FOOD AND AGRICULTURE

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FARM BILL 2023

Business Nexus

The Farm Bill is critical to the viability of agriculture in California. California is the largest agricultural producer and exporter in the nation. The food and ag economy has an economic impact of more than \$12.5 billion in the Sacramento Region, with every on-farm job-generating two off-farm jobs. Agriculture is under severe stress due to the increasing impact of market conditions (commodity prices); climate change variables (water insecurity, wildfires, and changing weather patterns); regulatory oversight (pesticide management, environmental compliance); and labor constraints (immigration and changing workforce needs). Deliberations have begun for the next Farm Bill which will be adopted in 2023. While priorities are still evolving, we support the following key issues for the proposed Farm Bill 2023.

Requested Actions

Food Safety and Nutrition

The Supplemental Nutrition Assistance Program (SNAP) provides about \$41.5 million Americans and nearly \$4.5 million Californians with assistance purchasing food, with more than half of them children and seniors. SNAP (CalFresh in California) addresses hunger and health status and is one of the most important federal programs addressing food insecurity. Local SNAP expenditures also are an important contributor to the local economy. Food insecurity levels skyrocketed during the pandemic, straining the emergency food system, and increasing the need for CalFresh assistance. The number of residents served by Food Banks increased by more than 50% across the region. Almost 300,000 residents were estimated to be food insecure in 2021. Even before the pandemic, CalFresh enrollment levels in several of the region's counties were low – between 40% and 50% of eligible residents, leaving thousands of residents' food insecure and leaving behind more than \$146 million in revenue from potential benefits

that could support the region's farmers, food retailers, and farmers markets.¹ There are numerous barriers to enrollment that need remedies, including addressing student hunger.

- Extend the 15% SNAP benefit increase.
- Make permanent the SNAP eligibility rules for higher education low-income students in the Consolidated Appropriations Act of 2021, simplifying eligibility.
- Align waivers for the SNAP program with existing regulations for the Temporary Assistance for Needy Families (TANF) to support guaranteed income programs.
- Combine the application process and delivery of WIC, SNAP (CalFresh), and Free & Reduced Lunch Programs which will increase efficiency, reduce the complexity for the recipient, and reduce overall program cost.
- Provide reliable dedicated funding to certified Food Banks with incentives for local food sourcing and to employ food insecure workers.
- Continue and expand funding for programs that leverage SNAP benefits to make healthy food choices, such as the Gus Schumacher Nutrition Incentive Program (GusNIP).
- Support Nutrition Education, including the Expanded Food and Nutrition Education Program (EFNEP) at \$75.6M and the Supplemental Nutrition Assistance Program Education – SNAP-Ed at \$900M.

Specialty Crops and Market Access

The Farm Bill should continue to safeguard proven successful marketing and trade programs to ensure an equitable marketplace for the nation's farmers and ranchers. This is especially important for California and regional specialty crop producers.

- The Market Access Program (MAP) has been an important contributor to the specialty crop industry's success in world markets. The Farm Bill should fund MAP at \$200 million annually as mandatory spending to give program participants the opportunity to serve more customers who seek to buy an increasing volume and variety of products.
- Reauthorize and maintain or increase support for the Specialty Crop Block Grants Program (SCBGP) at \$85 million annually, and reduce administrative burdens for applicants, especially small producers.

Support Beginning Farmers

The Farm Bill should make a vested effort to recruit and develop a new generation of farmers and ranchers and should continue to provide incentives, outreach, and technical assistance to those who have not historically taken up farming as an occupation or lack the resources to start their own operations.

¹ 2021 Sacramento Region Food System Action Plan, prepared by Valley Vision in partnership with the Sacramento Region Community Foundation, November 2021.

- Increase the funding for the Beginning Farmers & Ranchers Development Program (BFRDP) and Section 2501 (Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program), under the umbrella of the Farming Opportunities Training and Outreach (FOTO) Program, which will reach its authorized 2023 level of \$50M funding, split equally between SFRDP and Section 2501. The programs are oversubscribed and demand is high.
- Modernize USDA's customer service platform by offering online service systems. Streamline loan applications, allow for loan pre-qualification, reduce paperwork, and adjust oversight requirements to be scale-appropriate for beginning farmers, many of whom start by operating small-acreage farms.
- Authorize the USDA to create a "micro" version of every program possible to increase accessibility to beginning farmers, starting with the EQIP (Environmental Quality Incentives Program).

Ag Research/Technology

Research is vital to a thriving agricultural economy, ensuring access to safe food, combating disease, responding to a changing climate, improving health, and generating new agrifood technologies - which require broadband connectivity and high-speed internet access that are currently lacking in rural areas.

- Maintain or increase funding for the Specialty Crop Research Initiative (SCRI) at \$80 million annually and include language that was enacted in FY21 which allows the Secretary of Agriculture to waive the matching funds requirement for SCRI, thus allowing for critical research to occur to address diseases and challenges facing the specialty crop industry.
- Reauthorize Agriculture and Food Research Initiative (AFRI) and increase or maintain the authorization level at \$700 million per FY.
- Increase the emphasis on and prioritization on new technologies for the mechanization of farming, from planting to harvest and post-harvest. Ensure broadband infrastructure investment to reach unserved/underserved rural communities and businesses, regardless of meeting the formal "definition of rural."

Farm Safety Net and Crop Insurance

The agriculture industry is subject to unpredictable factors beyond its control. California's five-year drought cost the agriculture economy more than \$5.2 billion, followed more than 1 million acres of land, and negatively impacted thousands of agricultural jobs. In the most recent (and current cycle of the drought) the Sacramento Valley is one of the state's hardest-hit regions.²

² <u>The Economic Impacts of the 2021 Drought on California Agriculture Preliminary Report</u>, prepared for the California Dept. of Food and Agriculture, 2022.

 Provide a stronger safety net against those unexpected problems with an effective crop insurance program, including improving the Price Loss Coverage (PLC) Program to cover higher costs of production for California producers.

Pest & Disease Management

Invasive species threaten California's agriculture industry and cost California more than \$6 billion per year.

- Continue adequate support for biological pest and disease management provisions, specifically the Plant Pest and Disease Management and Disaster Prevention Program.
- Fund the PPA, Plant Pest & Disease Management and Disaster Prevention, and Nat. Clean Plant Network, with \$100 million annually.
 - Congress authorized \$750 million over 10 years while the recommendation among program stakeholders is \$102 million per year. California needs these programs to have robust funding.

Other Priorities for the Region

<u>Healthy Forest Program</u>

- Managing our national forest lands is critical. Unmanaged forests can result in devastating wildfires.
- Enhance stewardship contracting authority to 20 years in areas where wood supply flow is being provided to maintain or enhance milling infrastructure. Additionally, a portion of all gross receipts from stewardship contracts should go to the counties. Any remaining revenue should be made available to prepare future projects.

<u>WHIP+</u>

• Release funds already approved and allocated to the Wildfire & Hurricane Indemnity Program Plus (WHIP+).

Definition of "Rural"

Clarifying the definition of "rural" is an ongoing priority. With a proper and consistent definition, like "Rural in Character," used across program entities for funding eligibility, allocated funding will get to the rural communities that are in need. California is historically locked out of many critical funding sources, including USDA broadband funding, due to "Rural Definition."