_Farm\_Producers.pdf

racial justice, equity, and barriers faced by socially disadvantaged producers as they engage with the Department. The existence of such an entity, potentially located within the Office of the Assistant Secretary for Civil Rights or under the Senior Advisor for Racial Equity, will help USDA to establish and maintain more trusting relationships with diverse stakeholders and the communities they represent.

Our comments below are presented in the order of the original questions found within the federal register.

#### **CUSTOMER EXPERIENCE QUESTIONS**

6. What are the barriers to applying for loan and grant programs? How can USDA make loan and grant processes easier to understand and more accessible to underserved groups?

Increase Culturally-Sensitive Technical Assistance and Ensure an Accessible Application Process

Socially disadvantaged farmers and ranchers face distinct barriers to entry into USDA programs, such as information being written in highly technical language, materials and education not being available in all languages, program information being most easily accessible online, and more. All of these barriers serve as impediments to applying for, and enrolling in, USDA programs. In addition, even when producers do enroll in programs, they may not receive the culturally-appropriate services necessary to set them up for future success. These factors have led to BIPOC producers receiving less than their proportionate share of USDA financial support, from loans to conservation program funding to Coronavirus Food Assistance Program (CFAP) relief.<sup>2, 3, 4</sup>

More challenging to address is the fact that many socially disadvantaged producers have a distrust of USDA, either due to personal experience, or to USDA's history of racial discrimination. This prevents many farmers from enrolling in USDA programs, applying for FSA loans, and even obtaining the farm numbers that make enrollment possible in the first place. There is no simple solution to this issue of trust, but increasing culturally-sensitive outreach and technical assistance could be an important first step. By "culturally-sensitive," we mean that assistance is co-created by USDA staff in partnership with a particular racial or ethnic community, following best practices for participatory community engagement to ensure resources are desired, understood, and ultimately accessed.

<u>Recommendation</u>: Offer increased assistance with completing USDA applications, especially NRCS conservation program and loan applications, in order to reduce the associated time burden, and increase transparency regarding decision metrics.

<sup>&</sup>lt;sup>2</sup> X. Bustillo, "Rampant issues': Black farmers are still left out at USDA." Politico, July 2021. https://www.politico.com/news/2021/07/05/black-farmers-left-out-usda-497876.

<sup>&</sup>lt;sup>3</sup> S. Lee, "Participation of Historically Underserved Producers in USDA Conservation Programs." NRCS. <a href="https://www.nrcs.usda.gov/wps/PA-NRCSConsumption/download?cid=nrcseprd1382412&ext=docx">https://www.nrcs.usda.gov/wps/PA-NRCSConsumption/download?cid=nrcseprd1382412&ext=docx</a>. According to this paper, while socially disadvantaged producers make up 7.3% of all producers, they only make up 5.4% of CSP participants.

<sup>&</sup>lt;sup>4</sup> J. Herath, "Vilsack: Just 0.1% of CFAP Went to Black Farmers." AgriWeb, March 2021. https://www.agweb.com/news/policy/politics/vilsack-just-01-cfap-went-black-farmers.

<u>Recommendation</u>: Simplify the language of program applications and materials to be more accessible and translate it into additional languages.

<u>Recommendation</u>: Tailor outreach and education efforts to distinct communities, and make use of diverse methods of information sharing, emphasizing community partnerships as much as possible. For instance, USDA should take into account that some communities might lack consistent access to high-speed internet, or that some communities might require in-person outreach at community centers or places of worship.

### Examine FSA Requirements to Increase Loan Access for Socially Disadvantaged Producers

Aspects of USDA's Farm Service Agency (FSA) loan program have contributed to racial injustice. Most notable was the consistent denial of loan applications from Black producers, which led to the Pigford settlements of 1999 and 2010. Although these settlements represented an important step towards recognizing systemic injustices, additional changes are likely needed to internal USDA policy. For the purpose of this comment, AFT would like to focus on one small piece of the loan application process which disproportionately impacts BIPOC farmers and ranchers.

At present, in order for a farm ownership loan application to be considered by FSA, applicants must first have a signed purchase and sale agreement (PSA) from the seller of the property they intend to buy. It is understandable that FSA would not want to go through the loan approval process without a guarantee that the loan will be used, however, we know of instances where this policy has put BIPOC producers at a disadvantage.

First, without proof of financing pre-approval, would-be purchasers struggle to compete in a market where sellers receive numerous offers – sometimes in cash. Second, this requirement also demands that the seller put their trust in a potential buyer who does not have confirmed financing. While gaining this trust might be easy in the case of purchasing land from a neighbor or relative, this is a challenge for purchasers who do not have pre-existing relationships with the seller. Because agricultural landowners in the U.S. are overwhelmingly white, socially disadvantaged farmers are less likely to have the familiar and trusting relationships with landowners necessary to secure a PSA without financing in hand. In short, this requirement can pose a substantial barrier to BIPOC land access.

<u>Recommendation</u>: Identify alternatives to the requirement of a signed purchase and sale agreement prior to processing an application for loan funds. For instance, a version of a prequalification letter could demonstrate to a seller the financial readiness of a would-be buyer, thereby making potential FSA loan recipients more competitive in purchasing land.

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<sup>&</sup>lt;sup>5</sup> USDA NASS, "2012 Census of Agriculture: Highlights: Farmland Ownership and Tenure." 2015. https://www.nass.usda.gov/Publications/Highlights/2015/TOTAL\_Highlights.pdf.

#### **GENERAL QUESTIONS**

4. Are there USDA policies, practices, or programs that perpetuate systemic barriers to opportunities and benefits for people of color or other underserved groups? How can those programs be modified, expanded, or made less complicated or streamlined, to deliver resources and benefits more equitably?

#### Establish the Commission on Farmland Transitions

According to AFT research, seniors aged 65 and older own more than 40% of US agricultural land, which suggests an impending transfer of more than 370 million acres of farmland—representing roughly 840,000 farms—in the next 15 years.<sup>6, 7</sup> This transfer presents a challenge, but also an opportunity to open the doors to a diverse new cadre of producers.

Despite this impending transfer, finding and affording appropriate agricultural land is still a major barrier for young and beginning farmers and ranchers.<sup>8</sup> Most farmland is not sold on the open market, and the land that is sold is often only affordable to well-capitalized buyers.<sup>9</sup>

Recognizing this threat, Congress authorized a "Commission on Farm Transitions—Needs for 2050" in the 2018 Farm Bill. This 10-member Commission is tasked with studying issues impacting the transition of agricultural operations to the next generation of farmers and ranchers. Intended for completion within one year of enactment, the Commission has not yet been constituted. Fortunately, the Commission is authorized through September 30, 2023, meaning that there is still a window of opportunity.

<u>Recommendation</u>: To ensure that the findings of the Commission on Farm Transitions inform the development of the 2023 Farm Bill, USDA should immediately form the Commission.

<u>Recommendation</u>: The Commission should place special emphasis on identifying and addressing the unique challenges facing next-generation BIPOC farmers and ranchers in their ability to inherit or purchase agricultural assets, including land. AFT strongly encourages USDA to ensure that BIPOC farmers and ranchers are well-represented in the Commission's membership.

Read AFT's whitepaper "Establishing a Commission on Farm Transitions" <u>here</u>.

<sup>&</sup>lt;sup>6</sup> J. Freedgood, M. Hunter, J. Dempsey, and A. Sorensen, "Farms Under Threat: The State of the States." American Farmland Trust, 2020. https://farmlandinfo.org/publications/farms-under-threat-the-state-of-the-states.

<sup>&</sup>lt;sup>7</sup> 840,000 statistic obtained by dividing 370 million acres by an average farm size of 441 acres, according to the most recent Census of Agriculture. USDA NASS, "2017 Census of Agriculture: Highlights: Farms and Farmland." 2019. https://www.nass.usda.gov/Publications/Highlights/2019/2017Census\_Farms\_Farmland.pdf.

 $<sup>^9</sup>$  D. Bigelow, A. Borchers, and T. Hubbs, "U.S. Farmland Ownership, Tenure, and Transfer." USDA ERS, August 2016.  $\underline{\text{http://s30428.pcdn.co/wp-content/uploads/sites/2/2019/09/TOTAL\ ERS\ Aug2016.pdf}.$ 

## ${\it Create~an~Office~of~Small~Farms~to~Represent~Lower-Acreage~Operations~Throughout~USDA}$

Equitable implementation of USDA programs requires making sure that they are accessible and worthwhile to all producers. Because of the current structure of some programs, they tend to disproportionately benefit the largest operations, which are far more likely than the smallest operations to be led by white producers.

Small farms, defined as family farms with gross cash farm income of less than \$350,000 annually, make up 90% of US farms. <sup>10, 11</sup> However, while small farms represent about half of all farmland, they only receive 33% of working lands conservation payments. <sup>12</sup> Addressing the challenges of small farms would help to address issues of equity, since these producers are more likely than midsize or large-scale producers to identify as female, Hispanic, or Black. <sup>13</sup>

USDA could advance equity in program enrollment by ensuring that programs work for small farms. This means recognizing that small farms might encounter unique barriers, or require special consideration. For instance, the initial rollout of the Coronavirus Food Assistance Program did not account for issues of special relevance to small producers, such as the premium prices received for selling directly to consumers.

Recommendation: Establish an Office of Small Farms to increase support for low-acreage or low-income farms. The Office would serve as a coordinating body, bringing together representation from USDA's various agencies to identify additional needs for small farmers. To ensure the Office is a sufficient priority, it could be overseen by senior USDA leadership, such as the Deputy Secretary of Agriculture. It would have dedicated staff, some of which should be experienced with providing on-the-ground support to small farms and ranches and diverse populations.

Specifically, the Office of Small Farms could:

- 1. Coordinate efforts to support small farms and ranches across all USDA agencies.
- 2. Advise other federal agencies on how to effectively reach and serve small farms and ranches.
- 3. Review current USDA programs and policies for their impacts on small farms.
- 4. Analyze the development of federal rules and other policies to ensure that the interests of small farms are considered in decision-making.
- 5. Make recommendations to federal agencies on tracking small farm data, including demographics and program participation rates.
- 6. Propose research agendas on topics that are of special interest to small farms.
- 7. Provide or coordinate direct technical assistance to small farms to enable them to access the full complement of USDA grant and loan programs.
- 8. Develop financing mechanisms and technical support for production and markets specific to small farms.

https://www.ers.usda.gov/webdocs/publications/90985/eib-203.pdf?v=5583.6

<sup>&</sup>lt;sup>10</sup> USDA ERS, "Farm Structure." December 2018. <a href="https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure/">https://www.ers.usda.gov/topics/farm-economy/farm-structure-and-organization/farm-structure/</a>

<sup>&</sup>lt;sup>11</sup> USDA ERS, "America's Diverse Family Farms." December 2018.

 $<sup>^{12}</sup>$  USDA ERS, "America's Diverse Family Farms."

<sup>&</sup>lt;sup>13</sup> USDA NASS, "2017 Census of Agriculture: Highlights: Family Farms." 2021. https://www.nass.usda.gov/Publications/Highlights/2021/census-typology.pdf.

## Release the Proposed Rule for the "Relending Program to Resolve Ownership and Succession on Farmland"

Heirs' property is a form of inherited ownership where the property is held in common by a group of individuals. Because there is no sole owner, it can be difficult for the owners to enroll in federal programs or use the land as collateral to access loans. Heirs' property lands are also at greater risk of forced tax and partition sales, and are frequently not eligible for FEMA disaster assistance. Although heirs' property issues impact many people across the country, it especially affects the Black community in the South. According to USDA analysis, heirs' property is considered to have been a primary contributor to Black land loss over the last century. In 1910, 15 million acres were Black-owned. Today, less than 3 million acres are Black-owned.

While eighteen states so far have enacted the Uniform Partition of Heirs' Property Act to protect those who jointly own land from forced sales, the federal government also has a key role. The 2018 Farm Bill's Section 5104, Relending Program to Resolve Ownership and Succession on Farmland, was a critical first step towards addressing the complications associated with heirs' property. The program authorizes USDA to make direct loans to institutions experienced in assisting socially disadvantaged, limited-resource, and beginning farmers and ranchers, which then relend to those impacted by heirs' property issues to help resolve their titles.

Despite being authorized in 2018, the final program rule has not yet been released. This means that thousands of heirs' property owners have not been able to benefit from this program.

<u>Recommendation</u>: Release the proposed rule for the *Relending Program to Resolve Ownership* and *Succession on Farmland* to enable the program to begin serving its vital purpose.

## Increase Participation and Collection of Demographic Data in the Census of Agriculture

Socially disadvantaged communities are underrepresented both in agriculture in general and within USDA programs. For instance, while 13% of the US population identifies as Black, only 1.4% of producers identify as Black. 17, 18 In addition, socially disadvantaged producers are less likely to participate in conservation programs such as CSP, and as recently as 2020, Black farmers were three times more likely to be rejected for an FSA loan, despite FSA often being referred to as the "lender of last resort." 19, 20

One of the best ways to identify participation barriers, track improvements over time, target interventions, and inform new programs is through data collection. Unfortunately, accurate data can be challenging to obtain. Filling out surveys such as the Census of Agriculture can be a

<sup>&</sup>lt;sup>14</sup> C. J. Gaither, "Heirs' Property in the Southern United States." USDA, October 2016. https://www.srs.fs.usda.gov/pubs/gtr/gtr\_srs216.pdf.

 $<sup>^{15}</sup>$  M. Chen, "Black Lands Matter: The Movement to Transform Heirs Property Laws." The Nation, September 2019. https://www.thenation.com/article/archive/heirs-property-reform/.

 $<sup>{\</sup>small 16\,Uniform\,Law\,Commission,\, ``Partition\,of\,Heirs\,Property\,Act.''\,\underline{https://www.uniformlaws.org/community-home?CommunityKey=50724584-e808-4255-bc5d-8ea4e588371d}.}$ 

<sup>&</sup>lt;sup>17</sup> US Census Bureau, "Quick Facts." https://www.census.gov/quickfacts/fact/table/US/PST045219.

<sup>&</sup>lt;sup>18</sup> USDA NASS, "2017 Census of Agriculture: Highlights: Black Producers." 2019. https://www.nass.usda.gov/Publications/Highlights/2019/2017Census Black Producers.pdf

 $<sup>^{19}</sup>$  S. Lee, "Participation of Historically Underserved Producers in USDA Conservation Programs."

<sup>&</sup>lt;sup>20</sup> X. Bustillo, "Rampant issues': Black farmers are still left out at USDA."

time-consuming, complicated process that farmers of any background might find onerous. Socially disadvantaged producers also may not see the direct benefit of completing the survey, or may have concerns that it will damage their livelihood. There is evidence to suggest that socially disadvantaged producers, particularly Black producers, have been historically undercounted by the Census.<sup>21</sup>

Increasing participation in surveys such as the Census, as well as increasing the detail of information captured, would provide USDA with more accurate baseline information. Currently, the Census, for example, does not capture detailed information about ethnicity, and does not disaggregate the information by demographic category. Additional data disaggregation would be helpful in determining the overlap of various characteristics (e.g., determining how many Black women rely on rented land). These changes would help USDA better understand the barriers particular groups of farmers face, more effectively design solutions to increase their participation, and track progress over time.

Recommendation: Increase outreach and education about the importance and value of the Census of Agriculture, and provide free and accessible assistance for completing the Census, especially targeting socially disadvantaged producers who may face language, technical, or other barriers. This should include partnering with community-based organizations to increase awareness of, and trust in, USDA surveys.

<u>Recommendation</u>: Add additional demographic options to the Census of Agriculture to better capture diverse ethnic groups (e.g., in addition to "Asian," offer options such as Hmong, Thai, Filipino, etc.), and further disaggregate—and make publicly available—Census data, especially regarding farm and producer characteristics of socially disadvantaged farmers and ranchers. A more complete understanding of which producers are not well-served by USDA will help the department to better target its efforts.

Recommendation: USDA should increase transparency regarding the impacts that changes in statistical methods have on demographic information from survey to survey since methodological changes can create a false trend, such as the change in questions between the 2012 and 2017 Censuses that resulted in more farms reporting multiple individuals involved in farm operations.<sup>22</sup> Survey results should be reported with necessary caveats about the changes to the survey methods so that trends in the landscape can be interpreted more accurately.

Maximize Use of Alternative Rules to Help Socially Disadvantaged Producers Take Advantage of NRCS Conservation Programs

USDA should strive to ensure that NRCS conservation programs work for all farmers and ranchers. For example, the Environmental Quality Incentives Program (EQIP) requires a producer to pay up-front for the practice, and then reimburses the producer for 75% of the cost. While AFT believes that some level of producer investment is important to make sure that the farmer or rancher is committed to implementing the practice to the best of their ability, this up-front cost can also be prohibitive for BIPOC or limited-resource farmers.

R. Ferguson, "Losing Ground: Farmland Consolidation and Threats to New and Black Farmers and the Future of Farming." April 2021. <a href="https://www.ucsusa.org/sites/default/files/2021-04/losing-ground-white-paper-4-14-21.pdf">https://www.ucsusa.org/sites/default/files/2021-04/losing-ground-white-paper-4-14-21.pdf</a>.
R. Pilgeram, K. Dentzman, P. Lewin, and K. Conley, "How the USDA Changed the Way Women Farmers Are Counted in the Census of Agriculture." Choices: The Magazine of Food, Farm, and Resource Issues. Vol. 35 (1). 2020. <a href="https://econpapers.repec.org/article/agsaaeach/303018.htm">https://econpapers.repec.org/article/agsaaeach/303018.htm</a>.

USDA does allow for alternative arrangements for certain groups of producers, such as offering a 90% reimbursement with 50% paid in advance for socially disadvantaged producers. However, more producers should be made aware of these flexibilities, and the advance payment option could be used to a greater extent.

<u>Recommendation</u>: Increase outreach and education to socially disadvantaged producers about <u>EQIP</u>'s increased reimbursement and up-front payment option for socially disadvantaged producers. USDA should also explore similarly adjusting other program rules to address barriers to entry.

<u>Recommendation</u>: Increase tracking of, and make publicly available, additional data on BIPOC producers, including engagement in USDA programs, utilization of alternative rules, and the percentage of set-aside funding actually used. In addition, ensure at the very least that funding set-asides for socially disadvantaged producers within conservation programs are fully utilized.

### Hire Additional USDA Staff and Provide Additional Training to Them on Issues of Special Importance to Socially Disadvantaged Producers

The success of any USDA program is contingent upon there being sufficient, skilled staff to conduct outreach, evaluate applications, provide on-the-ground services, and more. This is even more critical with the increased funding provided by recent relief legislation. The combination of a hiring pause during the previous Administration, coupled with an aging workforce and other factors, has led to reduced staffing in certain agencies. While NRCS, for example, was able to increase hiring in FY 2020, it still remains below the 11,000 staff members recommended by its own analysis of need.<sup>23</sup> NRCS also remains less diverse than the National Civil Labor Force on nearly every metric, especially with women of all racial backgrounds.<sup>24</sup>

This staffing shortage represents an opportunity to diversify. USDA should prioritize hiring employees of diverse racial and ethnic backgrounds, as well as of diverse genders and sexual orientations. This will not only help to make the Department itself more diverse and inclusive, but it will also help USDA provide more equitable services. USDA should also work to educate and train its staff on issues of special importance to socially disadvantaged producers.

<u>Recommendation</u>: Train USDA employees, especially those who work directly with producers, on issues of special importance to BIPOC producers. This should include, but not be limited to, additional training for FSA and NRCS field staff about the challenges and opportunities associated with ownership of heirs' property, programs tailored to socially disadvantaged communities, and up-front payments and increased reimbursement rates for the Environmental Quality Incentives Program (EQIP).

<u>Recommendation</u>: USDA should consider creating an Equity Liaison position to serve in all state-level USDA offices to advance equity in program participation, and to serve as a resource for socially disadvantaged producers. The Equity Liaison could report to the Office of the Assistant Secretary for Civil Rights or the Senior Advisor for Racial Equity, and should work

<sup>&</sup>lt;sup>23</sup> "Challenges and Successes of Conservation Programs in 2020." Youtube, uploaded by House Ag Democrats, October 1, 2020. <a href="https://youtu.be/lnCS-OrQdGQ">https://youtu.be/lnCS-OrQdGQ</a>.

<sup>&</sup>lt;sup>24</sup> USDA NRCS Civil Rights Division, "Fiscal Year 2018 Management Directive 715 Annual Equal Employment Opportunity (EEO) Program." 2018.

https://www.nrcs.usda.gov/wps/PA\_NRCSConsumption/download?cid=nrcseprd1491422&ext=pdf.

closely with Special Emphasis Program Managers in order to mutually enhance efforts. The Equity Liaison would be tasked with:

- 1. Ensuring that program materials are translated, simplified, and made accessible to relevant socially disadvantaged groups within the state.
- 2. Ensuring that program outreach and education are being conducted in a culturally-sensitive and informed manner.
- 3. Building relationships with trusted community organizations that could partner with USDA to bring services to socially disadvantaged producers.
- 4. Hosting regular listening sessions to gather input from socially disadvantaged communities on their interactions with USDA.
- 5. Serving as a resource for socially disadvantaged producers who would like to file a discrimination complaint, or who need access to additional support in completing a program application or USDA survey.

<u>Recommendation</u>: Make permanent the position of Senior Advisor for Racial Equity to the Secretary of Agriculture.

Recommendation: Hire sufficient USDA staff to meet the department's analysis of need and prioritize hiring field staff and technical assistance providers who are BIPOC, women, multilingual, and who possess relevant social knowledge, to better serve socially disadvantaged producers. To cultivate this applicant pool, USDA should consider forming partnerships with pipeline programs that target socially disadvantaged populations such as MANNRS, HEAL Food Alliance School of Political Leadership, National Black Growers Council, National Women in Agriculture Association, etc.

<u>Recommendation</u>: USDA should take advantage of the experience of its own staff (especially Special Emphasis Program Managers and employees who work directly with BIPOC producers) in working with socially disadvantaged producers, and solicit recommendations from those staff on opportunities for improving program access for socially disadvantaged producers.

# 5. How can USDA establish and maintain connections to a wider and more diverse set of stakeholders representing underserved communities?

Use Recent Relief Funding to Scale-Up Business Technical Assistance

Planning, financial, and management skills are essential for the success of any business, and one-on-one business technical assistance (BTA) can help to develop these skills and build viable operations. BTA is provided by non-profit organizations, private consultants, state agencies, and agricultural extension services, which offer customized business planning support, financial coaching, market development, help accessing land and capital, assistance with succession planning, and more. Services are based on a one-on-one coaching model, and can extend for multiple years. These programs have a proven track record – one program found that two years of business planning support generated a 62% increase in net income, significant improvements in business skills, and marked growth in full-time employees.<sup>25</sup>

BTA could help to grow any farm or food business, but represents a particular opportunity to support socially disadvantaged producers who often face barriers to accessing land and capital,

<sup>&</sup>lt;sup>25</sup> On average, these businesses gained 0.3 new full-time equivalent jobs per farm per year, while the average annual growth on Vermont farms is only 0.1. Statistics obtained from the Vermont Farm & Forest Viability Program.

and operate farms and ranches that are smaller and less profitable than the national average. <sup>26</sup> If provided by trusted community organizations in a culturally-sensitive manner, BTA could make a positive impact on the viability and resilience of these farm and food businesses. Unfortunately, federal support for BTA is limited, inconsistent, and provided piecemeal through numerous programs, forcing providers to rely on highly competitive funding which often only covers a fraction of the demand. <sup>27</sup>

Federal support for BTA could be transformative in fostering a new and diverse generation of profitable operations. Through the American Rescue Plan Act, Congress provided \$3.6 billion to improve supply chain resiliency and help producers and small and midsize processors respond to the pandemic. There is congressional support for dedicating some of this \$3.6 billion to BTA. In May, 50 Members of Congress urged USDA to set aside \$300 million in pandemic relief for BTA, delivered in the form of multi-year grants to public and non-profit agricultural service providers with a history of providing this type of assistance and a proven record of increasing business skills, profitability, and access to land and capital. More than 100 agricultural organizations, including many service providers that offer customized BTA, also voiced support for this concept in a separate letter to USDA.

<u>Recommendation</u>: USDA should set aside \$300 million from the American Rescue Plan Act, to dramatically scale up one-on-one business technical assistance for small and midsize farm and food businesses, and ensure that a significant portion of this funding goes to organizations that have a track record of providing services to socially disadvantaged producers.

Read the Congressional Business Technical Assistance Sign-on Letter to USDA <u>here</u>, and the Organizational Sign-on Letter to USDA <u>here</u>.

Read AFT and the Agricultural Viability Alliance's "Case Statement: The Importance of One-on-One Business Technical Assistance to Farm and Food Businesses" here.

# Develop Strong Partnerships with Community Organizations and Build Their Capacity

While USDA addresses the internal issues that have led to distrust from socially disadvantaged producers, it should work with organizations already trusted by BIPOC communities to provide services such as conservation technical assistance, business technical assistance, and financing. This could be a way of accessing populations who might otherwise be hesitant or unwilling to be engaged by USDA. While some of this work is already being accomplished through the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program (the 2501 program), it is critically important to do more.

Community organizations that primarily serve socially disadvantaged farm and food businesses are often under-resourced and under-staffed, meaning that their reach is limited. This can translate into being less competitive for partnership grants, especially when pitted against national organizations or universities. These community organizations may also be challenged to raise the money necessary to match a federal grant. By building up these organizations,

<sup>&</sup>lt;sup>26</sup> USDA NASS, "2017 Census of Agriculture: Highlights: Black Producers."

<sup>&</sup>lt;sup>27</sup> These programs include USDA's Rural Business Development Grants, the Beginning Farmer and Rancher Development Program, the Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program (the 2501 Program), funding for Cooperative Extension Services, and others through the Small Business Administration, Economic Development Administration, and the Northern Border Regional Commission.

USDA can help to create strong partnerships that allow the Department to access and repair relationships with the populations most in need of support.

<u>Recommendation</u>: Offer capacity-building grants for non-profit organizations that provide financial and technical services to socially disadvantaged farmers and ranchers. These multi-year grants would help such organizations develop internal infrastructure such as hiring finance staff, purchasing financial software, receiving skills training, hiring consultants, and more. This internal development will help these organizations be more competitive for federal grants, thereby enabling them to hire additional staff and conduct additional outreach to the communities they serve.

<u>Recommendation</u>: Provide technical assistance to non-profit organizations that provide financial and technical services to socially disadvantaged producers that are undergoing the Request For Proposals (RFP) process, to ensure timely, complete, and successful submission.

### **CONCLUSION**

AFT appreciates the opportunity to submit our comments on how USDA can advance racial equity and justice within the Department. We look forward to continuing to work with USDA to make agriculture a more diverse, just, and equitable sector.

Respectfully submitted,

American Farmland Trust