



August XX, 2016

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AMS, Transportation and Marketing Program
Room 4552-S
1440 Independence Ave., S.W
Washington, D.C. 20250-9410

Re: NSAC Comments on the Farmers Market and Local Food Promotion Program 2016 Request for Applications

Submitted via Email to: Trisa.Etzig@ams.usda.gov

On behalf of our 46¹ Represented Members, we offer the following recommendations for improving the 2017 Request for Applications (RFA) for the Farmers Market and Local Food Promotion Program (FMLFPP). These comments are based on analysis of the 2016 RFA and from feedback generated via conversations with and input from our members. As you know, the National Sustainable Agriculture Coalition (NSAC) designed the legislation to create Farmers Market Promotion Program (FMPP) in 2001 and led the campaign to secure the addition of FMPP to the 2002 Farm Bill. We also led the charge to provide mandatory funding to the program in 2008. More recently, NSAC crafted and championed legislation that expanded FMPP as a program into FMLFPP, which was included in 2014 Farm Bill.

We remain intensely interested in the program and its achievements, and welcome the opportunity each year to comment on the RFA. If you have any questions, please feel free to contact us.

Sincerely,

Wes King

Policy Specialist

Ferd Hoefner

Policy Director

cc: Arthur Neal, Deputy Administrator, Transportation and Marketing, AMS
Elanor Starmer, Administrator, AMS

¹ Agriculture and Land-Based Training Association Salinas, CA; Alternative Energy Resources Organization Helena, MT; CCOF Santa Cruz, CA; California FarmLink Santa Cruz, CA; C.A.S.A. del Llano (Communities Assuring a Sustainable Agriculture) Hereford, TX; Catholic Rural Life St Paul, MN; Center for Rural Affairs Lyons, NE; Clagett Farm/Chesapeake Bay Foundation Upper Marlboro, MD; Community Alliance with Family Farmers Davis, CA; Dakota Rural Action Brookings, SD; Delta Land and Community, Inc. Almyra, AR; Ecological Farming Association Soquel, CA; Farmer-Veteran Coalition Davis, CA; Florida Organic Growers Gainesville, FL; Food Corp Portland, OR; GrassWorks New Holstein, WI; Hmong National Development, Inc. St Paul, MN and Washington, DC; Illinois Stewardship Alliance Springfield, IL; Institute for Agriculture and Trade Policy Minneapolis, MN; Interfaith Sustainable Food Collaborative Sebastopol, CA; Iowa Natural Heritage Foundation Des Moines, IA; Izaak Walton League of America St. Paul, MN/Gaithersburg, MD; Kansas Rural Center Topeka, KS; The Kerr Center for Sustainable Agriculture Poteau, OK; Land Stewardship Project Minneapolis, MN; MAFO St Cloud, MN; Michael Fields Agricultural Institute East Troy, WI; Michigan Food & Farming Systems – MIFFS East Lansing, MI; Michigan Organic Food and Farm Alliance Lansing, MI; Midwest Organic and Sustainable Education Service Spring Valley, WI; Montana Organic Association Eureka, MT; The National Center for Appropriate Technology Butte, MT; National Hmong American Farmers Fresno, CA; Nebraska Sustainable Agriculture Society Ceresco, NE; Northeast Organic Dairy Producers Alliance Deerfield, MA; Northern Plains Sustainable Agriculture Society LaMoure, ND; Northwest Center for Alternatives to Pesticides Eugene, OR; Ohio Ecological Food & Farm Association Columbus, OH; Oregon Tilth Corvallis, OR; Organic Farming Research Foundation Santa Cruz, CA; Rural Advancement Foundation International – USA Pittsboro, NC; Union of Concerned Scientists Food and Environment Program Cambridge, MA; Virginia Association for Biological Farming Lexington, VA; Wild Farm Alliance Watsonville, CA; Women, Food, and Agriculture Network Ames, IA; World Farmers Lancaster, MA.

RECOMMENDATIONS

1. Program Structure

We continue to recommend that there be a single Request for Applications (RFA) for the program. The RFA can then state the common and integrated elements that apply to the whole program, yet also be divided into specific details about the direct and non-direct marketing portions of the program, and divided as well, when appropriate, between different categories of funding types and opportunities. As with many other USDA competitive grants programs, there can be multiple deadlines for different elements of the program and different review committees and evaluation criteria, as needed, to run the program efficiently and effectively. We believe this approach is helpful to potential participants and is also politically advantageous.

In addition, we continue to urge that the program be as comprehensive as possible in supporting the wide variety of direct and non-direct marketing channels used to distribute foods locally and regionally. Important progress has been made on this front, and efforts should continue to make the FMLFPP portfolio as balanced, comprehensive, and innovative as possible.

Also, as the next section indicates the current program structure and the division of farmers market promotion program and local food promotion program has resulted in gaps in which projects that should be eligible based on the statutory purpose of the program have fallen through the cracks.

Recommendation: FMLFPP should be run as an integrated and comprehensive program with a single RFA rather than having separate RFAs for FMPP and LFPP.

2. Allowed Project Types

The FY16 RFA restricts projects funded under the Farmers Market Promotion subprogram (FMPP) to only those related to producer-to-consumer direct marketing, while the FY16 RFA restricts projects funded under the Local Food Promotion subprogram (LFPP) from including marketing activities that promote local and regional food consumption in general or specifically marketing a product to consumers.

As stated in the RFA, the purpose of the Farmers Market and Local Food Promotion Program is:

“to increase domestic consumption of and access to locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets, by developing, improving, expanding, and providing outreach, training and technical assistance to domestic farmers markets, roadside stands, community-supported agriculture (CSA) programs, agritourism activities, and other direct producer-to-consumer market opportunities or assisting in the development improvement and expansion of domestic farmers markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct producer-to-consumer market opportunities.”

Unfortunately, it appears that in breaking the larger program into two separate subprograms, certain types of projects and activities that should be eligible and are within the scope of the purpose of the program, fall outside the boundaries of what is deemed eligible project activities within the FY16 RFA for both of the subprograms. The RFA for LFPP does not allow marketing grants and the RFA for FMPP does not allow anything that isn't farm direct. AMS appears to view farm sales direct to grocers and restaurants as intermediated sales and not direct marketing. However, in the minds of many producers, some state laws, and in the definitions within FDA's Food Safety Modernization Act produce rule, when farmers sell directly to local groceries and restaurants that is considered direct marketing sales. A case could also be made that

they are not direct, but be that as it may, the clear division of the program into focused discrete categories without flexibility appears to have left out projects involving the promotion of local and regional food sales at local groceries and restaurants that should be allowed based on the purpose and intent of the program.

There are numerous efforts underway across the country to connect local producers directly with restaurants and local groceries and to promote identity-preserved products as being locally or regionally produced through marketing materials, promotional campaigns and special events. As currently constructed, the RFA leaves out stakeholder initiatives like Buy Fresh, Buy Local Chapters or Rogue Valley Grown in Oregon that are promoting local and regional identity-preserved foods that were directly procured from producers; through signage and menu inserts at restaurants, special events featuring local identity-preserved products at restaurants, and signage and special marketing displays in local groceries.

It may very well be AMS's intention to allow these types of projects but the lack of clarity in the RFA language makes it incredibly difficult for a prospective applicant to make the decision to invest the time in an application when they are uncertain as to which subprogram to apply to and whether or not it is even allowed. NSAC strongly recommends clarifying the RFA language for allowed Project Types and information on allowable activities to include innovative projects that promote local and regional identity-preserved foods at local groceries and restaurants that were procured directly from producers, and all other types and manner of local and regional food system expressions. To succeed, we need maximum innovation and a variety of effective marketing channels and approaches, not a one size fits all approach. Applying for a federal competitive grant is a complicated process and it is unfair to expect a prospective applicant to do so without assurance and clarity that the project and activities they are proposing are even eligible for funding. FY17 RFA should make clear that such projects and activities are eligible.

Recommendation: Clarify that activities and projects that promote the increased domestic consumption of local or regionally produced identity-preserved products in restaurants and grocery stores are eligible projects.

3. Priority Consideration and Priority Points

The FY 2016 RFA gives priority consideration to projects that benefit communities located in areas of concentrated poverty with limited access to supermarkets and projects that involve Promise Zone Lead Applicant Organizations; setting aside 10% of the funding in both FMPP and LFPP for priority projects. In addition, both the FMPP and LFPP RFA gives 5 priority points to applications that involved Promise Zone Lead Applicant organizations.

As NSAC has previously commented, we support the prioritization of projects located in areas that have limited access to supermarkets and those with areas of concentrated poverty but oppose the decision to limit the number of possible mapping tools. Additional data sets and tools should be allowed, such as, community food assessments developed under the USDA Community Food Projects grant program, or those done by or in concert with extension professionals. Project implementation locations in USDA Strike Force areas should also be another option for applicants to demonstrate that a community is located in an area "of concentrated poverty with limited access to fresh locally or regionally grown foods."

In addition to limiting priority area consideration to those projects whose implementation address is located in an a priority area as identified on one of four ERS Food Environment Atlas maps, the RFA limits the awarding of priority points to only Promise Zone projects. NSAC opposes limiting the awarding of 5 priority points to only Promise Zone projects.

Considering the fact that the main purpose of FMLFPP is “to develop new market opportunities for farm and ranch operations,” the vast majority of which are located in rural areas of the country, NSAC does not understand why Priority Points have been limited to just Promise Zones and not Strike Force areas as well.

Priority consideration for low income and low access areas is something NSAC supports but by limiting the awarding of priority points to applications that involve Promise Zones which are necessarily located in larger urban areas the RFA is disadvantaging rural communities where income, poverty and access issues are just as salient and often times greater. The 2017 RFA should include awarding priority points to both Promise Zones and Strike Force areas.

Recommendation: In order to demonstrate meeting the criteria for priority consideration, projects should be allowed flexibility in using various tools and resources.

Recommendation: Priority Points should be awarded to additional priority areas not just Promise Zones.

4. Performance Measures

NSAC applauds AMS for taking steps to develop trackable metrics for the program that can be used to demonstrate impacts and measure the efficiency of projects; however, we recommend improving the associated guidance and rationale within the appropriate section of the FY 2017 RFA.

NSAC has heard from a number of stakeholders that applied to FMPP or LFPP expressing confusion and frustration with the outcomes and indicators performance measures. NSAC is concerned that the confusion and frustration will lead to poor outcome indicators and inaccurate information that falls short of the important goal of showing efficiency and broad sustaining impacts. NSAC recommends including more detailed guidance (and rationale) in the Performance Measure section as well examples to help applicants develop strong outcome indicators and approaches to related data collection.

NSAC further recommends developing a small working group of stakeholders from inside and outside of the USDA to provide feedback on the outcomes and indicators and associated guidance to ensure that they will serve the important and laudable purpose of providing strong and clear program metrics.

Recommendation: Include more details guidance and examples on developing strong project Performance Measures.

Recommendation: Form a stakeholder group to ensure outcomes and indicators and associated guidance will be accurate and useful in demonstrating program impacts.

5. Match Requirement for Local Food Projects

The FY 2016 RFA continues to require that LFPP applicants provide a cash and/or in-kind match of 25 percent of the total project cost. This requirement is overly burdensome for smaller organizations and those working with underserved communities. We recommend that applicants for local food projects instead be required to provide a match of 25 percent of grant funds.

The Farm Bill requires a 25 percent match of the total cost of the project in cash or in-kind donations. USDA should interpret this provision to mean 25 percent of the total grant amount. The National Institute of Food and Agriculture (NIFA) uses a similar interpretation for implementing the Beginning Farmer and Rancher Development Program (BFRDP) – in cases where the total project is larger than the portion of the

project funded by the grant, NIFA requires a 25 percent match of the funds provided by the grant as opposed to total project costs. There is no reason to assume AMS faces different legal requirements than NIFA in the face of similar statutory requirements.

This change for FY 2017 will satisfy the requirements of the statute while allowing better, fairer access to the program by smaller organizations and producer networks.

Recommendation: For local food promotion projects, the match requirement should be 25 percent of the grant funds rather than 25 percent of the total project cost.

5. Use of Funds as Capital

Among the main purposes of FMLFPP is to “develop new market opportunities for farm and ranch operations serving local markets, by developing, improving, expanding, and providing outreach, training, and technical assistance to, or assisting in the development, improvement and expansion of” local and regional food businesses. This implies a wide variety of uses for grant funds.

Local and regional food enterprises have a wide range of needs for assistance. Acquiring and using capital is nearly always a need of local and regional food enterprises, and could, in some instances, be considered an eligible use of program assistance. Innovative uses of capital might include forming a cooperative and helping to purchase shares, or starting a revolving loan fund for local and regional food businesses, or having a food hub or a community kitchen or packaging facility run a small micro-loan fund for new business start-ups. Such activities could assist in the development and the expansion of local and regional food businesses. The FY 2017 RFA for FMLFPP should clarify that these types of projects allowing for innovative uses of capital are eligible uses of grant funding.

Recommendation: Allow for innovative uses of capital as eligible uses for program support.