

## **Analysis and Recommendations for the Beginning Farmer and Rancher Development Program**

The passage, implementation, and recent announcement of the first round of grants for the Beginning Farmer and Rancher Development Program (BFRDP) is a monumental step forward in assisting beginning farmers and ranchers. BFRDP is the first ever USDA program outside of the farm credit arena that is specifically targeted to creating new farming opportunities.

We applaud the dedication of United States Department of Agriculture (USDA) and National Institute for Food and Agriculture (NIFA) personnel in moving BFRDP forward. As our farming population ages, new markets opportunities develop, and the expectations and demands of our nation's food and agriculture system change we need more programs and resources dedicated to supporting beginning farmers and ranchers.

The National Sustainable Agriculture Coalition's long-term investment in beginning farmer programs spans over three decades. Our investment in the outcome and aim of the BFRDP has been a central plank for our coalition, both getting it authorized and 2002 and getting it funded and off the ground in 2008. It has been a long time coming, and we are pleased to finally see it in action.

Our expertise on beginning farmer issues is fueled by a working relationship with dozens of organizations offering beginning farmer assistance and training, and our extensive understanding of numerous federal competitive grant programs.

Following the November rollout and request at that time from USDA Deputy Secretary Kathleen Merrigan, we have compiled a brief quantitative analysis of the 2009 grants. This analysis is focused achieving a better understanding of BFRDP in its first year of operation. This analysis also informs our recommendations included in this report on approaches to address shortcomings of BFRDP and strengthening the program in its 2010 iteration and in future years.

### **Quantitative Analysis**

In response to the initial RFA, 105 proposals were submitted at a total funding request of nearly \$106 million.

Of the 29 grants projects funded:

- 17 (59%) were awarded to universities, colleges and academic institutions
- 11 (38%) were awarded to community-based organizations (CBO) or non-governmental organizations (NGO), and
- 1 (3%) went to a federal agency.

The following is a breakdown of the \$17,185,504 awarded dollars.

- \$9,867,192 (57%) to universities, colleges and academic institutions
- \$5,820,175 (34%) to CBOs and NGOs
- \$1,498,137 (9%) to federal agencies.

Of the 20 grants, 25 were Standard Project Grants (average 3-year grant was \$556,000), 3 were Educational Enhancement Project Grants (average 3-year grant was \$600,000, and 1 was the national Clearinghouse Grant (5-year, \$1.5 million).

By law, standard grants are limited to no more than three years and no more than \$250,000 a year. The law does not say what the size of educational grants or clearinghouse grants should be, though NSAC’s position has been that all grants under the program should fit within the same 3 years, \$250,000 a year limitation.

In terms of grant size distribution, 23 of the grant projects and over 84% of funding was awarded to grants greater than \$500,000. In a distribution comparison of the 23 grants projects in the largest two percentiles it was found that 8 grants projects were awarded to CBO/NGOs and 15 grants projects to University/Academic.

Dollar range	Number of grants	Total funding per range	Percent of total funding	CBO/NGO compared to Univ/Academic
Up to \$200,000	2	\$225,515	1.3%	1-1
\$200-\$300,000	1	\$225,079	1.3%	0-1
\$300-\$400,000	1	\$313,278	1.8%	1-0
\$400-\$500,000	1	\$413,820	2.4%	1-0
\$500-\$600,000	10	\$5,415,182	31.5%	4-6
\$600-\$750,000	13	\$9,094,493	52.9%	4-9
Over \$750,000	1	\$1,498,137	8.7%	NA

In review of the 2009 grants projects, it should also be noted that 3 different universities (University of Missouri, Columbia; Pennsylvania State University, State College; and Washington State University, Pullman) each received two grants in the first year of operation totaling \$3,812,983 or (22.2%) of available funding. Had those schools been limited to one each, three or more additional projects could have been funded out of the 105 submitted.

**Sub-Grantees**

To better understand the outcomes of BFRDP in the first year, NSAC reviewed the abstracts of all grant projects and conducted telephone interviews with 25 grant project contacts. While not exhaustive, we’ve been able to glean some additional insight on the first year of BFRDP operation.

Of the 15 university and academic institutions PIs we were able to reach by phone, 7 did not have any identified or obligated sub-grantees. The other 8 grant projects detailed a range of sub-grantees including but not limited to farm groups, commodity organizations, farm cooperatives, other educational institutions, and local incubator farms.

Of the 10 CBO/NGO contacted, 9 had identified or obligated sub-grantees and in the majority of cases had two and three sub grantees detailed.

	Sub grantees	None
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CBO/NGO	9	1
University/Academia	8	7*

*\*Note: Some project contacts cited other groups either familiar with or in some manner engaged in awarded projects but allocated no resources to those entities.*

### **Partnerships or Collaboration**

The authorizing language for the BFRDP and within the 2009 RFA creates a priority in granting making for partnerships and collaborations led by or that include CBO and NGO with expertise in new farmer training.<sup>1</sup>

Yet in our analysis we were unable to determine if this priority was met or exercised. In phone interviews and on paper, there was a very broad interpretation of “partnerships or collaborations” by awardees. This left us unable to quantify the merit of these relationships. While numerous projects suggested partnerships or collaboration with different parties, the spectrum of engagement varied greatly, from activities such as simple encouragement of attendance at beginning farmer conferences all the way to actual sub-grantees detailed in budgets and within project work.

In terms of meeting the priority in grant making we can only assert that a very high percentage of the grant projects led by CBO/NGO’s fulfill the priority aim as detailed in statute, while a considerably lower percentage of university projects do so. A portion of the other grant projects clearly did include meaningful partnerships or collaboration but any attempt to quantify these relationships would be somewhat arbitrary. Even in the cases where sub-grantees were specified in university/academic grants for example, discerning a level or measure of engagement as it relates to partnerships or collaborations was unobtainable through phone interviews or through review of the information on each project in the CRIS system, though whenever vague statements were made, our assumption was that a robust partnership was probably not in place.

### **Role of Extension**

From the telephone interviews and abstract reviews of the 17 university and academic institutions a dominate trend was recognized regarding funding across grant projects. Nine of the 17 grant projects were led by or included Extension as a major component of the work detailed in the project. In those projects the majority of funding supported Extension activities and staffing. Of the remaining 8 grants projects, an additional 5 listed Extension in more minor roles in the non-technical summaries and approach to carrying out the workload. The role of Extension in projects was not contingent on whether sub-grantees were outlined or absent from grants.

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<sup>1</sup> “PRIORITY. – In making grants under this subsection, the Secretary shall give priority to partnerships and collaborations that are led by or include non-governmental and community-based organizations with expertise in new agricultural producer training and outreach.”

## **Socially Disadvantaged Farmers and Ranchers**

The statute includes a set-aside of funds for limited resource and socially disadvantaged farmers.<sup>2</sup> In review of grant projects we found that 17 of the 29 grants, 58.6 %, purport to assist or target socially disadvantaged farmers and ranchers. There are two 1890 colleges and one Tribal college that were awarded grants in 2009, respectively, Florida A&M University, Langston University and Fort Berthold Community College.

In most cases the project contacts we spoke with were unaware whether they had submitted and application intending or not intending to achieve funding from the 25% set-aside for socially disadvantaged farmers and ranchers. There was also a wide range of “targeting” - from sole focus to more casual reference.

## **Regional Distribution of Awarded Projects**

The work detailed in the 29 grant projects is focused in 22 states. At least 4 of those projects, excluding the clearinghouse grant, have multi-state reach, particularly in New England, the Upper Midwest, and Pacific Northwest. Geographically the Midwest received the greatest number of grants while the southeastern U.S. and a block of western states had much lower or absent participation. This compares to total applications, in which the South submitted the second most applications after the North Central region and ahead of the Northeast and West. It is reasonable to conclude that overall proposals from the South did not compete as well as those from other regions.

Applications were received from 43 states in addition to Washington D.C., Micronesia, and Puerto Rico. Therefore, 21 states with applications did not ultimately get an award.

The breakdown of grant application and awards by region: Northeast – 18% of applications; 27% of awards; North Central – 34% of applications, 33% of awards; West – 17% of applications, 24% of awards; South 29% of applications, 15% of awards.

## **Possible Ineligible Projects**

In review of the 2009 BFRDP grant projects we found a range of different activities and approaches aimed at assisting, supporting, and training beginning farmers and ranchers. Most projects appear to be in line with program objectives outlined in the RFA. Yet in a few cases it is less clear or substantial questions remain about the applicability of the projects. Below are examples of three projects, awarded in 2009, which we fail to understand their applicability.

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<sup>2</sup> “Not less than 25 percent of funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

(A) limited resource beginning farmers or ranchers (as defined by the Secretary);

(B) socially disadvantaged beginning farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)); and

(C) farmworkers desiring to become farmers or ranchers.”

University of Tennessee – Absentee Forest Landowners Education Workshops in Metropolitan Area. Although the project plan covers many areas under the “Priorities for Standard BFRDP Projects in FY 2009,” it is not geared toward beginning farmers and ranchers. The main focus group is absentee landowners and we found no connection or link in the objectives or approach of the project to how it relates to beginning farmers and ranchers. In our view, this project should have been declared ineligible.

University of Missouri - A Comprehensive Financial and Risk Management Solution for Beginning Farmers and Ranchers – A Farm Level Approach. While beginning farmers are the central focus of the research, the project fails to define or outline any “Priorities for Standard BFRDP Projects in FY 09” as described in the RFA. Researching and studying beginning farm operations may have merit; it just does not pertain to the BFRDP. In our view, this is a very meritorious project that quite possibly should be funded by USDA, but not a project that is eligible for BFRDP support. It too should have been declared ineligible.

University of Nebraska – Extension - Enhancing Environmental Planning and Leadership. This educational grant, chosen to help serve standard grants, is within the subject matter of the statute and RFA, so is technically eligible. However, it raises red flags. It is add-on funding to a program that already receives substantial federal resources to assist livestock and poultry operators to comply with environmental regulations for the regulated (primarily very large scale) community. As one of only three educational grants awarded, it is questionable why this topic and constituency was selected and of what particular relevance it will be in service to the standard grants it is theoretically designed to assist.

### **Poor Judgment**

USDA National Agricultural Library – Curriculum and Training Clearinghouse for the Beginning Farmer and Rancher Development Program. In review of the Clearinghouse project serious questions arise regarding the objectivity of this grant. The National Agricultural Library is an appropriate agent for aggregating, compiling, and disseminating information on beginning farmer and rancher approaches and outcomes. However, the other central partner for this award, the American Farm Bureau Federation, has a very recognized and specific agenda on farm and rural issues. Considering the role of the Clearinghouse and relationship with Educational and Standard Projects, having any farm organization with political standing, responsible for the communications and disseminating plans, as well as and convening a mandatory yearly Beginning Farmer and Rancher Conference (in conjunction with its trade association meeting) as a part of a national beginning farmer program is inappropriate and in our view shows bad judgment.

The selection of one particular farm organization over all others as the national clearinghouse partner places all grantees in an awkward relationship with the clearinghouse administrators, and raises serious questions about the ultimate value of this \$1.5 million award.

In hindsight, it should be clear that either the NAL should have submitted their proposal solo, and then proceeded to set up a fair and balanced set of stakeholder advisors to assist with clearinghouse functions, or they should have included a range of stakeholders in the project proposal directly.

Beyond the detrimental nature of the unilateral alliance to the program as a whole, it is also a bit of an insult to deny farm organizations that were front and center securing the authorization and

funding for this program, while rewarding one that was not involved in the legislative campaign and sat it out.

The problems created by the review panels selection of this project, without requiring any changes, can, in our opinion, still be rectified, and, given its 5-year lifespan and its status as the only national grant, we believe it indeed should be rectified.

## **Summary**

While a number of very good projects received funding in 2009 we believe there is an opportunity to improve BFRDP. From our quantitative analysis we've have discerned a noticeable and apparent bias in program funding and distribution. Both the greatest number of grants (size and numbers) and overall funding was secured by universities, colleges and academic institutions.

The priority in grant making for partnerships and collaborations was unable to be determined and quantified in grant projects. Whether this priority was achieved in the 2009 RFA is highly questionable outside of those grant projects being led by CBO and NGO's. NIFA needs to provide better direction to applicants and reviewers of how to assess, quantify, and exhibit a "partnership and collaboration."

Multiple awards to single institutions should bear a higher burden of proof that the additional projects funded are far superior to other meritorious proposals that go unfunded due to funding constraints, especially in light of (a) a majority of states getting no awards at all, and (b) a fairly weak showing on commitments to real partnerships on the part of some of the awarded academic institutions.

Additional consideration should be given to clarifying the aim and criteria for groups submitting applications as part of the 25% set-aside pool for socially disadvantaged farmers. Additional consideration should also be given to achieving regional equity in grant distribution across the US.

## **Recommendations**

By drawing from a review of the abstracts, phone interviews with grant project contacts, conversations with review panel members, participation in NIFA listening session for the 2009 and 2010 RFA, and interaction with beginning farmers and groups assisting beginning farmers NSAC has developed a set of recommendations we believe can strengthen the BFRDP in future years.

***Partnerships*** -- For those applications where the lead grantee is not a NGO or CBO but proposes to partner with a NGO or CBO, it should be clear what the nature of that partnership is and that a clear work plan and equitable governance structure has been jointly established, as well as clear expected outcomes of each partnership. NGOs or CBOs listed as partners on a grant proposal submitted by other eligible entities (federal or state agency or land grant institution), should not receive less than 25% collectively of the BFRDP funding awarded. In other words, there should be a prima facie test -- based on funding shares -- that a real partnership in fact exists.

It should be a priority that a sizeable number of NGOs and CBOs are the lead grantees, particularly those that have an established track record of working with farm families on farm issues.

***Education Proposals from Universities*** -- We urge NIFA not to fund proposals for general undergraduate courses at universities and colleges and instead only fund new farmer training and education programs at technical schools and colleges that are aimed at putting new farmers on the land and starting their own businesses. We also urge NIFA not to fund curriculum for general undergraduate education but rather focus on extension, training, and outreach programs and focused and targeted train the trainer activities. This understanding and recommendation is, we believe, the only one that is consistent with statute.

***Evaluation Criteria*** -- First, we believe projects that do not meet the terms of the programs should be weeded out before being sent to review panels. Second, we believe it would be helpful to further clarify evaluation criteria for the review panels, including the following:

Relevancy -- In addition to documentation that the project addresses one or more of the priority areas, NIFA should clarify that “relevancy” includes due consideration of at least three major factors: (1) creating the maximum number of enduring beginning farmer and rancher opportunities, (2) ensuring that the enduring opportunities being created are economically viable, environmentally sound, and help create an enhanced quality of life for the farm family and the community, (3) creating farming opportunities that do not diminish farming opportunities for others but rather help reverse concentration and consolidation and foster widely-dispersed ownership of land and resources, helping to increase total farm numbers.

Technical Merit -- No additional comments beyond what is in the 2009 RFA

Achievability -- No additional comments beyond what is in the 2009 RFA.

Expertise and track record of 1 or more applicants -- In addition to the general factors in the 2009 RFA, NIFA should prioritize those applicants and proposals that demonstrate and quantify factors such as the number of training, assistance, or education activities previously carried out, participants or graduates of the program and success rates, and number of years a program or activity has been offered.

Adequacy of plans for participatory evaluation process, outcome-based reporting, and communicating findings and results beyond the immediate target audience -- NIFA should help potential grantees as well as review panels understand this criterion by providing in the definitions section examples of participatory evaluation, outcome-based reporting, and public communication. For instance, “outcome-based reporting” should be defined as outcomes and impacts rather than activities and inputs. “Communicating findings” includes the expectation that grantees demonstrate how their communications plans reach beyond the immediate clientele to the larger arena of public stakeholders

Other appropriate factors, as determined by the Secretary -- The BFRDP review panel should rank proposals higher that show the degree and frequency of direct face-to-face work and interaction with actual constituencies served. For instance, proposals that include a greater interaction and outreach with beginning farmers and ranchers through activities such as meetings, workshops, field days, one-on-one assistance should receive greater priority.

Additional ideas for review questions are included in the attached Appendix.

**Review Panels** -- We continue to encourage NIFA to ensure that the review panel includes a broad cross-section of agriculture. The review panel should include representatives from: non-profit community based organizations serving beginning farmers; beginning, existing, and socially disadvantaged farmers and ranchers; representatives familiar with organic farming, farming for local and regional agriculture markets; producers growing for new and expanding niche markets; and representatives engage in sustainable agriculture work that are familiar with trade, conservation, rural development, energy, or credit issues; and representatives engaged and familiar with serving immigrant and socially disadvantaged farmers and ranchers.

The RFA should include specific reference to beginning farmers and persons with experience running beginning farmer programs serving on the review panels. The RFA should also specifically include CBOs in each place that NGOs are referenced, recognizing the distinctive contribution made by CBOs. At least a third of those serving on the review panel for BFRDP should be farmers or have demonstrated experience working with NGOs and CBOs with expertise in new agricultural producer training and outreach.

**25 Percent Set Aside** -- To ensure that 25 percent of BFRDP projects address the specific needs of limited resource and socially disadvantaged beginning farmers and ranchers (including immigrant beginning farmers, as designated by the Managers language in the conference report for the 2008 Farm Bill, and women farmers as provided for in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)), and farmworkers desiring to become farmers, as required by statute, we urge NIFA to include specific instructions in the RFA and to the review panels about what kinds of entities would qualify for that funding set aside.

In addition to showing the percent of the project budget that would be allocated for serving one or more of those three groups, the applicant should be required to have demonstrated experience working with one or more of those populations and at least 51 percent of the population served by the project should be members of one or more of those three groups.

Given the funding level for this program, and the combined mandatory funding level for this program and the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers program, we would not, at this time, recommend a higher than 25 percent reservation of funds.

In addition, given the combined resources of the two programs, proposals that are not submitted for consideration under the funding set-aside should not be awarded major ranking points based on outreach to socially disadvantaged farmers.

**Overlap between Section 2501 and BFRDP** -- Applicants should not be prohibited from submitting the same proposal to the BFRDP and Section 2501 programs if they are eligible under the terms of both programs, but identical proposals should not be funded by two different competitive grant programs in the agency. Shared contributions toward a single project, on the other hand, should be permissible in those unique cases in which the program leaders decide, after review panels have completed their work, that cooperative lending would help make the best use of limited funds. However, shared contribution would only work, of course, if the timeline for each program were on roughly the same dates.

Section 2501 will be housed in the Office of Advocacy and Outreach which is also required to coordinate with the BFRDP program. Through the Office of Advocacy and Outreach, there should



be coordination between the BFRDP and Section 2501 program administrators to ensure identical proposals are not funded.

**Overhead Costs** -- We urge NIFA to limit indirect costs to not greater than 10%, or in some other fashion put a reasonable and modest cap on indirect costs. It is critical for program funds to support as many projects and beginning farmers as possible without large overhead costs. Creating a reasonable limit also creates a more level playing field between applicants.

**Geographic Diversity and Technical Assistance** -- The less competitive proposals from the Southern region of the country could indicate that NIFA also needs to provide technical assistance with proposal writing and outcome-based reporting to ensure that a diversity of groups can apply for the BFRDP. The BFRDP Program Leaders might consider regional teams or a third-party consultant to deliver the technical assistance that is needed.

## APPENDIX -- Review Criteria Questions

1. Determining partnerships and collaborations should be based on the extent of the involvement of NGOs and CBOs. The following questions should be asked by the reviewers to determine whether or not the partnerships/collaborations are real and meaningful:
  - a. Who is the lead applicant?
  - b. What is the share of the budget?
  - c. What role did the NGO and/or CBO have in conceiving the project?
  - d. What role did the NGO and/or CBO have in running the project?
2. Create a separate evaluation criteria for specifically focused on their history and track record for serving beginning farmers and ranchers, and correlate them to significant ranking points. The following questions should be used to determine their level of expertise:
  - a. How relevant is the historical work of the organization/agency/university that is proposing the project?
  - b. Do they have a proven track record of working directly with beginning farmers and ranchers?
  - c. In regards to universities and colleges, has their research been something that is directly applied with to beginning farmers and ranchers?
3. Improve the relevancy criteria by calling for and evaluating project proposals that will:
  - a. Grow the number of beginning farmers and ranchers entering the profession as independent agriculture entrepreneurs through high-value, niche market production systems that enable them to start smaller with limited debt and earn more per animal or acre.
  - b. Focus on small and mid-size family farm and ranch opportunities that serve to reverse the consolidation and concentration of agriculture.
  - c. Focus on sustainability at all levels (social, environment and economic).
  - d. Focus curriculum development that leads to practical application that will shape self-employment farming and ranching opportunities.
4. Improve technical merit criteria by focusing on more than number served. Also include criteria that assess the following:
  - a. Is the approach proven and can it reach further than the target audience?
  - b. Is the approach innovative and does it address the social, environment and economic goals that create opportunities for the greatest number of beginning farmers and ranchers?
  - c. Can the approach be widely replicated?
  - d. Does the project propose before/after survey or other feedback process for the target audience to assess project success?