

# A Farm Bill for Good Food

## *How Federal Policies Can Scale Up the Benefits of Institutional Food Procurement Programs*

### HIGHLIGHTS

*A growing number of US institutions are using their purchasing power to cultivate a food system that prioritizes healthy, local foods produced sustainably and fairly. However, many family farms and food producers require additional infrastructure, resources, and assistance to successfully meet the growing demand for these foods. A number of programs and policy solutions have been proposed for the 2018 farm bill that would help meet farmers' needs and bridge the gaps between food growers, producers, and institutional buyers. Driving "good food" procurement forward will help us create a food system we can be proud of—one that supports community health, revitalizes local economies, advances environmental sustainability, protects farmers and workers, and promotes animal welfare.*

Institutional food service facilities<sup>1</sup> such as schools, hospitals, and universities supply about \$120 billion worth of food to consumers each year (ERS 2016). These facilities can change the face of the US food system by choosing to purchase (or “procure”) foods produced in ways that support human health, local economies, environmental sustainability, fair labor, racial justice, and animal welfare.

The Good Food Purchasing Program (GFPP), a procurement policy adopted by the Los Angeles Unified School District (LAUSD) in 2012, offers one example of how “good food” procurement standards can benefit local economies, communities, and the environment: LAUSD now directs 20 percent of its \$150 million annual food budget to local producers, with an annual net economic impact between \$48 million and \$94 million and more than 220 jobs generated as a direct result. The policy has also helped the district develop healthier school menus, achieve marked reductions in its carbon footprint and water usage, and secure higher wages and better working conditions for 165 workers in a major food distribution company (Reinhardt and Mulik 2017). Cities and institutions across the country are now adopting the GFPP and other good food procurement policies and reporting similar successes.

These policies have helped increase demand for foods from small, local producers—such as Field Fresh Foods, a produce processor in southern California that doubled its orders from \$4 million to \$8 million and created 25 new jobs as a result of LAUSD’s procurement standards—and from farms and companies that prioritize fair labor, animal welfare, and environmental sustainability (Watanabe 2013). However, many family farmers and food producers face challenges in



*“Good food” procurement policies are gaining traction by a growing number of US institutions. The 2018 farm bill should make a similar commitment to supporting local, sustainably produced food nationwide.*

## A strong 2018 farm bill can help bring the benefits of good food procurement to communities nationwide.

meeting institutional demand for good food, and require improved infrastructure to supply local foods, assistance in implementing sustainable and humane farming practices, and assurances of equitable treatment and access to federal agricultural programs. Realizing the full potential of innovative procurement policies in cities and towns across the country will require policy solutions that can address these barriers.

The 2018 farm bill—a set of foundational agricultural and nutrition policies that is reauthorized every five years—offers opportunities to invest in programs and infrastructure that will help our food systems deliver sustained public benefit and economic growth while accommodating the growing national demand for better food. This policy brief highlights key provisions of three bills recently introduced to shape the upcoming farm bill debate: the *Beginning Farmer and Rancher Opportunity Act* (H.R. 4316), the *Food and Farm Act* (H.R. 4425), and the *Local Food and Regional Market Supply (FARMS) Act* (S. 1947/H.R. 3941) (US Congress 2017a; 2017b; 2017c). These provisions are critical to driving good food procurement forward and allowing communities across the country to reap the benefits.

### Strengthening Regional Food Systems and Local Economies

Lack of infrastructure and resources are among the challenges most commonly faced by institutions, such as schools, that source food from local farms (FNS and AMS 2011). Farm bill policy can play an important role in not only bridging the gap between local producers and institutional purchasers, but also bolstering local economies: research shows that each dollar spent by schools on local foods generates between \$1.60 and \$3.12 in net economic impact (Christensen et al. 2017). The following three provisions offer promising solutions for addressing infrastructural challenges in local and regional food systems:

- The **Farmers Market and Local Food Promotion Program** (FMLFPP) was authorized in the 2014 farm bill as an expanded version of the 2002 Farmers Market Promotion Program, and has since provided more than \$100 million in grants supporting direct and



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*Food hubs and other facilities that can aggregate, store, process, and distribute foods provide critical infrastructure that allows institutions to procure large volumes of food from local and regional producers.*

intermediated food marketing for farmers markets, on-line sales platforms, food hubs, and similar outlets (AMS 2017a; AMS 2017b). Facilities like food hubs that can aggregate, store, process, and distribute foods provide critical infrastructure that allows institutions to procure large volumes of food from local and regional producers (RD 2013). The *Local FARMS Act* proposes consolidating the FMLFPP and other regional food system programs into one Agricultural Market Development Program, which would strengthen programs by streamlining administration and securing higher overall funding levels.

- The **Local and Regional Food Systems Value Chain Coordination Program**, a new program proposed in the *Local FARMS Act*, would also operate within the Agricultural Market Development Program to fund full-time regional “value chain coordinator” positions. These individuals would build strategic collaborative relationships between regional food producers and buyers to identify unmet needs and market opportunities, thus driving local economic development. Early evaluations of a 2016 USDA pilot program employing a similar model indicate growth in sales and employment among producers, with even greater benefits projected in subsequent years (Wallace Center 2017).
- The **Food Safety Certification Cost-Share Program**, also proposed in the *Local FARMS Act*, would reduce financial barriers for small and midsize farms seeking food safety certifications by providing partial reimbursements. Institutions like schools or hospitals often require that farms complete voluntary audits, such as Good Agricultural Practices or Good Handling Practices, to ensure food safety. Though most farms already have food safety standards in place, obtaining these additional certifications allows broader access to institutional markets (ERS 2015).

## Supporting Sustainable Agriculture

Implementing farming practices that protect natural resources, including air, water, and soil, can come at a cost to small and midsize farms. Maintaining and strengthening farm bill programs that support conservation farming and ranching practices is an important way to help farmers meet demand for food produced in ways that sustain, or even regenerate, vital natural resources. The *Food and Farm Act* includes provisions to maintain and strengthen successful sustainable agriculture programs, including:

- The **Environmental Quality Incentives Program** (EQIP) has provided financial cost-sharing and technical assistance for conservation practices on working agricultural land since 1996. In 2016 alone, the program awarded nearly \$1.5 billion in financial and technical assistance to agricultural producers across all 50 states and the Caribbean and Pacific Islands (NRCS 2017). New policy proposals seek continued funding for EQIP, expansion of funding opportunities for pasture-based livestock systems, and greater incentives for producers implementing practices such as planting cover crops, buffer strips, or pollinator habitats.
- Established in 2008, the **Conservation Stewardship Program** (CSP) offers payments to farmers actively managing their operations using diverse conservation practices that work together to protect natural resources. In 2016, the program contributed more than \$1.2 billion in financial and technical assistance to conservation activities across all 50 states and the Caribbean and Pacific Islands (NRCS 2017). New policy proposals seek to continue funding for CSP, to ensure support for specific conservation activities such as rotational grazing and organic transition, and to increase funds to protect water, conserve soil, and ecologically manage pests.

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## Advancing Racial Equity and Fair Labor Practices

Farmers and ranchers of color have experienced systematic discrimination and exclusion from federal agricultural programs, while both farm workers and contract farmers are routinely exploited with little opportunity for recourse (FCWA and SRC 2016; CRS 2013; Pew Charitable Trusts 2013). Assurances of equitable access to resources, and protection against exploitation and abuse, must be integrated into the fabric of the farm bill. Two provisions seek such assurances, and we recommend a third:

- The **Farmer Fair Practices Rules** (FFPR), commonly referred to as the GIPSA rules, were released in 2016 to clarify prior legislation protecting farmers from abuses by major livestock and poultry corporations. Notably, the first of these rules removed undue burden on poultry farmers to prove abusive contract practices. Following the US Department of Agriculture's (USDA) withdrawal of the FFPR in late 2017, new proposals in the *Food and Farm Act* call for the rules to be reinstated and finalized.
- First authorized in 2002, the **Beginning Farmer and Rancher Development Program** (BFRDP) awards competitive grants to train new farmers and ranchers across the country, with more than half of all projects between 2009 to 2015 focusing on socially disadvantaged<sup>2</sup> beginning farmers and ranchers as a primary audience (NSAC 2017). Recognizing the critical importance of the equitable transfer of land, skills, and knowledge to future farmers, the *Beginning Farmer and Rancher Opportunity Act* requests permanent funding for the BFRDP, and triples reserved EQIP and CSP funding for socially disadvantaged farmers from 5 to 15 percent.



*Strong federal policies can help ensure that small, local producers, such as this farm in New Mexico, can meet institutional demand for their food.*

# *A fair food system cannot exist without equitable access to resources for the nation's most chronically underserved farmers.*

- The **Outreach and Assistance for Socially Disadvantaged and Veteran Farmers and Ranchers Program**, also known as Section 2501, was authorized in the 1990 farm bill to address historical discrimination by providing additional support for farmers and ranchers of color to participate in USDA programs and own or operate farms. The 2014 farm bill expanded program eligibility to include veterans, but provided only \$10 million per year in mandatory funding through 2018. A fair food system cannot exist without equitable access to resources for the nation's most chronically underserved farmers; it is our recommendation that this program is reauthorized with increased mandatory funding levels in the 2018 farm bill.

## Improving Animal Welfare

US consumers are expressing increasing concern about animal welfare in agriculture, and it is reflected in their food purchases: the organic meat and poultry sector saw sales increase more than 17 percent in 2016 to \$991 million—its largest yearly gain to date (OTA 2017). These values are espoused in institutional procurement policies such as the GFPP, and should be represented in farm bill policy to ensure that the ethical treatment of animals is recognized as an important component of a safe and healthy agricultural system.

- The **Organic Livestock and Poultry Practices (OLPP)** rule, published in 2017, sets clear and consistent standards for animal living conditions, transport, and slaughter in organic poultry production. Despite strong support from producers, distributors, retailers, and consumers, the USDA repeatedly delayed its effective date, and within the year had announced its decision to withdraw the rule (AWI, ASPCA, and FF 2017). New policy proposals in the *Food and Farm Act* seek to reinstate the OLPP rule.

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The investments Congress makes in the farm bill affect our food choices and costs, as well as the production systems employed on the nation's farms and ranches. As procurement policies like the Good Food Purchasing Program—now at the center of active campaigns in a dozen cities representing

approximately \$1 billion in annual purchasing power—continue to gain traction, federal food and farm programs must evolve to accommodate the changing landscape. US farmers, food chain workers, consumers, and institutions should work with their allies in Congress to support a farm bill that can help us realize the benefits of good food procurement nationwide and shape a food system we can be proud of.

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### ENDNOTES

1. We define institutional (noncommercial) food service facilities by US Department of Agriculture data categories of schools and colleges, recreational places, hotels and motels, and “all other” (which includes military exchanges and clubs; railroad dining cars; airlines; food service in manufacturing plants, institutions, hospitals, boarding houses, fraternities and sororities, and civic and social organizations; and food supplied to military forces, civilian employees and child day care centers). Previous versions of this report included meals and snacks from stores, bars, and vending machines, for a total of nearly \$150 billion.
2. “Socially disadvantaged farmer” is defined in statute (7 U.S.C. 2003) and includes any farmer from a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities.

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