



June 21, 2021

Dr. Melissa R. Bailey
Agricultural Marketing Service, USDA
Room 2055–S, STOP 0201
1400 Independence Avenue SW
Washington, DC 20250–0201

RE: Comments on the Executive Order on America’s Supply Chains (86FR 11849) (E.O. 14017): Docket Number AMS-TM-21-0034; submitted online via www.regulations.gov

Introduction

Family Farm Action Alliance welcomes the opportunity to provide comments on the Executive Order (EO) on America’s Supply Chains.

Family Farm Action Alliance is a national research, policy development, market innovator, and advocacy organization working to build a sustainable, inclusive economy in which everyone has the right to share in the prosperity they help build while respecting our land, natural resources, and neighbors around the world. We focus our efforts on: 1) anti-monopoly reform, 2) regenerative agriculture, 3) resilient local and regional food systems, and 4) market innovation. This Executive Order sits squarely within the interest of our supporters, comprised of farmers, ranchers, small business owners, and rural constituencies.

Family Farm Action Alliance applauds the Biden-Harris administration and Secretary Vilsack’s commitment to ensuring the nation’s nutritional and economic security through resilient and durable food supply chains. We are aligned with USDA’s dedication to strengthening food supply chains by facilitating fair and competitive markets, supporting small scale local and regional food systems, and transforming the agrifood system to one that is just and equitable for all people.

Background

A resilient agrifood supply chain must be democratized, meaning the power to make decisions about what, who, how, and where food is grown and consumed is held by all actors along the supply chain – not gripped in the hands of a few. While we will outline many recommendations throughout the comment, we hinge all our proposals on the following six key points of intervention¹ (developed by leading agrifood scholars) to democratize the food system:

¹ Mary Hendrickson, Phillip Howard, Emily Miller, and Douglas Constance. 2020. “The Food System: Concentration and Its Impacts.” Special Report to Family Farm Action Alliance. Available at https://farmactionalliance.org/wp-content/uploads/2021/05/Hendrickson-et-al.-2020.-Concentration-and-Its-Impacts_FINAL_Addended.pdf

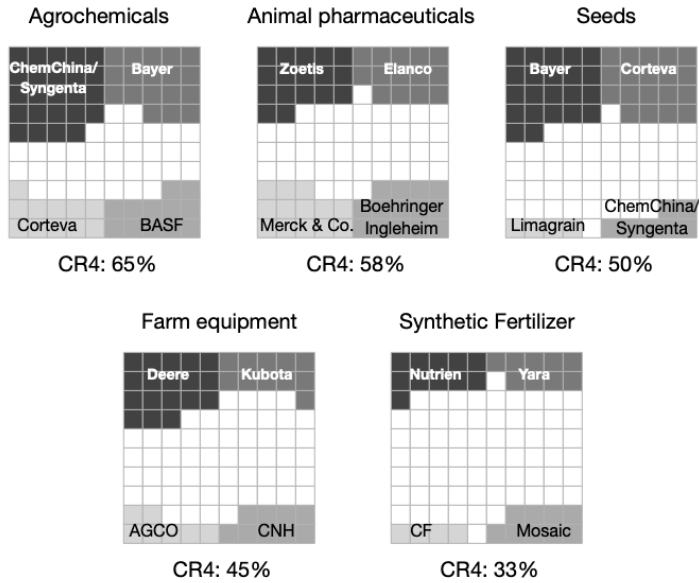
1. Curb and prevent monopolistic tendencies in agrifood systems within all sectors and at all scales through diverse policy instruments, from contract to competition law, including all titles of the Farm Bill.
2. Examine agrifood system power and consolidation with a scholarly racial lens to highlight the myriad ways that economic power has often been built within and upon other relationships of power, providing new insights into potential remedies.
3. Adopt a stance that prioritizes resilience and redundancy in business arrangements as well as policies.
4. Rethink core assumptions, such as efficiency and property rights, in ways that acknowledge their social and ecological consequences.
5. Encourage the development of alternative production and consumption arrangements that forge economic ties between localized producers and consumers , offer producers and consumers more choices at different scales, afford more opportunities for communities to develop self-reliance, and reduce society’s dependence on dominant agrifood firms.
6. Rethink which kinds of crops, livestock, and even sectors of the food system should be subsidized — and how they should be subsidized — in a transparent iterative process that allows citizens to truly weigh the corresponding benefits and consequences.

Antitrust, Concentration, and the Agrifood Supply Chain

Agricultural markets are highly concentrated from national to global levels, creating brittle dependencies that threaten the resiliency of America’s supply chains. Weak antitrust laws and enforcement have allowed a handful of agricultural corporations to undergo horizontal, vertical, and backward integration,² warping supply chains to extract maximum wealth and profit for their shareholders instead of delivering a reliable and resilient food supply for U.S. citizens. Poor interpretation of antitrust regulations has allowed mergers and acquisitions to take place that ignore the rippling economic, social, and environmental consequences of market power levels (see Figure 1 & Figure 2), enabling abusive and deceptive practices to workers, farmers, and consumers along the entire agrifood food supply chain.

² Family Farm Action Alliance. December 1, 2020. Integration Nation: How Big Ag Cornered the Food Market. Available at <https://farmactionalliance.org/2020/12/01/integration-nation-how-big-ag-cornered-the-food-market/>

Global Market Concentration

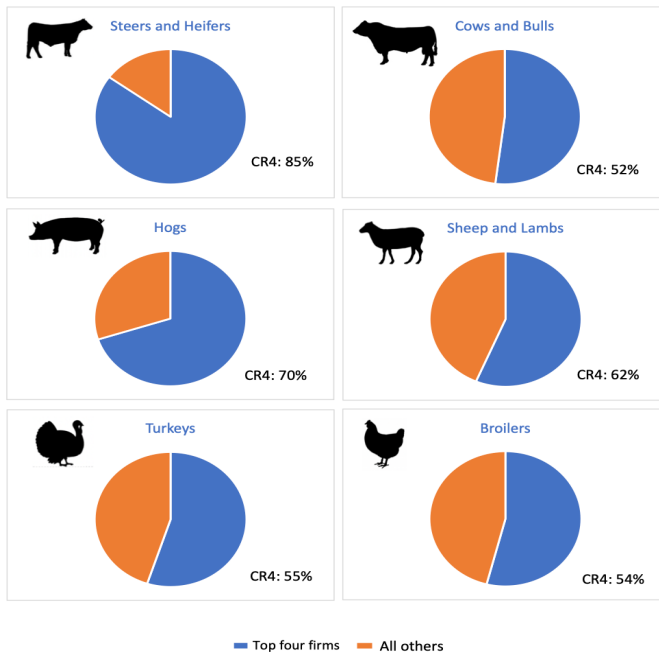


Family Farm Action Alliance

Hendrickson, Mary K., Philip H. Howard, Emily M. Miller and Douglas H. Constance. 2020. The Food System: Concentration and Its Impacts

Figure 1. Global Agricultural Market Concentration. Note that a Four Firm Concentration Ratio (CR4) above 40% is considered to be under monopsonistic control, and signals market problems such as price fixing.

Four-Firm Concentration Ratios in Meatpacking and Poultry Processing in Federally Inspected Plants, 2018



Data: USDA-AMS Packers and Stockyards Division Annual Report (2019). Four-firm concentration ratios are calculated on a per head basis for: steers and heifers; cows and bulls; hogs; and sheep and lambs, and on a per lb. basis for: turkeys; and broilers.

Figure 2. Four-Firm Concentration Ratios in Meatpacking and Poultry Processing in Federally Inspected Plants.

Intentional public policy decisions have kept the industrial feed-meat complex (Figure 3) in place to guarantee profits for industrial agrifood corporations and their stakeholders. Farmers are trapped in a never-ending cycle of debt and constrained choice to either produce feed grains for intensively-raised livestock or the livestock themselves in Concentrated Animal Feeding Operations (CAFOs). These intensive, large-scale systems prioritize efficiency above all else and threaten food supply chain resiliency. Yet billions of taxpayer dollars and mandatory producer checkoff fees prop up this brittle system instead of one that prioritizes local and reliable food sources for U.S. residents in times of crisis and relative stability.

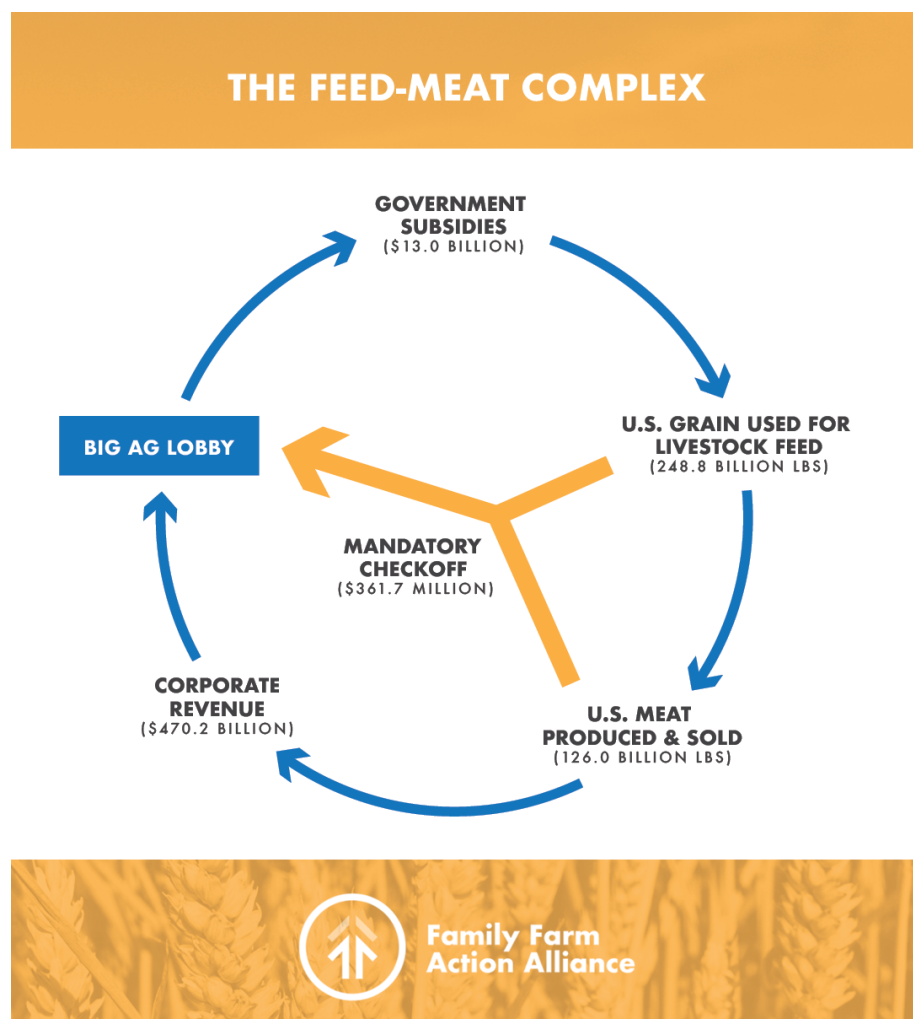


Figure 3. The Feed-Meat Complex³

³ GOVERNMENT SUBSIDIES: 2016 Agriculture Risk Coverage (ARC) and Price Loss Coverage (PLC) programs (USDA-ERS), Foreign Market Development FY16 Funding Allocations (USDA-FAS), Federal Crop Insurance Corporation Commodity Year Statistics (USDA-RMA) U.S. GRAIN FOR LIVESTOCK FEED: 2016 feed grain and residual (USDA-ERS Feed Grains Data, 9/14/20), 2016 soybean, and 2016 canola production (USDA-ERS Oil Crops Yearbook) U.S. MEAT PRODUCED & SOLD: 2016 federally inspected beef, veal, pork, lamb and mutton,

Supporting Just Transition to Ensure Nutritional Security

Just as intentional public policy decisions created the feed-meat complex, intentional policy decisions can facilitate a just transition to an agriculture system that strengthens American food supply chains while providing greater national security, “climate-smart” outcomes, and fairer markets for farmers, ranchers, workers, and consumers.

A 2010 study from the Leopold Center at Iowa State estimated that if 270,000 acres of Midwest farmland (about the size of a county) were transitioned from corn-soy rotations to vegetable production, \$882.4 million in farm-level sales would be worth about \$3.3 billion when sold at retail. This form of production would yield roughly 6,000 new jobs and \$345.1 million in wages. Additionally, that same acreage used for vegetable production would provide the population of six Midwest states (Illinois, Indiana, Iowa, Michigan, Minnesota, and Wisconsin) nearly half a year’s tomatoes, onions, strawberries, and apples, and about a fourth of their kale, lettuce, and cucumbers.⁴ Similar conclusions are drawn from Rossi et al. (2017) where they posit that, depending on the region, local food sales can yield substantially higher Gross Domestic Product for local economies than conventional sales. In other words, by relying on alternative forms of agricultural production and markets, wealth and produce could be retained by communities, not extracted by large corporations. Decreasing reliance on industrial agricultural practices makes economic sense and will strengthen U.S. supply chain resilience.

Taxpayer-funded payments and support ought to pay into a system that increases supply chain resiliency, not one that profits from vulnerability and exploitation.

Recommendations

Top Priorities for Recommendations

We maintain that the top priorities of this comment period should be to improve the resilience of U.S. food supply chains by:

- Strengthening and fully enforcing antitrust and fair market legislation (see Appendix A).

broilers, other chicken, and turkeys (USDA-ERS Meat Statistics, 8/25/20), excluding exported amounts
CORPORATE REVENUE: 2016 corporate revenue (Tyson Foods, JBS SA, Cargill, Smithfield, ADM, Bunge, Louis Dreyfus) (statista.com) MANDATORY CHECKOFF: Lamb, beef, soybean, pork (GAO-18-54. Agricultural Promotion Programs. November 2017. <https://www.gao.gov/products/GAO-18-54>), Corn (estimated from 2016 US production amount at assessment of \$0.01/bu). BIG AG LOBBY: Cumulative sum of corporate revenue, mandatory checkoff assessment, and agribusiness PAC and lobbyist expenditures by livestock and grain commodity groups and associations (\$70.2 million); (<https://www.opensecrets.org/industries/indus.php?Ind=A>), NCBA 2016 Annual Report (<https://www.ncba.org/CMDocs/BeefUSA/2016%20Federation%20Investor%20Report.pdf>)

⁴ Dave Swenson. 2009. “Investigating the Potential Economic Impacts of Local Foods for Southeast Iowa.” Leopold Center at Iowa State. Available at <https://www.leopold.iastate.edu/files/pubs-and-papers/2010-01-investigating-potential-economic-impacts-local-foods-southeast-iowa.pdf>

- Shifting federal support to allow a just transition to crop production and practices that will strengthen national nutrition security, not undermine it.
- Bolstering support for independent farmers and ranchers to engage in local and regional food systems, thus increasing overall U.S. food supply chain resiliency.

For readability, we have organized our comment in the order of prompts as written in the Federal Register.

(i) The critical goods and materials underlying agricultural and food product supply chains. Under section 6(b) of E.O. 14017, “critical goods and materials” means goods and raw materials currently defined under statute or regulation as “critical” materials, technologies, or infrastructure.

Requested action: USDA should consider the following goods and materials as critical goods and materials. This list is not exhaustive of all essential goods and materials, but are those identified by our stakeholders and partners.

- Soil Health
- Seeds
- Water
- Inputs (see section (ii))
- Livestock

(ii) Other essential goods and materials underlying agricultural and food product supply chains, including digital products, and infrastructure. Under section 6(d) of E.O. 14017, “other essential goods and materials” means those that are essential to national and economic security, emergency preparedness, or to advance the policy set forth in section 1 of E.O. 14017, but not included within the definition of “critical goods and materials.” USDA also will consider “other essential goods and materials” relative to nutrition security given its related importance to national and economic security.

The US food system is brittle and non-reflexive, which is alarming considering the many essential goods and materials required for it to function. Following USDA’s direction, we consider the listed goods and materials as essential to the U.S. food supply chain. We will expand on the specific threats to supply chain viability in section (iv).

Requested action: USDA should consider the following goods and materials as essential to nutritional, national, and economic security. This list is not exhaustive of all essential goods and materials, but are those identified by our stakeholders and partners.

- Seeds
- Fertilizer
- Pesticides
- Workers along the supply chain
- Access to capital and financing
- Access to farm production tools
- Critical food distribution assets and technology
- Technical assistance

- Soil health
- Reliable, safe roads and bridges
- Equipment
- On-farm cooling and storage
- EBT stations/accessibility
- Reliable seasons, temperature variability

(iii) The manufacturing or other capabilities necessary to produce the materials identified in subsections (i) and (ii) of this section, including emerging capabilities. USDA is particularly interested in comments on the processing and distribution, capacity, and access issues associated with food production across all agricultural commodities, the varying scales at which processing is available (including availability for small to mid- size producers), the geographic distribution of such processing (e.g., availability to local and regional producers and food hubs), access to transportation hubs and export facilities, and cold chain infrastructure and capacity, access to packaging (including the availability of sustainable packaging), as well as the ownership and financial viability of such facilities.

Requested Action: Increase feasibility of and access to scale-appropriate small meat processing capabilities.

Small-scale meat processing is critical for the functioning of local and regional food systems and survival of independent farmers and ranchers in an extremely consolidated sector. Scale-appropriate actions USDA can prioritize to increase the feasibility of small-scale meat processing include:

- Implement the provisions of the Strengthening Local Processing Act, including a library of scale-appropriate HACCP plans.
- Develop incentives for meat processing in modular structures or on-farm.

Requested Action: Establish tax incentives for individuals who invest in infrastructure for local and regional food systems, including but not limited to: food aggregation centers, shared farming and processing equipment, processing facilities, public marketplaces, and cooperative grocers.

Requested Action: Increase viability and stability of food hubs and aggregation centers by incentivizing on-site meat processing capacity.

The business risks associated with food hubs are high due to the seasonality of fruits and vegetables. Meat processing and distribution is a year-round activity that mitigates business risks, provides great processing capacity for nearby ranchers, and increases community access to regionally-raised meat products.

Requested Action: Remedy USDA-FSIS's inspector shortages and difficult staffing hours by creating local inspector qualifications so small-scale processors may rely on community-based agricultural professionals, such as veterinarians, to conduct inspections.

Requested Action: Open public comment on and implement the 1997 WORC Rule on the Captive Cattle Supplies proposal under the Packers and Stockyards Act; this will rebuild the US cattle herd while mitigating climate change and bolstering labor standards in the beef, pork, and poultry sectors.

The WORC Rule, implemented today, would:

- Require live cattle imports under USMCA to bid in an open, public manner, which would facilitate price discovery at a North American continental level.
- Facilitate fair prices for cattle producers in all three USMCA countries and facilitate herd rebuilding.
- Provide market access through which new local and regional meatpacking plants would be able to acquire live cattle. Such market access is now mostly blocked by the meatpacking cartel in collusion with the retail grocery monopsonies.
- Enhanced market transparency would protect startup meatpacking plants from the beef cartel's potential anticompetitive practices by making all antitrust laws more enforceable.
- Herd rebuilding would mitigate climate impacts by:
 - Preventing US beef demand from being dumped onto South America, which would otherwise accelerate deforestation and increase the global carbon footprint of beef;
 - Providing economic incentives to move cattle out of large concentrated feeding operations and onto regenerative pasture rotations, thereby rebuilding soil, sequestering more carbon, and making the countryside more resilient in the face of drought, flooding, and other climate volatility.

(iv) The defense, intelligence, cyber, homeland security, health, climate, environmental, natural, market, economic, geopolitical, human-rights or forced-labor risks or other contingencies that may disrupt, strain, compromise, or eliminate the supply chain—including risks posed by supply chains' reliance on digital products that may be vulnerable to failures or exploitation, and risks resulting from the elimination of, or failure to develop domestically, the capabilities identified in subsection (iii) of this section—and that are sufficiently likely to arise so as to require reasonable preparation for their occurrence.

Requested Action: Ensure that farm-level data ownership, use, and privacy is entirely controlled by farmland owners. Participating farmers and farmland owners should reserve the right to withdraw their data from use at any time.

Requested Action: Any entity using farmland-level data for product development or marketing must undergo a full audit to demonstrate U.S. farmland data is properly encrypted, stored, and destroyed upon rescission of an agreement or contract between the farmland owner and the respective entity.

Requested Action: Bar any further purchase of U.S. farmland by foreign-owned corporations.

Foreign investors hold an interest in almost 35.2 million acres of U.S. farmland.⁵ In the past 17 years alone, foreign farmland holdings have doubled in the U.S. — and the trend shows no signs of slowing. Companies based in countries like China and Brazil are solidifying unprecedented levels of control over the United States’ food supply chain, posing a threat to both national security and food security. For example, Smithfield was once the largest processor for both the U.S. and the world, until it was fully acquired by the WH Group (China) in 2013 with backing from the Chinese government. In 2013, Smithfield purchased 42,000 acres of Missouri agricultural land one week after an amendment raised the cap on the allowed percentage of foreign land ownership in the state. In Ohio, where foreign ownership of agricultural land is unrestricted, WH Group bought two grain elevators in 2016 to reduce the cost to feed out Smithfield livestock. Approximately 500,000 acres of Ohio farmland are owned by foreign interests, with China representing a significant investor.

Requested Action: Investigate the labor practices in Cargill’s processing plant located in China’s Anhui Province, staffed by state-sponsored forced laborers in “re-education” internment camps.⁶

Requested Action: Bolster U.S. agriculture programs, systems, and finance to incorporate climate change-related adjustment. Specific recommendations can be found in section ix.

Requested Action: RMA should initiate a rulemaking to require private insurers to incorporate climate change risks into the calculation of policy premiums and indemnification rates for crop losses.

Without this, premium policies will increase as indemnification rates decrease. Falling short of complete financial collapse, farmers may opt out of participating in crop insurance, and some crops may become uninsurable in some parts of the U.S. Crop and livestock insurance could be written according to a federal standard to adapt to climate change (such as USDA’s regionally specific “Adaptation Resources”⁷). RMA may also consider using Nitrogen Use Efficiency (NUE) metrics, instead of yield or profit, when developing climate-smart insurance programs.

Requested Action: Incorporate climate risk and mitigation assessments for all USDA grant programs, cost-shares, and incentives. Then, redirect USDA support and subsidies to incentivize adoption of programs utilizing regenerative agricultural practices, and marketing food products to regional, independent markets.

⁵ USDA-FSA. Foreign Holdings of U.S. Agricultural Land Through December 31, 2019. Available at <https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/EPAS/PDF/afida2019report.pdf>

⁶ Carrie Freshour. 2019. “Cheap Meat and Cheap Work in the U.S. Poultry Industry: Race, Gender, and Immigration in Corporate Strategies to Shape Labor.” Pp. 121-140 in *Global Meat: Social and Environmental Consequences of the Expanding Meat Industry*, edited by Bill Winders and Elizabeth Ransom. Cambridge, MA: MIT Press.

⁷ Maria K. Janowiak, Daniel N. Dostie, Michael A. Wilson, Michael J. Kucera, R. Howard Skinner, Jerry L. Hatfield, David Hollinger, and Christopher W. Swanston. 2016. “Adaptation Resources for Agriculture: Responding to Climate Variability and Change in the Midwest and Northeast.” USDA-ARS, USDA-NRCS, and U.S. Forest Service. Available at <https://www.climatehubs.usda.gov/sites/default/files/AdaptationResourcesForAgriculture.pdf>

Requested Action: Require all USDA-administered research and outreach grants to prioritize long-term environmental and social benefits, and acknowledge any adverse impacts of the project.

Requested Action: Consider the following threats to the critical and essential goods and materials identified in sections (i) and (ii) of this comment, and include them in USDA’s report as directed by the EO:

- Seeds
 - Seed companies and grain traders have highly concentrated market control, vertical and horizontal.
- Fertilizers
 - Agrochemical companies have highly concentrated market control, vertical and horizontal.
 - Fertilizer treadmills (farmers are dependent on continued fertilizer application due to degraded soil health) create dependency on a few multinational companies.
 - Synthetic fertilizer production relies on fossil fuels and generates large greenhouse gas emissions.
- Pesticides
 - Agrochemical companies have highly concentrated market control, vertical and horizontal.
 - Pesticide treadmills created pesticide-resistant weeds, such as Palmer Amaranth.
 - Dicamba applications and dependence result in community-wide harm.
- Workers along the supply chain
 - The U.S. food supply chain relies on these workers, but labor laws and practices do not fully protect them, leading to the exploitation of large groups of people.
 - Workers along the supply chain are subject to dangerous working conditions, low wages, inability to organize or unionize, insufficient personal protective equipment, lack of healthcare, exploitative and unreasonable work hour expectations, low social-safety net, and precarious immigration statuses.
 - Workers along the supply chain are disproportionately Black and Latinx. In meatpacking, 44.4% of workers are Hispanic, and 25.2% are Black.⁸ Of all farm laborers, 64% are Hispanic.⁹ Of these groups, women disproportionately face extra risks associated with reproductive health,¹⁰ imbalanced bargaining power with their male counterparts, and sexual assault while working.¹¹
 - Cargill’s forced-labor: China and Cargill

⁸ Shawn Fremstad, Hye Jin Rho, & Hayley Brown. April 29, 2020. “Meatpacking Workers are a Diverse Group Who Need Better Protections.” Center for Economic and Policy Research. Available at <https://cepr.net/meatpacking-workers-are-a-diverse-group-who-need-better-protections/>

⁹ USDA-ERS. “Farm Labor.” April 22, 2020. Available at <https://www.ers.usda.gov/topics/farm-economy/farm-labor/#demographic>

¹⁰ Charlene Galarneau. “Farm Labor, Reproductive Justice: Migrant Women Farmworkers in the US.” Health and Human Rights, Vol 15, No. 1. Available at <https://cdn1.sph.harvard.edu/wp-content/uploads/sites/2469/2013/08/Galarneau-FINAL.pdf>

¹¹ Ariel Ramchandani. “There’s a Sexual-Harassment Epidemic on America’s Farms.” *The Atlantic*, January 29, 2018. Available at <https://www.theatlantic.com/business/archive/2018/01/agriculture-sexual-harassment/550109/>

- Access to capital and financing
 - 45% of farm debt is held by Government-Sponsored Enterprises (GSE), including the Farm Credit System and Farm Service Administration, but FSA offices are historically and presently discriminatory in approving SDFR borrowers.
 - In some cases, after discriminatory and overtly racist treatment from USDA staff, farmers have been forced to seek out people to accompany them to FSA offices in order to receive civil treatment.
- Access to farm production tools:
 - Very costly and serve as a barrier, especially to new and beginning farmers
- Critical food distribution assets and technology
 - Current USDA programming and regulations limit locally- and regionally-produced and aggregated food. Subsidies and support should be redirected to institutions aggregating, processing, and distributing food from farmers and ranchers to consumers within a single region.
- Technical assistance:
 - Some barriers exist when technical assistance is not accessible due to a language barrier, or the assistance is not culturally appropriate. Organizations that work directly with farmers should be the direct recipients of technical assistance, outreach, and education appropriations while working with USDA to implement programs and engage farmers. Technical assistance is not useful if the point source cannot help or provides inappropriate guidance.
- Soil health
 - Current industrial agricultural practices are degrading soil health and quality by incentivizing intensive management practices.
 - Soil degradation and erosion cost farmers large sums of money per year and reduce their ability to produce adequate food for consumers.
- Reliable, safe roads and bridges, both rural and interstate
 - Rural and interstate roads are required for reliable and consistent transportation of agricultural goods to the retail market.
 - Industrial agriculture’s habit of externalizing their share of infrastructure taxes harms communities by denying them properly-maintained roads and bridges. For example, one Iowa community estimated that the presence of CAFOs finishing 45,000 hogs annually increased road gravel costs by \$20,000 a year.¹² Similarly, a Colorado study estimated that a 20,000-head cattle feedlot increased local road repair costs by \$6,447 per mile from trucks hauling feed and livestock.¹³
 - Degraded infrastructure along the I-40 bridge in Memphis has very recently threatened major interstate transportation of agricultural goods and food by truck and barge.¹⁴
- Equipment use and repair

¹² William J. Weida. May 18, 2002. “The CAFO and Depopulation of Rural Agricultural Areas: Implications for Rural Economies in Canada and the US.” For presentation at the International Conference on The Chicken—Its Biological, Social, Cultural and Industrial History, May 17-19, 2002, Yale University. Available at <http://citeseerx.ist.psu.edu/viewdoc/download?doi=10.1.1.604.9352&rep=rep1&type=pdf>

¹³ *Id.* 12

¹⁴ Larry Lee. May 13, 2021. “Memphis Bridge Closure Impacting Agriculture Shipments.” <https://brownfieldagnews.com/news/memphis-bridge-closure-impacting-agriculture-shipments/>

- Right to Repair laws increase corporate control over farmers by restricting their ability to maintain equipment themselves. Due to this restriction, farmers have been stuck idle on roads for hours to transport equipment, and then must pay costly service fees.
- Regenerative, organic, and smaller-scale farmers rely on retrofitting equipment for innovative cultivation and weed control.
- Farm-land data
 - Farm-level data ownership, encryption, and application is unclear. The questions around such precise data is a threat to all U.S. citizens.

(v) The resilience and capacity of American manufacturing supply chains, including food processing (e.g., meat, poultry, and seafood processing) and distribution, and the industrial and agricultural base—whether civilian or defense—of the United States to support national, economic, and nutrition security, emergency preparedness, and the policy identified in section 1 of E.O. 14017, in the event any of the contingencies identified in subsection (iv) of this section occurs.

The industrial food supply chain in the U.S. is in a precarious and brittle position. The industrial food system broke under the pressure of COVID-19, while local, regional, and place-based food systems persisted and fed Americans. As the industrial agrifood system has effectively returned to status quo, we can expect it to once again be brittle and non-reflexive in the face of the next crisis — whatever that may be. Appointments for local meat lockers and consumer demand seem to be decreasing as the threat of supply chain disruptions dissipates. The most important lessons to learn from COVID-19 are to prioritize resilience over efficiency, and to invest in local and regional supply chains as well as market support and development.

Requested Action: Prioritize resiliency and redundancy over efficiency in all aspects of the U.S. food supply chain.

Our commissioned report, “The Food System: Concentration and Its Impacts” identifies situations where prioritizing efficiency over redundancy economically and physically harmed farmers and ranchers, decreased the number of farmers and ranchers producing food, and threatened the U.S. food supply in the face of crisis. Below are selected excerpts from the report:

“The Meat Industry: Nowhere is this systemic vulnerability clearer than in the protein sector, which has been hard hit by the COVID-19 crisis, particularly in North America. Meat production, processing and consumption have risen steadily in recent years, part of the “meatification” of global society (Weis 2015; Winders and Ransom 2019). Increased meat consumption is a central component of the industrial diet developed in the United States (Winson 2013) and diffused globally, contributing to obesity epidemics throughout the world (Otero 2018). The feed/meat complex has developed with concerted cooperation between state and market actors through various subsidies and pro-business regulations (Howard 2019). Meatification, primarily the feed/cattle complex, is also a major contributor to greenhouse gas emissions (IPCC 2018). Meat processing is one of the most dangerous jobs in the United States, especially hazardous for immigrant groups with limited English-speaking

skills and sometimes precarious legal status (GAO 2005; Choi and Constance 2019; Human Rights Watch 2005).” pg. 12

Since the report was published in Fall 2020, it has been reported that 334,000 cases of COVID could be linked to meat processing plants.¹⁵

“Farmer/Animal Welfare: By mid-April, nearly 20 percent of daily pork processing capacity had been idled by COVID-19, with similar problems in beef processing.¹⁶ An early outbreak at a Smithfield Foods plant in S. Dakota shut down a plant responsible for 5 percent of the nation’s daily pork slaughter.¹⁷ When a plant that processes nearly 20,000 animals a day closes, it creates crises for farmers supplying that plant. They must either feed those animals, find an alternative market or euthanize them. Alternative markets for 20,000 pigs per day are difficult to find, even outside a pandemic situation. One agriculture press article estimated that nearly a million pigs had disappeared from slaughter markets in the second quarter of the year, with anywhere from 300,000 to 800,000 pigs euthanized.²³¹⁸ At the low estimate, that’s nearly 29,000 tons of pork destroyed.¹⁹ At least 2 million chickens were also euthanized by mid-May.²⁰ Previous mass euthanizations occurred in the wake of livestock disease epidemics, such as porcine diarrhea virus epidemic in 2013 and avian influenza in 2015. The genetic uniformity of these animals contributed to their susceptibility—globally just one breed accounts for more than 99% of turkeys, for example, and in the U.S. more than 85% of dairy cows belong to the Holstein breed. Mass euthanasia of healthy, marketable livestock has undoubtably caused emotional trauma for farmers, and all of us can lament the tremendous loss of life and natural resources embodied in the once living animals. The wastefulness of a system with few fail-safe mechanisms is astounding. It also clearly illustrates that our agrifood system more heavily emphasizes relations of power rather than feeding people.” pg. 12-13

The report also documents how concentrated power in U.S. crop production results in constrained farmer choices and ecological consequences.

“Dicamba Debacle: ‘[T]he herbicide for which [Mike] Wallace literally gave his life’²¹

“Dicamba, registered as an herbicide in 1967 and available in 1,000 products in the U.S.,²² has recently pitted farmer against farmer and farmer against community, as well as given “all

¹⁵ Tina L. Saitone, K. Aleks Schaefer, Daniel P. Scheitrum. 2021. Food Policy, Vol. 101. Available at <https://www.sciencedirect.com/science/article/pii/S030691922100049X>

¹⁶ <https://www.dtnpf.com/agriculture/web/ag/news/article/2020/04/20/plants-suspend-operations-growing>

¹⁷ <https://www.meatingplace.com/Industry/News/Details/91490>

¹⁸ <https://www.agri-pulse.com/articles/14018-number-of-hogs-euthanized-due-to-covid-19-impacts-still-unknown>

¹⁹ We calculated 300,000 hogs at market weight of 275 pounds, dressing out at a minimum of 70%.

²⁰ <https://www.webmd.com/lung/news/20210420/meatpacking-plants-accounted-for-334000-us-covid-cases><https://www.theguardian.com/environment/2020/may/19/millions-of-us-farm-animals-to-be-culled-by-suffocation-drowning-and-shooting-coronavirus>

²¹ <https://arktimes.com/news/cover-stories/2017/08/10/farmer-vs-farmer>

²² <https://usrtk.org/pesticides/dicamba/>

of agriculture a black eye"²³ in the words of one weed scientist. In the five years since Monsanto's (now Bayer's) Xtend dicamba resistant soybeans were approved, all of the large agrochemical seed firms have introduced dicamba-tolerant seeds, including ChemChina, Corteva, BASF and Bayer.²⁴ In the same time period, the Heartland has witnessed one related murder,²⁵ thousands of dollars of uncompensated off-target injuries and failure of institutions to combat the power of agriculture firms."

“Power Play: In 2015, Monsanto's Xtend (dicamba-glyphosate tolerant) soybeans were approved for the 2016 planting season, even though the accompanying less volatile formulation of dicamba was not approved.²⁶ Thus the dicamba formulation available in 2016 was not allowed for “incrop” use as it was volatile and could easily drift. Monsanto continued to sell these beans, and seemed to blame farmers when some “tried using older formulations of dicamba and the off target movement was very bad.”²⁷ Indeed, court documents in a peach grower's lawsuit against Bayer and BASF suggest that the companies “created circumstances that damaged millions of acres of crops by dicamba in order to increase profits from a set of new dicamba-related products offered for sale beginning in 2015.”²⁸

“By 2017, the new formulations of dicamba had been approved so farmers could plant dicamba tolerant soybeans and legally use dicamba to control weeds in mid-summer. Still dicamba damage continued. There were reports of so-called defensive planting, whereby farmers protected themselves from neighboring farmers' use of dicamba by planting Xtend or other dicamba tolerant soybeans²⁹ – especially if the price was not substantially different than other traited seeds.³⁰

“While dicamba resistant soybeans were widely planted from 2017- 2020, – largely because of resistant weeds like waterhemp and Palmer amaranth, problems with dicamba use

²³ Bill Johnson, Purdue University, weed scientist:

<https://www.dtnpf.com/agriculture/web/ag/crops/article/2018/07/20/dicamba-moves-beyond-bean-fields-eye>

²⁴ For a complete list of brand names see <https://www.agriculture.com/crops/soybeans/whats-next-for-dicamba-tolerant-technology>.

²⁵ Missouri farmhand Allan Curtis Jones was convicted of shooting Arkansas farmer Mike Wallace seven times and killing him in an apparent dispute over the spraying of dicamba by Jones and resulting damage to Wallace's fields. <https://www.agweb.com/article/man-convicted-of-murder-in-feud-with-farmer-over-dicamba-apnews>

²⁶ “Roundup Ready 2 Xtend soybeans are tolerant to both glyphosate and dicamba. It allows for the use of dicamba herbicide over the top of Roundup Ready 2 Xtend soybeans to help control problem weeds.” <https://www.farmprogress.com/story-asgrow-roundup-ready-2-xtend-soybeans-arrive-missouri-9-139092> For a history see <https://www.reuters.com/article/us-monsanto-dicamba-specialreport/special-report-the-decisions-behind-monsantos-weed-killer-crisis-idUSKBN1D91PZ>

²⁷ <https://ipm.missouri.edu/MPG/2017/11/dicamba/>

²⁸ <https://www.agriculture.com/crops/pesticides/dicamba-on-trial>

²⁹ ““I had to start growing dicamba beans because the losses were so much you can't stand it,” said Sam Branum, a recently retired farmer near Hornersville [MO]. ‘If you're farming around it, you either get with it, or you get out.’” Another Missouri farmer Carlis McHugh said “We switched over to it to protect ourselves... You didn't have a hell of a lot of choice, if you know what I mean.” <https://www.rfdtv.com/story/41832450/dollar265m-dicamba-verdict-could-give-other-lawsuits-victories>.

³⁰ Personal conversation with one author's relative, a farmer who chose to defensively plant dicamba tolerant soybeans.

remained. Weed scientists at the University of Missouri detailed potential problems with volatility even with new formulations.³¹ In February, 2020 a jury awarded Bader Farms, a peach orchard, \$15 million in compensation for damages from off-target dicamba drift, and awarded over \$200 million more in punitive damages.³² In June, the agriculture community was stunned when a federal court ruled that EPA’s approval of reformulated dicamba (XtendiMax, Engenia and FeXapan) in use on “an estimated 60 million acres of soybeans and cotton [was] vacated – or ended – effective immediately.”³³ Farmers could apply any existing stocks of those herbicides through July 31, 2020.³⁴” pg. 14-15

The disadvantages of Dicamba use are prevalent for neighboring farmers; however, institutions were unable to to act reasonably due to concentrated corporate power:

“Failure of Institutions: The power of these dominant firms is also demonstrated by the failure of the EPA and state agencies to regulate dicamba, and the struggle by universities to provide accurate information about its use. University weed scientists were caught off-guard as dicamba related injuries accumulated in 2016 and 2017.³⁵ Some state agencies have been in the crosshairs between corporate power, desperate farmers and community concerns. For instance, after the Arkansas Plant Board restricted use of dicamba-based herbicides in 2016 and 2017, Monsanto sued the board “arguing that the 2016 rule had effectively prohibited in-crop use of XtendiMax in 2017, and that the 2017 rule would effectively prohibit in-crop use of XtendiMax in 2018.” At the same time, farmers also sued the board after it set an early April, 2018 cut-off date for spraying dicamba instead of the May 25 date.³⁶

“Other state agencies responsible for regulating herbicides issued and rescinded bans limiting use at certain times,³⁷ and pleaded with EPA to ban post-emergent use when reregistering the chemical.⁵⁶ States were flooded with damage reports,³⁸ even though some farmers felt state agencies were reluctant to investigate and even discouraged reports.³⁹ The federal judiciary stepped in, vacating EPA’s approval of three specially formulated herbicides in the middle of the 2020 growing season.⁴⁰” pg. 17

(A) The manufacturing or other needed capacities of the United States, including the ability to modernize to meet future needs, including food processing (such as meat, poultry, and seafood processing) and distribution.

³¹ <https://ipm.missouri.edu/IPCM/2019/4/dicamba/>

³² <https://www.agriculture.com/news/business/bader-farms-wins-dicamba-lawsuit-against-bayer-basf>

³³ <https://www.dtnpf.com/agriculture/web/ag/crops/article/2020/06/04/know-legal-status-dicamba>

³⁴ <https://agriculture.mo.gov/news/newsitem/uuid/dd3b5f4d-abd2-4466-937e-325d51fd29f2/missouri-department-of-agriculture-follows-epa-guidance-on-dicamba>

³⁵ Kevin Bradley writing a plea to understand dicamba, and also linking other weed scientist articles:

https://ipm.missouri.edu/IPCM/2017/7/Ag_Industry_Do_we_have_a_problem_yet/

³⁶ <https://nationalaglawcenter.org/the-deal-with-dicamba-part-one/>

³⁷ See a summary at <https://www.dtnpf.com/agriculture/web/ag/news/article/2019/03/01/illinois-arkansas-others-add-state>.

³⁸ <https://www.dtnpf.com/agriculture/web/ag/crops/article/2019/12/10/states-report-another-year-dicamba>

³⁹ On-going research being conducted by Hendrickson and colleagues.

⁴⁰ <https://www.dtnpf.com/agriculture/web/ag/crops/article/2020/06/04/know-legal-status-dicamba>

Meat processing needs:

- See recommendations in section (iii)

(B) Gaps in domestic manufacturing capabilities, including nonexistent, extinct, threatened, or single-point-of-failure capabilities.

Requested Action: Establish metrics and methodologies to analyze resilience of supply chains, business arrangements, and food systems by accounting for all economic, environmental, and social externalities.

To aid USDA’s commitment to increasing resilience in supply chains, appropriate metrics need to be set to analyze supply chain programs and policies. Current metrics that only value efficiency ignore the vast long-term costs to taxpayers, equity, public health, communities, and the environment.

(C) Supply chains with a single point of failure, single or dual suppliers, or limited resilience, especially for subcontractors, as defined by section 44.101 of title 48, Code of Federal Regulations (Federal Acquisition Regulation). USDA is particularly interested in comments related to the role of market concentration and consolidation in agricultural sectors and how it affects food system resilience, including potential system failures in the face of supply chain disruptions.

Requested Action: Formally and informally implement an understanding that any highly-concentrated sector is a potential threat to single-point failure. Enforce antitrust and market competition regulation to their fullest extent.

No entity or supply chain is immune from failure. Recently a cyberattack at JBS halted cattle processing in the U.S. and Australia for an entire day even after the company was advised to shore up their IT systems:

“The employees, who worked in information technology and security in the U.S., said the company had commissioned a cybersecurity audit between 2017 and 2018, which identified weaknesses in the company’s infrastructure that hackers could exploit. The audit recommended the purchase of specialist monitoring technology that could detect possible intrusions, but JBS executives viewed the technology as too costly and declined to purchase it, said the employees.”⁴¹

Requested Action: Conduct a full supply chain, environmental, labor, and civil rights audit of any corporation or entity with 15% or greater market share of a sector.

⁴¹ Ryan Gallagher and Alyza Sebenius. June 8, 2021. “JBS cyber attack raises questions about preparedness.” Available at <https://www.beefmagazine.com/beef/jbs-cyber-attack-raises-questions-about-preparedness>

As mentioned previously, abusive business practices are likely with a high proportion of market power.

(D) The location and geographic distribution of key manufacturing and production assets, with any significant risks identified in subsection (iv) of this section posed by the assets' physical location or the distribution of these facilities. USDA is interested in comments on the risks associated with the current geographic distribution and diversification of where U.S. crops and livestock are grown/raised, processed, and marketed.

Requested Action: Examine the risks of the geographic distribution of CAFOs and the risks associated with proximity to communities, proximity to habitable structure, proximity to water sources, and analysis of natural disaster impact.

State or county regulations create setback requirements for CAFOs; however, they are often ineffective. Extensive research reveals the adverse impacts on equity, human health, taxpayers, and communities. These risks are exacerbated by geographic area.

Requested Action: Require climate risk assessments in all agricultural finance tools.

Climate change is making growing conditions more difficult and costly for producers, lenders, and taxpayers. Unless lending institutions or farm subsidies shift to acknowledge and address the reality of a changing climate, current finance structures will not be able to adapt to the impending climate-induced stresses that are to come — both physical and financial.

The U.S. experienced 12.6 major extreme weather events (each causing more than \$1 billion in damage) from 2014-2019. This doubles the 6.3 extreme weather events from 1980-2018.⁴² The National Oceanic and Atmospheric Administration (NOAA) estimates that extreme weather events from 1980-2020 have cost \$1.175 trillion.⁴³ Droughts alone cost U.S. agriculture \$10-14 billion annually.⁴⁴ USDA-ERS estimated increased costs to crop insurance by 11% in corn and 65% in soybeans due to climate change for variability in yield and crop failures.⁴⁵ As the climate warms, rain patterns change, and seasonal variations shift, one study suggests that by 2070, more than half of U.S. crop acreage will have to change crops to maximize productivity. Even if such a shift were successful, 5% of U.S. farmland will be non-arable and non-productive by 2070.

As land productivity decreases, so does its value. This becomes problematic for farmers and financiers alike, as farmland is the primary form of collateral for farm and agricultural loans. In

⁴² Rosamond L. Naylor. 2019. "Long-Run Uncertainties for U.S. Agriculture." Federal Reserve Bank of Kansas City. Available at <https://www.kansascityfed.org/research/~/~ /media/1a8a80e32b3c4c5b800fb9dc1bdbc4c5.ashx>

⁴³ NOAA. 2020. "U.S. Billion Dollar Climate and Weather Disasters 1980-2020." NOAA National Centers for Environmental Information. Available at <https://www.ncdc.noaa.gov/billions/events.pdf>

⁴⁴ Yusuke Kuwayama. 2019. "The Economic Impacts of Drought on U.S. Agriculture." Resources for the Future. Available at <https://www.resources.org/archives/economic-impacts-drought-us-agriculture/>

⁴⁵ Andrew Crane-Droesch, Elizabeth Marshall, Stephanie Rosch, Anne Riddle, Joseph Cooper, and Steven Wallander. 2019. "Climate Change and Agricultural Risk Management Into the 21st Century." USDA-ERS. Available at <https://www.ers.usda.gov/webdocs/publications/93547/err-266.pdf?v=9932.1>

2020, land accounted for four fifths of agricultural assets.⁴⁶ Farm debt levels have been rising, nearly to the level that triggered the 1980 farm crisis after land values crashed (see below). Some financing lessons were learned from the farm crisis, but a changing climate and its impacts on farm productivity and bankrolls was not one of them. The Agricultural Credit Act of 1987 put minimum capitalization requirements for the FCS as a safety precaution in the event of a large number of bankruptcies; however, the economic models used to craft the tool did not account for climate change and farm income. As most current credit policies have not internalized climate change risks and costs, an ever-increasing share of debt will go unrepaid with lowered yields and decreasing land values.

Agricultural lenders are not likely to include climate change risks in their assessments without technical guidance or incentives to do so. Firms that do incorporate climate risk in their operations are at a disadvantage, as banking and market regulators are not able to institute clear oversight and transparency to effectively manage risk. Even so, many farm groups have issued a strong position that the burden of climate change finance improvement should not fall on the backs of farmers. In short, to effectively address climate change mitigation through markets, financing for fossil fuel- and carbon-intensive industrial practices must be systematically changed, including industrial agriculture operations. Farming is an important, but relatively small contributor to climate-induced market instability. Despite this, we know agricultural production has an important role to play in greenhouse gas emission reduction and global carbon sequestration. While USDA does not have the sole authority to implement our finance-specific recommendations, they are included in section (J) of our comment.

(E) Exclusive or dominant supply of critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section, by or through nations that are, or are likely to become, unfriendly or unstable.

Refer to Figures 1 and 2.

(F) The availability of substitutes or alternative sources for critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section. For example, USDA encourages commenters to consider agricultural products that could be domestically grown but are not practically available today for various reasons, and to describe whether and how such products (or their alternatives) could be made available through supply chain resilience efforts.

Requested Action: Shift subsidies and support away from the feed-meat complex and invest in local and regional production and procurement of food for human consumption.

The U.S. relies heavily on imports, which should be the substitute for domestically producing a stable supply of most food- and nutrition-related goods. Based on the percentage of volume consumed, imports account for about one-fifth of food consumed, with vegetables above 22%

⁴⁶ USDA-ERS. November 2, 2020. "Farmland Values." Available at <https://www.ers.usda.gov/topics/farm-economy/land-use-land-value-tenure/farmland-value/>

and nuts above 30%. By shifting subsidies away from commodity crop production and toward the production of human food, security and greater resilience can be established.

(G) Current domestic education and manufacturing workforce skills for the relevant sector and identified gaps, opportunities, and potential best practices in meeting the future workforce needs for the relevant sector.

Requested Action: Provide greater technical assistance with culturally-appropriate and accessible outreach. Organizations that work directly with farmers should be the direct recipients of technical assistance, outreach, and education appropriations while working with USDA to implement programs and engage farmers. Technical assistance is not useful if the point source cannot help or provides inappropriate guidance.

Requested Action: Appropriate equal funding to all land-grant universities, and require states to meet the federal match.

- Appropriate 1890 college payments and 1890 cooperative extension funds⁴⁷ to the same federal level as 1862 land grant college payments⁴⁸ and cooperative extension funds,⁴⁹ and require states to meet the federal match.
- Appropriate the 1994 land grant college payments⁵⁰ and endowment fund⁵¹ to the same federal level as 1862 land grant college payments⁵² and cooperative extension funds,⁵³ and require states to meet the federal match.

Requested Action: Implement a Climate Conservation Corps based on the provisions of the Civilian Climate Corps for Jobs and Justice Act and the 21st Century Conservation Corps Act of 2021.

(H) The need for research and development capacity to sustain leadership in the development of critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section. USDA is particularly interested in comments related to education, technical assistance, capacity building, organizational development, and support necessary for success in U.S. agriculture and food production, processing, distribution, and marketing, including how to best target support for socially disadvantaged producers and processors, tribal communities, small businesses, beginning farmers and ranchers, and other key stakeholder groups.

⁴⁷ National Agricultural Research, Extension, and Teaching Policy Act of 1977. 7 U.S.C. § 3222-3222d

⁴⁸ Smith-Lever Act of 1914. 7 U.S.C. § 341-343 [hereinafter Smith-Lever Act]

⁴⁹ Hatch Act of 1887. 7 U.S.C. § 361a-361i [hereinafter Hatch Act]

⁵⁰ Equity in Educational Land-Grant Status Act of 1994 [Part C of title V of the Improving America's Schools Act of 1994]. 7 U.S.C. § 301 note

⁵¹ 1994 Institutions Endowment Fund authorized in the Equity in Education Land-Grant Act of 1994

⁵² Smith-Lever Act

⁵³ Hatch Act

Requested Action: USDA should implement resilience metrics that work to internalize the full economic, environmental, and social costs and consequences of any food supply chain provision as stated in section (B).

Requested Action: Expand and fully fund USDA’s SARE (see Appendix A).

(J) the risks posed by climate change to the availability, production, or transportation of critical goods and materials and other essential goods and materials, as identified in subsections (i) and (ii) of this section. Given the risks posed, USDA is particularly interested in the potential to retool, reengineer, or develop new capacity that would address the risks, improve efficiency, and have a climate benefit due to lower energy use, less food waste, or hasten capture of by-products and co-products (among other benefits).

Requested Action: Please refer to Family Farm Action Alliance’s Comments on the Executive Order on Tackling the Climate Crisis at Home and Abroad: Docket Number USDA–2021–0003 which is included as Appendix B in this comment.

(vii) The primary causes of risks for any aspect of the agricultural and food production supply chains assessed as vulnerable pursuant to subsection (v) of this section.

Family Farm Action Alliance has identified highly-concentrated economic and political power, which seeks to control the entirety of the food supply chain, as the primary cause of risks associated with agrifood supply chains. Refer to the background section “Antitrust, Concentration, and the Agrifood Supply Chain” included in this comment.

(viii) A prioritization of the critical goods and materials and other essential goods and materials, including digital products, identified in subsections (i) and (ii) of this section for the purpose of identifying options and policy recommendations. The prioritization shall be based on statutory or regulatory requirements; importance to national, economic, and nutrition security, emergency preparedness, and the policy set forth in section 1 of E.O. 14017.

Requested Action: We maintain that the top priorities of this comment period should be to improve the resilience of U.S. food supply chains by:

- Strengthening and fully enforcing antitrust and fair market legislation (See Appendix A)
- Shifting federal support to allow a just transition to crop production and practices that will strengthen national nutrition security, not undermine it.
- Bolstering support for independent farmers and ranchers to engage in local and regional food systems, thus increasing overall U.S. food supply chain resiliency.

(ix) Specific policy recommendations important to transforming the food system and increasing reliance in the supply chain for the sector. Such recommendations may include sustainably reshoring supply chains and developing domestic supplies, cooperating with allies and partners to identify alternative supply chains, building redundancy into domestic supply chains, ensuring and enlarging stockpiles, developing workforce capabilities, enhancing access to financing, expanding research and development to broaden supply chains, addressing risks due to vulnerabilities in digital products relied on by supply chains, addressing risks posed by climate

change, strengthening supply chains' ability to promote nutrition security, and any other recommendations. For example, as a part of this assessment, USDA is interested in recommendations that could improve local and regional food production, processing, packaging, and distribution, particularly for small to mid-sized producers and processors; support national nutrition security and health; address agricultural workforce needs; strengthen market transparency (such as traceability); and address disproportionate impacts on socially disadvantaged communities. As USDA implements stimulus relief programs and spending authorized by the CAA and ARPA, we seek public comments on targeting funds toward food supply chain resiliency. USDA's initial thinking includes, but is not limited to, funding, through a combination of grants or loans, needs such as: Supply chain retooling to address multiple needs at once (i.e., achieving both climate benefits and addressing supply gaps or vulnerabilities concurrently), expansion of local and regional food capacity and distribution (e.g., hubs, cooperative development, cold chain improvements, infrastructure), development of local and regional meat and poultry processing and seafood processing and distribution, and food supply chain capacity building for socially disadvantaged communities. USDA notes that we will also consider public comments received during USDA's March 19, 2021, listening session and associated written comments on Coronavirus Response Grants related to CAA funding as part of the information considered for this Executive Order report.

- See Appendix A, B, and C

(x) Any executive, legislative, regulatory, and policy changes and any other actions to strengthen the capabilities identified in subsection (iii) of this section, and to prevent, avoid, or prepare for any of the contingencies identified in subsection (iv) of this section.

- See Appendix A

(xi) proposals for improving the Government-wide effort to strengthen supply chains, including proposals for coordinating actions with ongoing efforts that could be considered duplicative of the work of E.O. 14017 or with existing Government mechanisms that could be used to implement E.O. 14017 in a more effective manner.

- See Appendix A

We appreciate your consideration of these recommendations, and look forward to working with you through the development and implementation of President Biden's Executive Order on America's Supply Chains.

Sincerely,



Joe Maxwell
President and CEO
Family Farm Action Alliance



Family Farm
Action Alliance



Family
Farm
Action

USHERING IN A BETTER FUTURE FOR FOOD AND AGRICULTURE:

Policy Recommendations to the 117th Congress

Based on the pivotal report, "The Food System: Concentration and Its Impacts," authored by Dr. Mary Hendrickson, Dr. Philip Howard, Emily Miller, and Dr. Douglas Constance

USHERING IN A BETTER FUTURE FOR FOOD AND AGRICULTURE: Policy Recommendations to the 117th Congress



TABLE OF CONTENTS

Background	2
Policy Recommendations	4
1. CURBING GLOBALIZED CONCENTRATION	4
2. ANTI-RACIST FOOD AND FARM POLICY	6
3. PRIORITIZE RESILIENCE, NOT EFFICIENCY	8
4. REDEFINING THE STATUS QUO.....	9
5. SUPPORT LOCAL AND REGIONAL FOOD SYSTEMS.....	10
6. TRANSITION TO A JUST AND RESILIENT AGRIFOOD SYSTEM.....	12
Appendix A	13

ABOUT US

Family Farm Action Alliance is a thought leader, policy developer, and network builder for farmers and ranchers, food chain workers, consumers, organizations, and policymakers up and down the food supply chain. We are working to build a sustainable, inclusive economy in which everyone has the right to share in the prosperity they help build and that respects our land, natural resources, and neighbors around the world.



RESEARCH AND POLICY DEVELOPMENT

LEGISLATION AND ELECTIONS

Family Farm Action Alliance is a tax-deductible charitable 501(c)(3) organization. Headquartered in Missouri, we formed as an affiliate organization of Family Farm Action, a political nonprofit 501(c)(4) organization. Together, our two organizations represent a seamless chain of action from research and policy development, to the adoption of the policy through legislative action by elected officials who support our vision.

BACKGROUND

In 2020, Family Farm Action Alliance's commissioned report, "The Food System: Concentration and Its Impacts," found that our agrifood system has continued the decades-long trend of rapidly increasing consolidation, leaving the means for feeding American families in the hands of a few corporate CEOs who dictate who gets to farm, what they farm, and who gets to eat.

The agrifood system is concentrated from local to global levels. A measure of concentration is the top four firm Concentration Ratio of a sector (CR4). When those four firms control 40% of the market (40% - CR4) or greater, it is considered to be under monopsonistic or monopolistic control, where abuses and price fixing are likely. Currently, multinational corporations have monopolistic control over many of the inputs farmers and ranchers need to raise crops and livestock, such as seeds (50% - CR4), farm equipment (45% - CR4), and agrochemicals (65% - CR4). The same corporations also control the markets farmers and ranchers sell to, like soybean processors (80% - CR4), beef processors (73% - CR4), and pork processors (67% - CR4).

Realistically, monopolistic markets result in farmers and ranchers forced to take prices instead of negotiating them at both the input and market stage of production, whether those prices are fair or not. This creates a bottleneck, where the corporate CEOs controlling the inputs and markets get big checks, and the only party making hard choices for the sake of profit is the farmer.

Multinational corporations justify their extreme price fixing and control by saying it is necessary to ensure people are fed. Yet despite surplus production, the condition of U.S. hunger and poverty is dire – especially in rural places. 15.8% of rural people live below the poverty line compared to 12.2% in metropolitan areas, and 15% face food insecurity compared to 11.8% respectively.¹ The only instances of persistent poverty (where at least 20% of people have been in poverty over 30 years) are in rural places.²

In the agrifood supply chain, immigrants and people of color are overrepresented in U.S. food chain worker demographics. In meatpacking, 44.4% of workers are Hispanic, and 25.2% are Black.³ Of all farm laborers, 64% are Hispanic.⁴ Of these groups, women disproportionately face extra risks associated with reproductive health,⁵ imbalanced bargaining power with their male counterparts, and sexual assault while working.⁶ Dangerous working conditions, low wages, and an almost non-existent social safety net traps all workers in imbalanced power and employment relationships.

If there is to be relief for millions of families facing the harrowing consequences of a failed food system, bold and comprehensive action is required of Congress.

¹ Food Research & Action Center. 2018. "Rural Hunger in America: Get the Facts." Available at <https://frac.org/wp-content/uploads/rural-hunger-in-america-get-the-facts.pdf>

² Tracey Farrigan. 2020. "Extreme Poverty Counties Found Solely in Rural Areas in 2018." Amber Waves. Available at <https://www.ers.usda.gov/amber-waves/2020/may/extreme-poverty-counties-found-solely-in-rural-areas-in-2018/>

³ Shawn Fremstad, Hye Jin Rho, & Hayley Brown. April 29, 2020. "Meatpacking Workers are a Diverse Group Who Need Better Protections." Center for Economic and Policy Research. Available at <https://cepr.net/meatpacking-workers-are-a-diverse-group-who-need-better-protections/>

⁴ USDA-ERS. "Farm Labor." April 22, 2020. Available at <https://www.ers.usda.gov/topics/farm-economy/farm-labor/#demographic>

⁵ Charlene Galarneau. 2013. "Farm Labor, Reproductive Justice: Migrant Women Farmworkers in the US." Health and Human Rights, Vol 15, No. 1. Available at <https://cdn1.sph.harvard.edu/wp-content/uploads/sites/2469/2013/08/Galarneau-FINAL.pdf>

⁶ Ariel Ramchandani. "There's a Sexual-Harassment Epidemic on America's Farms." The Atlantic, January 29, 2018. Available at <https://www.theatlantic.com/business/archive/2018/01/agriculture-sexual-harassment/550109/>

Farmers, ranchers, workers, communities, consumers, and the environment have been suffering from corporate control of agriculture for decades. These harms are especially evident in the hollowing out of rural America. If the longstanding deterioration of market competition, economic opportunity, workers rights, environmental quality, and animal welfare wasn't enough, the stark demonstration of how flawed industrial agricultural models are in the wake of the COVID-19 inarguably demonstrates how brittle our food supply chain really is.

The issues in our agrifood system did not happen because of COVID-19; COVID-19 simply exposed the existing issues. Multinational corporate actors, who are largely responsible for those existing issues, are pushing independent farmers and ranchers off the land, wasting limited natural resources, disproportionately harming Black, Indigenous, and People of Color (BIPOC) farmers, workers, and at the end of the day, failing to feed hungry Americans.

While farmers, ranchers, food chain workers, marginalized BIPOC and rural communities have been speaking out against corporate consolidation in agriculture for decades, COVID-19 has added millions of voices to the fight:

- Those waiting in lines for food banks while farmers euthanize healthy livestock as hyper consolidated processing facilities shuttered their doors
- Those paying inflated prices for produce found on almost-bare grocery store shelves when they have been told that the efficiency of industrial agricultural models would make food cheaper and more accessible
- Those with children who suffer from diabetes, malnutrition, or both, and are unable to afford the healthy food they need

The brittle industrial, multinational corporate system of today is supported with billions of dollars in federal spending and market supporting policies. From inadequate antitrust enforcement, a "get big, or get out" farm sector mentality, and trapping farmers on a subsidized feed-meat complex treadmill – federal policy has allowed this detrimental system to persist.

As we work together immediately, and look to a transformative 2023 Farm Bill, policymakers, farmers, workers, and communities can shape policy and action⁷ that ushers in a better future for agriculture by addressing these six, key points of intervention outlined in "The Food System: Concentration and Its Impacts:"

1. Curb monopolistic tendencies in the agrifood system
2. Shine a racial lens on agrifood system power and consolidation
3. Prioritize resilience and redundancy instead of efficiency
4. Rethink core assumptions such as efficiency and property rights
5. Encourage the development of alternative production and consumption arrangements
6. Consider the benefits and consequences of what kinds of crops, livestock, and sectors in the agrifood system are subsidized

⁷ See Appendix A

1. CURBING GLOBALIZED CONCENTRATION

Multinational corporations have co-opted our agrifood system, subverting their primary goal – feeding people – and rather, using it as a means to gain profit and ultimately, power. We can begin to take control of our agrifood system with the right policy that prioritizes creating fair markets for everyone along the supply chain, allowing them to truly benefit from regenerative and resilient food systems. We must ensure the power to make decisions about the agrifood system lies in the hands of those who produce and consume food directly.

Fully Enforce Existing and Champion New Antitrust Law

- Increase funding, including for additional personnel, for full investigations and enforcement of the Packers and Stockyards Act of 1921. This would be a first, and obvious, step to curbing monopolistic behaviors in the agrifood system.
- Mandate United States Department of Agriculture (USDA) to initiate rulemaking to reinstate rules where the provisions in the 2010 Farmer Fair Practice Rules⁸ serve as the minimum threshold for farmer protections.

Create the Independent Farmer Protection Bureau

- The Independent Farmer Protection Bureau, modeled after the Consumer Financial Protection Bureau, would be housed within USDA to protect independent farmers and ranchers. It would serve as a watchdog for threats to competitive markets and multinational corporate capture of USDA research and program implementation.⁹

Halt Monopolistic Mergers and Acquisitions

- Halt any agribusiness merger or acquisition where annual net sales or total assets of \$160 million are exchanged, and would result in the acquisition of 15% or more of the entity's voting securities or assets of \$15 million as outlined in the Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2019.¹⁰
- Establish a commission to examine the current state of agrifood concentration, its consequences, and recommend how to best change antitrust and other Federal laws to keep a fair and competitive marketplace for independent farmers, ranchers, processors, and their communities.¹¹

⁸ Federal Register. 2010 Farmer Fair Practice Rules. Vol. 75, No. 119. June 2010. Available at <https://www.govinfo.gov/content/pkg/FR-2010-06-22/pdf/2010-14875.pdf>

⁹ Zoe Willingham & Andy Green. 2019. "A Fair Deal for Farmers." Center for American Progress. Available at <https://www.americanprogress.org/issues/economy/reports/2019/05/07/469385/fair-deal-farmers/>

¹⁰ 116th Congress: Food and Agribusiness Merger Moratorium and Antitrust Review Act of 2019 (H.R.2933/S.1596) [hereinafter Food and Agribusiness Merger Moratorium and Antitrust Review Act]

¹¹ Food and Agribusiness Merger Moratorium and Antitrust Review Act

Setting Clear Concentration Limits and Non-Monopolistic Business Practices

- Bar acquisitions or mergers that would result in a single entity's control of greater than 25% of a market, or the market's CR4 to surpass the 40% threshold.
- Ban the use of employment non-compete agreements for non-leadership employees.
- Ban the use of exclusionary contracts.
- Tie antitrust to fair labor laws by enforcing antitrust penalties to corporations that deny workers a fair wage through market collusion.
- Mandate federal government procurement of food and farm products from non-monopolistic entities and independent farmers and ranchers.
- Allow individual complaints to be addressed, and antitrust enforcement be taken, in absence of proof of competitive harm to an entire industry. Further, make the use of significant business justifications for monopolistic practices that cause individual harm unlawful.¹²
- Enact the Agricultural Foreign Investment Disclosure Reform Act¹³ to strengthen oversight and recordkeeping of foreign investment in U.S. agricultural land.

Reform the Commodity Research and Promotion (Checkoff) Programs

- Adopt the Voluntary Checkoff Program Participation Act.¹⁴
- Enact the Opportunities for Fairness in Farming Act¹⁵ to stop farmer-paid government assessments from being used to promote abusive monopoly control of the agrifood system and create transparency in checkoff assessment spending.

¹² 116th Congress: Farm System Reform Act (H.R.6718/S.3221) [hereinafter Farm System Reform Act]

¹³ 116th Congress: Agricultural Foreign Investment Disclosure Reform Act (H.R.8522)

¹⁴ 116th Congress: Voluntary Checkoff Program Participation Act (H.R.5699/S.934)

¹⁵ 116th Congress: Opportunities for Fairness in Farming Act (H.R.5563/S.935)

2. ANTI-RACIST FOOD AND FARM POLICY

Historic discrimination and exploitation of BIPOC farmers, ranchers, and workers must be actively addressed and remedied. Policy must intentionally create equitable access for BIPOC folks to land and credit, market opportunities, safe working conditions, a seat at the policy development table, access to culturally relevant training and technical assistance, and just treatment by all Federal agencies.

Justice to Those Enduring Anti-Black Racism

- Enact the Justice for Black Farmers Act¹⁶ to begin to tackle systemic racism and discrimination in the agrifood system.
- Amend the Equal Credit Opportunity Act¹⁷ to allow and require USDA to collect and report demographic data on all Farm Service Administration (FSA) lending, including credit approvals and denials.
 - Demographic data is collected only on FSA direct loan programs, and thus annual targets for Socially Disadvantaged Farmer and Rancher (SDFR) lending is not set for FSA Guaranteed Loans.
- Appropriate 1890 college payments and 1890 cooperative extension funds¹⁸ to the same federal level as 1862 land grant college payments¹⁹ and cooperative extension funds,²⁰ and require states to meet the federal match.

Ensure Indigenous Farmers Can Prosper with an Ecosystem of Growth

- Allow all Native Community Development Financial Institutions (CDFIs) to pay back only the interest on a loan to all federal financiers, and reinvest the principal amount into Native Community Development. This will bar existing commercial credit extraction from Native CDFIs.
- Authorize the Consumer Financial Protection Bureau to investigate claims of discrimination by Farm Credit Service (FCS) institutions, and require FCS to meet SDFR lending goals.
- Appropriate the 1994 land grant college payments²¹ and endowment fund²² to the same federal level as 1862 land grant college payments²³ and cooperative extension funds,²⁴ and require states to meet the federal match.

¹⁶ 116th Congress: Justice for Black Farmers Act of 2020 (S.4929) [hereinafter Justice for Black Farmers Act]

¹⁷ 15 U.S.C §§ 1691-1691f

¹⁸ National Agricultural Research, Extension, and Teaching Policy Act of 1977. 7 U.S.C. § 3222-3222d

¹⁹ Smith-Lever Act of 1914. 7 U.S.C. § 341-343 [hereinafter Smith-Lever Act]

²⁰ Hatch Act of 1887. 7 U.S.C. § 361a-361i [hereinafter Hatch Act]

²¹ Equity in Educational Land-Grant Status Act of 1994 [Part C of title V of the Improving America's Schools Act of 1994]. 7 U.S.C. § 301 note

²² 1994 Institutions Endowment Fund authorized in the Equity in Education Land-Grant Act of 1994

²³ Smith-Lever Act

²⁴ Hatch Act

Create an Independent Civil Rights Oversight Board & Equity Commission²⁵

- The Board would review appealed decisions regarding racial discrimination made by the Office of Assistant Secretary of Civil Rights at USDA.
- An Equity Commission would review all programs within USDA to understand barriers based on race, gender, ethnicity, and LGBTQ+ identity.

Justice and Protection for Food Chain Workers

- Require the USDA-National Agricultural Statistics Service (NASS) Farm Labor Survey to report on employee work related injury, illness, and deaths.
- Create a federal fund with mandatory contribution by mega-food chain employers to place food chain workers who have left due to exploitative conditions to gain employment in an independent, non-monopolized entity in the same sector, including payments to current and former food chain workers who experienced adverse health and exploitative working conditions.
- Fully fund Occupational Safety and Health Administration (OSHA) Whistleblower Protection Programs and Investigations²⁶ to protect workers from employer retaliation.
- Enact the Safe Line Speeds in COVID-19 Act²⁷ to suspend existing, and deny new line speed waivers, and suspend the implementation of the New Swine Slaughter Inspection System.²⁸

Usher in the Next Generation of Farmers

- Enact the Black Farm Land Trust in the Justice for Black Farmers Act.²⁹
- Forgive student loan debt so farmers and aspiring farmers may pursue agriculture without the massive burden of debt.
- Change USDA lending authority to prequalify beginning farmers for FSA loans, and provide no interest loans to beginning BIPOC farmers and BIPOC-led cooperatives.
- Authorize funding to support the creation of racial equity, diversity, and inclusion priorities in 4-H and other federal agricultural discovery programs curriculum so young people are empowered to pursue a career in agriculture.

²⁵ Justice for Black Farmers Act

²⁶ U.S. Department of Labor - OSHA. Whistleblower Statutes Summary Chart. Available at <https://www.whistleblowers.gov/sites/wb/files/2019-12/WB-Statute-Summary-Chart-10.8-Final.pdf>

²⁷ 116th Congress: Safe Line Speeds in COVID-19 Act (H.R. 7521/S. 4338)

²⁸ Federal Register. New Swine Slaughter Inspection System Final Rule. Vol. 84, No. 190. October 1, 2019. Available at <https://www.govinfo.gov/content/pkg/FR-2019-10-01/pdf/2019-20245.pdf>

²⁹ Justice for Black Farmers Act

3. PRIORITIZE RESILIENCE, NOT EFFICIENCY

The breakdown of our food supply chain during COVID-19 has shown us the need for resiliency in our food systems. Five decades of prioritizing efficiency over everything has created the inflexible agrifood supply chain of today where only a few large firms make decisions for everyone along the supply chain. Corporations profit from wiping out their market competition, and creating a few, huge processing operations that are in many instances less efficient. When one of those operations goes offline, there are no viable operations left to step in and step up. Policy to increase competition, independence, social justice, and success of many smaller entities will ensure a long-lasting, resilient agrifood system that can better stand the shocks of pandemics, climate change, and foreign relations disruptions.

Regenerative Lending Through Farm Service Agency (FSA) Programs

- Lengthen FSA operating loan terms from seven years to 20 years. Farmers and ranchers are discouraged from implementing long-term on-farm regenerative practices that yield long-term benefits due to short-termed credit cycles.
- Allow FSA farm ownership and conservation lines of credit to be transitioned to operating credit under the same term.
- Implement a path for transition from or combination of FSA Farm Loan Programs to other FSA loan programs such as marketing assistance and farm storage facility loans under an umbrella operating loan term.

Investing in Regenerative Practices through the Farm Credit Service

- Under congressional authority in the Farm Credit Act of 1971,³⁰ require a 10% set aside of FCS profits to be re-lent to promote environmentally sustainable agriculture, prioritizing BIPOC and women farmers.

Put Rural Communities Back on the Grid

- Develop and implement a national broadband connection plan that considers broadband a utility, and utilizes existing structures such as Rural Electric Cooperatives.
- Allow basic banking services (deposits, withdrawals, and bill payments) to be carried out through United State Postal Services offices to remedy financial service inaccessibility through physical bank branches or online banking in many rural communities.

³⁰ 12 U.S.C. §§ 2001-2279cc

4. REDEFINING THE STATUS QUO

Today's agrifood system is based on a false economic model that ignores and pushes the cost of externalities such as public health, environmental impacts, and community wellbeing onto taxpayers to subsidize them. For example, while industrial agriculture's runoff pollutes water and air, the very communities suffering from lack of economic opportunity are asked to foot the bill and clean it up. Everything from property rights, to feeding livestock, to rural development must be rethought in ways that acknowledge social and ecological consequences. Federal policy needs to go further, holding corporations accountable and actively creating the conditions that allow communities to reclaim their health, liberty, and economic opportunity.

Finding the "True Cost" of Agriculture

- Enact the Farm System Reform Act³¹ to place a moratorium on large Concentrated Animal Feed Operations.
- Create an independent commission to study and examine true and full costs of industrialized agriculture to include but not be limited to its externalized costs on the environment, healthcare, local economies, and property values.

Identify and Support Places of Persistent Poverty

- Implement the Clyburn 10/20/30 Formula³² throughout all federal funding and spending allocations, which would direct at least 10% of investment be made in persistent poverty communities (counties where 20% or more of the population lives below the poverty line for the last 30 years).

Change Herfindahl-Hirschman Index (HHI) Merger Guidelines

- Require the Federal Trade Commission (FTC) and Department of Justice (DOJ) to use regional HHI measurements, and deploy additional contextual measures when evaluating merger requests. Depending on the application of the HHI, it does not detect financial control across sectors, nor does it account for geographic monopolies, which is of concern with so few agrifood corporations operating in the U.S.
- Require FTC and DOJ to amend their merger and acquisition guidelines to reflect a review based on competition and end the use of the failed "efficiency rule" regarding consumer welfare standards.³³

³¹ Farm System Reform Act

³² Congressman James. E Clyburn. "10/20/30 Formula to Fight Persistent Poverty." Available at <https://clyburn.house.gov/10-20-30-amendment>

³³ Roger D. Blair & D. Daniel Sokol. 2012. "The Rule of Reason and the Goals of Antitrust: An Economic Approach." 78 Antitrust L.J. 471. Available at <http://scholarship.law.ufl.edu/facultypub/292>

5. SUPPORT LOCAL AND REGIONAL FOOD SYSTEMS

As we rein in the power held by industrial agricultural corporations, we must simultaneously build a support system for farmers, ranchers, workers, and communities creating an accessible avenue for diverse independent businesses to become a prosperous, integral part of the agrifood supply chain. Through food production and consumption arrangements that root producers and consumers in place, we can reduce society's dependence on dominant agrifood firms, and build a brighter, more resilient agrifood system.

Truth in Labeling

- Reinstating mandatory Country of Origin Labeling of meat and meat products through USDA Food System Integrity Service (FSIS), defined as born, raised, and harvested in the U.S.³⁴
- Empower states to develop and implement cottage industry food programs through a 75% federal cost share. This would allow independent farmers and ranchers to meet consumer demand for sustainable food products, rather than deceptive greenwashed labels and products³⁵ from monopolized corporations.
- Mandate USDA to implement rules that raise animal welfare standards under the National Organic Program for meat, eggs, and dairy similar to those issued in 2017 Organic Livestock and Poultry Practice Rule.³⁶

Remove Regulatory Barriers and Support Small Meat Processing

- Enact provisions from the Strengthening Local Processing Act (SLPA)³⁷ that prioritize scale-appropriate and BIPOC owned meat processing support through operating grants, increase state meat inspection programs, and provide safety and technical assistance to small plant operators and employees.
- Increase federal cost share amount to support state adoption of the State Meat and Poultry Inspection to 65%, and the Cooperative Interstate Shipment program to 80% as outlined in the SLPA.^{38 39}
- Address the FSIS inspector shortage by creating local inspector qualifications so small-scale processors may rely on community based agricultural professionals such as veterinarians to conduct inspections.

Support Agriculture Production and Procurement that Directly Impacts Communities

- Increase appropriations to the USDA's Local Agricultural Marketing Program (LAMP), Healthy Food Financing Initiative (HFFI), and Gus Schumacher Nutrition Incentive Program (GusNIP).

³⁴ Farm System Reform Act

³⁵ "Complaint for Action to Stop False or Deceptive Advertising." November 23, 2020. Available at https://farmactionalliance.org/wp-content/uploads/2020/11/Cargill-FTC-SENT-11.23.2020-_compressed.pdf

³⁶ Federal Register. "National Organic Program Organic Livestock and Poultry Practices." Vol. 82, No. 12. January 19, 2017. Available at <https://www.govinfo.gov/content/pkg/FR-2017-01-19/pdf/2017-00888.pdf>

³⁷ 116th Congress: Strengthening Local Processing Act (SLPA) (H.R. 7868/S.XXXX) [hereinafter Strengthening Local Processing Act]

³⁸ Strengthening Local Processing Act

³⁹ USDA-FSIS State Inspection Programs. Available at <https://www.fsis.usda.gov/wps/portal/fsis/topics/inspection/state-inspection-programs>

- Allow Farmers Market and Local Food Promotion Program (FMLFPP) grants to be more accessible to local food aggregation centers and hubs to compensate for monopoly controlled and unfair food retail markets.
- Establish tax incentives for individuals who invest in infrastructure for local and regional foods systems, included but not limited to food aggregation centers, shared farming and processing equipment, processing facilities, public marketplaces, and cooperative grocers.

Enable Schools and Other Institutions to Buy Fresh and Local

- Expand school food procurement geographic preference to include local processed food products, in addition to unprocessed foods.
- Allow federal institutions such as hospitals, military bases, and agency offices to procure processed and unprocessed foods with regional geographic preference in contract bidding.
- Require USDA food purchasing programs to prioritize regionally produced food and food products from independent farmers, ranchers, and processors.

Ownership and Aggregation Structures

- Transform land exchange through agricultural land trusts and easements that prioritize distributing farmland to BIPOC farmers.⁴⁰
- Provide oversight of the implementation of the order for USDA to examine the impacts of current land tenure disputes regarding heirs' property, fractured allotments, and colonias as directed in the 2018 Farm Bill.⁴¹
- Fully implement the program to allow operators on heirs' property to obtain a FSA farm number, as directed in the 2018 Farm Bill.⁴²
- Order ERS to study and make recommendations on federal cooperative ownership standards, to remedy the current state patchwork policies regarding cooperative establishment, ownership, public-private collaboration, and operation.

⁴⁰ Justice for Black Farmers Act

⁴¹ Agricultural Improvement Act of 2018: Sec. 12607. 7 U.S.C. § 2204i

⁴² Agricultural Improvement Act of 2018: Sec. 12615. 7 U.S.C. § 6622b

6. TRANSITION TO A JUST AND RESILIENT AGRIFOOD SYSTEM

As we transition to a brighter food system, we must not pull out the rug beneath farmers and ranchers stuck in the endless cycles of contracting and debt imposed by industrial agricultural interests. This requires a paradigm shift in our agricultural subsidy programs: intentionally moving towards crop, utility, and livestock subsidies that will feed U.S. citizens, instead of exhausting our soil and lining the pockets of corporations hungry for cheap commodities. A first step is to truly weigh the benefits and consequences of current subsidies. Shifting agricultural subsidies away from specific commodities to nutritious crops, practices, and programs will support farmers and ranchers in all sectors in a safe and just transition to a more prosperous agrifood system, economy, and environmental future.

Shift Subsidies to Food Production for Domestic Human Consumption

- Enact the FSRA.⁴³
- Order AMS to study and examine what crops, practices, and entities are subsidized in the agrifood system, how they are subsidized, how subsidies impact competition in markets, and how subsidies may be shifted to support diversified on-farm practices.
- Redirect federal support and subsidies to incentivize adoption of regenerative agricultural practices, and marketing food products to regional, independent markets.
- Prioritize Whole Farm Revenue Protection in federally supported crop insurance packages, and bolster outreach to insurance providers, so farmers and ranchers can diversify their farms with less financial risk.

Prioritize Climate Change and Agriculture

- Enact provisions outlined in the Agriculture Resilience Act.⁴⁴
- Bar agribusiness companies from implementing climate mitigation solutions if they are: 1) net polluters as defined by the Environmental Protection Agency (EPA), or 2) control over 25% of their respective market(s).

Invest in Sustainable Farming Research⁴⁵

- Increase mandatory funding to the Sustainable Agriculture Research and Education program.
- Amend the Agricultural Research, Extension, and Education Reform Act of 1998⁴⁶ to establish: 1) Long-Term Agroecological Research Network, and 2) regional hubs for risk adaptation and mitigation for climate change.
- Require all USDA administered research and outreach grants to prioritize long-term environmental and social benefits, and adverse impacts of the project.

⁴³ Farm System Reform Act

⁴⁴ 116th Congress: Agriculture Resilience Act (H.R. 5861) [hereinafter Agriculture Resilience Act]

⁴⁵ Agriculture Resilience Act

⁴⁶ U.S.C. Ch. 103

APPENDIX B

April 29, 2021

Seth Meyer, Chief Economist
Office of the Chief Economist, USDA
1400 Independence Ave SW
Room 112-A, STOP 3810
Washington, DC 20250-0251

RE: Comments on the Executive Order on Tackling the Climate Crisis at Home and Abroad: Docket Number USDA–2021–0003; submitted online via www.regulations.gov

Family Farm Action Alliance welcomes the opportunity to provide comments on the Executive Order (EO) on Tackling the Climate Crisis at Home and Abroad.

Family Farm Action Alliance is a national research, policy development, market innovator, and advocacy organization working to build a sustainable, inclusive economy in which everyone has the right to share in the prosperity they help build while respecting our land, natural resources, and neighbors around the world. We focus our efforts on: 1) anti-monopoly reform, 2) regenerative agriculture, 3) resilient local and regional food systems, and 4) market innovation. This Executive Order squarely aligns with the interests of our supporters: farmers, ranchers, small business owners, and rural constituencies.

Family Farm Action Alliance applauds the Biden-Harris administration and Secretary Vilsack's dedication to ensuring farmers and ranchers can benefit from and address climate change mitigation, and this inquiry for farmer input. We support any program that incentivizes independent farmers and ranchers to implement climate change mitigation and carbon sequestering practices, but are deeply concerned if the EO is to be implemented without:

1. Containing preemptive antitrust and competition protections;
2. Scientific regulation and oversight by USDA, as opposed to corporate agribusinesses;
3. Ensuring equitable access for all independent farmers and ranchers, regardless of size or land tenure status; and
4. Formally disincentivizing agribusiness practices that produce high levels of greenhouse gasses.

Background

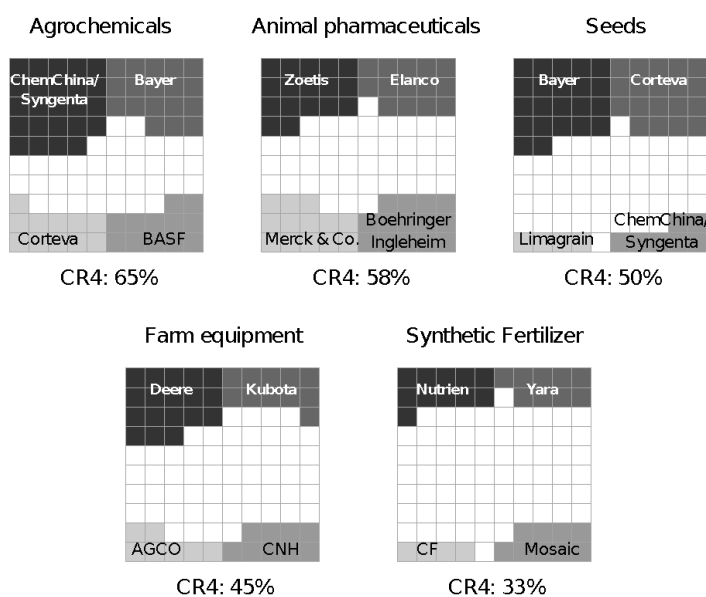
Farmers and ranchers have endured changing weather patterns and the consequences of these changes. Heeding the urgency of climate science and the many weather related warnings, our farmer and rancher members have been working for decades to reduce carbon emissions and sequester carbon. It is from their experience with on-farm conservation practices that we have identified two main challenges that largely determine their success: 1) the strength of antitrust and competition protections, and 2) the resiliency of agricultural finance. Unfortunately, both are currently brittle in the face of climate change induced risks and fail to position farmers to make

beneficial adaptations. Before describing our recommendations pertaining to the EO, we will outline our concerns regarding the intersection of antitrust and competition enforcement and agricultural finance within climate adaptation programs.

Competition and Climate Change Mitigation

Farmers must be protected from any form of abusive business practices brought about by partnerships with corporate agribusinesses, both unforeseen and intentional. The private agribusiness entities positioning themselves to implement climate programs and carbon credits are those that already hold monopolistic control of global agricultural markets (see Figure 1). Those same entities require farmers and ranchers to enter contracts that constrain their choices and autonomy by mandating certain inputs and practices be used in every link of the agricultural goods production and processing chains. If not thoughtful, any agribusiness-led climate change mitigation program could compound the challenges stemming from our hyper-consolidated food system.

Global Market Concentration



Hendrickson, Mary K., Philip H. Howard, Emily M. Miller and Douglas H. Constance. 2020. *The Food System: Concentration and Its Impacts*

Figure 1. Global Agricultural Market Concentration. Note that a Four Firm Concentration Ratio (CR4) above 40% is considered to be under monopsonistic control, and signals market problems such as price fixing.

The monopolistic abuses of Big Tech and Big Data have been demonstrated extensively (including in the 2020 U.S. House Judiciary Committee’s Investigation of Competition in Digital Markets⁵⁴), however, an antitrust lens should be expanded to include agricultural data, acquisitions, and climate change mitigation in precision agriculture programs led by large

⁵⁴ Available at https://judiciary.house.gov/uploadedfiles/competition_in_digital_markets.pdf?utm_campaign=4493-519

agribusiness. The powerful and consolidated agribusiness corporations included in Figure 1 are those also implementing “climate-smart” farming -- all while limiting farmer choice and mining farm-level data. ETC Group’s 2018 report, “Plate Tech Tonics: Mapping Corporate Power in Big Food” explains:

The world’s largest farm equipment manufacturers have invested heavily in digital technology platforms and most have forged alliances with seed/pesticide and fertilizer companies to profit from data-driven farming.[] Precision agriculture – the application of computer-generated data and satellite- and Internet-based communications to industrial farm production – is also called “smart farming” or “farming 4.0.” It can refer to a wide array of proprietary hardware and software products using artificial intelligence and Big Data, such as remote imaging and sensing (via drones, for example), robotics and automation, and it can encompass financial services, commodity trading, weather forecasting, etc.

They ask:

Publicly available information on the digital trading alliance is scarce, but a digital tech partnership among top-tier “competitors” should trigger alarm bells for regulators, farmers and consumers. How will regulators oversee a digital technology initiative that spans the globe, especially if it is based on proprietary platforms that could exclude or marginalize smaller firms? Will anti-trust regulators have the tools to determine if the initiative is spurring anti-competitive practices? What are the risks for global food security if the world’s largest handlers of agricultural goods and financial services establish a digital lock on the global food chain?

Family Farm Action Alliance is supportive of climate change mitigation programs, but is also deeply concerned by the dangers of pairing these programs with poor antitrust and competition protections and agribusiness-led solutions. Strong, preemptive, and carbon-credit-specific competition legislation and regulation must be in place before USDA develops a carbon bank and credit system. We recommend fair competition protections be adapted from the Packers and Stockyards Act of 1921⁵⁵ with a minimum of the 2010 Farmer Fair Practice Rule⁵⁶ level of enforcement. Without these protections, agribusiness corporations will wield their concentrated economic and political power to profit from a new and complicated market -- just as they have in every other agricultural market.

USDA should ensure that agricultural corporations participating in any future carbon credit program are doing so in good faith to mitigate climate change, rather than simply using a new market mechanism to further concentrate their already-disproportionate power in agriculture. We recommend that USDA consider requiring all potential participants (selling or buying credits) submit an annual greenhouse gas emissions inventory of their entire supply chain (including those currently exempt like dairies, poultry, hog, and other confined animal production systems), divest assets if they currently control 25% or greater of any agricultural market share, allow

⁵⁵ 7 USC §§ 181-229

⁵⁶ Federal Register. 2010 Farmer Fair Practice Rules. Vol. 75, No. 119. June 2010. Available at <https://www.govinfo.gov/content/pkg/FR-2010-06-22/pdf/2010-14875.pdf>

farmers exclusive ownership of any farm-level climate sensing data, and allow farmers to exit any sort of carbon credit contract for any reason with no penalty.

Agricultural Finance and Climate Change

Climate change is making growing conditions more difficult and costly for producers, lenders, and taxpayers. Unless lending institutions or farm subsidies shift to acknowledge and address the reality of a changing climate, current finance structures will not be able to adapt to the impending climate-induced stresses that are to come - physical and financial.

The U.S. experienced 12.6 major extreme weather events (each causing more than \$1 billion in damage) from 2014-2019. This doubles the 6.3 extreme weather events from 1980-2018.⁵⁷ The National Oceanic and Atmospheric Administration (NOAA) estimates that extreme weather events from 1980-2020 have cost \$1.175 trillion.⁵⁸ Droughts alone cost U.S. agriculture \$10-14 billion annually.⁵⁹ USDA-ERS estimated increased costs to crop insurance by 11% in corn and 65% in soybeans due to climate change for variability in yield and crop failures.⁶⁰ As the climate warms, rain patterns change, and seasonal variations shift, one study suggests that by 2070, more than half of U.S. crop acreage will have to change crops to maximize productivity. Even if such a shift were successful, 5% of U.S. farmland will be non-arable and non-productive by 2070.

As land productivity decreases, so does its value. This becomes problematic for farmers and financiers alike, as farmland is the primary form of collateral for farm and agricultural loans. In 2020, land accounted for four-fifths of agricultural assets.⁶¹ At the same time, farm debt levels have been rising, nearly to the level that sent land values crashing during the 1980 farm crisis. Some financing lessons were learned from the farm crisis, but the impacts of a changing climate on farm productivity and bankrolls was not one of them. The Agricultural Credit Act of 1987 put minimum capitalization requirements for the Farm Credit System (FCS) as a safety-valve in the event of a large number of bankruptcies. The economic models used to craft the tool, however, did not account for climate change and farm income. Most current credit policies do not internalize climate change risks and costs, generating an ever-increasing share of debt that farmers will not be able to repay with lowered yields and decreasing land values.

Agricultural lenders are not likely to include climate change risks in their assessments without technical guidance or incentives to do so. Even firms that incorporate climate risk in their operations are at a disadvantage as banking and market regulators are not able to institute clear

⁵⁷ Rosamond L. Naylor. 2019. "Long-Run Uncertainties for U.S. Agriculture." Federal Reserve Bank of Kansas City. Available at <https://www.kansascityfed.org/research/~//media/1a8a80e32b3c4c5b800fb9dc1bdbc4c5.ashx>

⁵⁸ NOAA. 2020. "U.S. Billion Dollar Climate and Weather Disasters 1980-2020." NOAA National Centers for Environmental Information. Available at <https://www.ncdc.noaa.gov/billions/events.pdf>

⁵⁹ Yusuke Kuwayama. 2019. "The Economic Impacts of Drought on U.S. Agriculture." Resources for the Future.

⁶⁰ Andrew Crane-Droesch, Elizabeth Marshall, Stephanie Rosch, Anne Riddle, Joseph Cooper, and Steven Wallander. 2019. "Climate Change and Agricultural Risk Management Into the 21st Century." USDA-ERS. Available at <https://www.ers.usda.gov/webdocs/publications/93547/err-266.pdf?v=9932.1>

⁶¹ USDA-ERS. "Farmland Value." Updated November 2, 2020. Available at <https://www.ers.usda.gov/topics/farm-economy/land-use-land-value-tenure/farmland-value/>

oversight and transparency to effectively manage risk. Even so, many farm groups have issued a strong position that climate change finance improvement should not be done on the backs of farmers. In short, to effectively address climate change mitigation through markets, fossil fuel and carbon-intensive industrial practice financing must be systematically changed, including industrial agriculture operations. Farming itself is an important, but relatively smaller contributor to climate-induced market instability. Despite this, we know agricultural production has an important role to play in greenhouse gas emission reduction, and global carbon sequestration. While USDA does not have sole authority to implement our finance specific recommendations, they are included in section B of our comment.

Recommendations

For readability, our comment is organized in the order of questions as written in the Federal Register.

A. How should USDA utilize programs, funding and financing capacities, and other authorities, to encourage the voluntary adoption of climate-smart agricultural and forestry practices on working farms, ranches, and forest lands?

- 1. How can USDA leverage existing policies and programs to encourage voluntary adoption of agricultural practices that sequester carbon, reduce greenhouse gas emissions, and ensure resiliency to climate change?*

Requested Action: USDA should expand existing conservation programs to their full extent, implement conservation stewardship practices as defined in the Climate Stewardship Act, and disincentivize agricultural practices that produce high levels of greenhouse gases.

Independent farmers and ranchers depend on sound working lands conservation programs. The USDA already has broad reaching conservation programs that we believe should be the foundation of USDA's approach to fulfilling this EO. Many farmers are already familiar with the enrollment process, FSA, NRCS, and extension personnel trained in implementing the programs. If the following adaptations are made, we are confident the existing voluntary programs are well positioned to meet the climate challenges ahead:

- Secretary Vilsack should continue the expansion of USDA working lands conservation programs such as:
 - Conservation Reserve Program (CRP)
 - Environmental Quality Incentives Program (EQIP)
 - Conservation Stewardship Program (CSP)
 - Regional Conservation Partnership Program (RCPP)
- Expand and request increased mandatory funding for the Sustainable Agricultural Research and Education (SARE) program
- Exclude Confined Animal Feeding Operation (CAFO) manure waste management eligibility from EQIP funding, and reaffirm programmatic support of practices found in CSP programs
 - By formally disincentivizing CAFO eligibility from conservation program funding, USDA will demonstrate its understanding that CAFOs produce liquid

manure, which emits more methane (25 times more potent than carbon dioxide)⁶² than solid manure in a dry-lot or on pasture.⁶³

- Expand training and technical assistance protocols by NRCS, FSA, and extension professionals that incorporate climate change risk mitigation when recommending programs and practices to farmers including but not limited to:
 - Prioritizing Whole Farm Revenue Protection in federally supported crop insurance packages, and bolstering outreach to insurance providers, so farmers and ranchers can diversify their farms with less financial risk.
- Leverage CCC, EQIP, and FSA Equipment Share funds to assist producers with acquisition through purchase or cooperative shares of equipment to advance working lands conservation practices.

2. What new strategies should USDA explore to encourage voluntary adoption of climate-smart agriculture and forestry practices?

Requested Action: Develop farm insurance packages and programs that mitigate risk for intensely managed grazed livestock.

Despite its ability to sequester carbon across a variety of temperate environments, USDA has not incentivized managed grazed livestock.^{64,65} A recent study found that adaptive multi-paddock grazing sequestered 13% more soil carbon and 9% more soil nitrogen than continuously grazed systems in “across-the-fence” comparisons.⁶⁶

⁶² EPA. “Importance of Methane.” Available at <https://www.epa.gov/gmi/importance-methane>

⁶³ “When livestock manure is stored or treated in systems that promote anaerobic conditions (e.g., as a liquid/slurry in lagoons, ponds, tanks, or pits), the decomposition of the volatile solids component in the manure tends to produce CH₄ [(methane)]. When manure is handled as a solid (e.g., in stacks or drylots) or deposited on pasture, range, or paddock lands, it tends to decompose aerobically and produce CO₂ [(carbon dioxide)] and little or no CH₄. Ambient temperature, moisture, and manure storage or residency time affect the amount of CH₄ produced because they influence the growth of the bacteria responsible for CH₄ formation. For non-liquid-based manure systems, moist conditions (which are a function of rainfall and humidity) can promote CH₄ production. Manure composition, which varies by animal diet, growth rate, and animal type (particularly the different animal digestive systems), also affects the amount of CH₄ produced. In general, the greater the energy content of the feed, the greater the potential for CH₄ emissions.” Environmental Protection Agency. 2021. “Inventory of U.S. Greenhouse Gas Emissions and Sinks: 1990–2019.” Available at <https://www.epa.gov/sites/production/files/2021-04/documents/us-ghg-inventory-2021-main-text.pdf>

⁶⁴ Oklahoma State University Division of Agricultural Sciences and Natural Resources. “Carbon Sequestration a Positive Aspect of Beef Cattle Grazing Grasslands.” Available at <http://www.dasnr.okstate.edu/Members/donald-stotts-40okstate.edu/carbon-sequestration-a-positive-aspect-of-beef-cattle-grazing-grasslands>

⁶⁵ David Whitehead. 2020. “Management of Grazed Landscapes to Increase Soil Carbon Stocks in Temperate, Dryland Grasslands.” *Frontiers in Sustainable Food Systems*, Vol 4. Available at <https://www.frontiersin.org/articles/10.3389/fsufs.2020.585913/full>

⁶⁶ Samantha Mosier, Steven Apfelbaum, Peter Byck, Francisco Calderon, Richard Teague, Ry Thompson, and M. Francesca Cotrufo. 2021. “Adaptive multi-paddock grazing enhances soil carbon and nitrogen stocks and stabilization through mineral association in southeastern U.S. grazing lands.” *Journal of Environmental Management*, Vol 288. Available at <https://doi.org/10.1016/j.jenvman.2021.112409>

Requested Action: RMA should initiate a rulemaking to require private insurers to incorporate climate change risks into the calculation of policy premiums and indemnification rates for crop losses.

Without this, insurance policy premiums will increase as indemnification rates decrease. Falling short of complete financial collapse, farmers may opt out of participating in crop insurance, and some crops may become uninsurable in some parts of the U.S. Crop and livestock insurance could be written according to a federal standard to adapt to climate change (such as USDA’s regionally specific “Adaptation Resources”⁶⁷). RMA may also consider using Nitrogen Use Efficiency (NUE) metrics, instead of yield or profit, when developing climate-smart insurance programs.⁶⁸

Requested Action: Implement a program that offers support through forgivable loans, grants, or indemnities to farmers during the required 3-year transition period in USDA Organic Certification.

Certified organic agricultural practices typically sequester more carbon than conventional agricultural systems.⁶⁹ The high overhead costs of new equipment and potentially lowered profit margins associated with the required 3-year transition period pose financial uncertainty as farmers cannot yet attain organic premiums. Overall, this dissuades potential adopters of Organic production. Increasing accessibility of organic certification increases U.S. agriculture’s ability to address the climate challenge.

Requested Action: Bolster USDA’s market development programs for markets that sell products from farms that: 1) have diversified management 2) sequester more carbon per pound of food for human consumption produced with shorter local and regional supply chains.

USDA market development program directives to consider:

- Require USDA food purchasing programs to prioritize regionally produced food and food products from independent farmers, ranchers, and processors.
- Expand eligibility for the Farmers Market and Local Food Promotion Program (FMLFPP) grants to be more accessible to local food aggregation centers and hubs to compensate for monopoly controlled and unfair food retail markets.
- Establish tax incentives for individuals who invest in infrastructure for local and regional foods systems, included but not limited to food aggregation centers, shared farming and processing equipment, processing facilities, public marketplaces, and cooperative grocers.

⁶⁷ Maria K. Janowiak, Daniel N. Dostie, Michael A. Wilson, Michael J. Kucera, R. Howard Skinner, Jerry L. Hatfield, David Hollinger, and Christopher W. Swanston. 2016. “Adaptation Resources for Agriculture: Responding to Climate Variability and Change in the Midwest and Northeast.” USDA-ARS, USDA-NRCS, and U.S. Forest Service. Available at <https://www.climatehubs.usda.gov/sites/default/files/AdaptationResourcesForAgriculture.pdf>

⁶⁸ Steve Suppan. September 8, 2020. “Agricultural Finance for Climate Resilience.” Institute for Agriculture & Trade Policy. Available at <https://www.iatp.org/ag-finance-climate>

⁶⁹ Jens Leifeld and Juerg Fuhrer. 2010. “Organic Farming and Soil Carbon Sequestration: What Do We Really Know About the Benefits?” *Ambio*. Vol 39, No 8. doi: 10.1007/s13280-010-0082-8

- Expand school food procurement geographic preference to include local processed food products, in addition to unprocessed foods.
- Allow federal institutions such as hospitals, military bases, and agency offices to procure processed and unprocessed foods with regional geographic preference in contract bidding.

Requested Action: Incorporate climate risk and mitigation assessments for all USDA grant programs, cost-shares, and incentives. Then, redirect USDA support and subsidies to incentivize adoption of programs utilizing regenerative agricultural practices, and marketing food products to regional, independent markets.

Requested Action: Require all USDA administered research and outreach grants to prioritize long-term environmental and social benefits, and adverse impacts of the project.

B. How can partners and stakeholders, including State, local and Tribal governments and the private sector, work with USDA in advancing climate-smart agricultural and forestry practices?

Requested Action: Include strong, preemptive, antitrust and competition safeguards in any carbon market related relationships with farmers and ranchers. We recommend antitrust and competition protections mirror the Packers and Stockyards Act of 1921 as construed in the 2010 Farmer Fair Practice Rule.

Requested Action: Bar agribusiness companies from receiving promotion or support from USDA to implement climate mitigation solutions if they are: 1) net polluters as defined by the Environmental Protection Agency (EPA), or 2) control over 25% of their respective market(s).

Requested Action: Reshape agricultural financial tools to allow for long-term implementation of regenerative practices. Regenerative farms require regenerative financial tools.

- Undertake climate resilience analysis at the FCA. In order to ensure a stable credit market for farmers, the FCA must anticipate and respond to the threat of the climate crisis.⁷⁰
- Lengthen Farm Service Administration (FSA) operating loan terms from 7 years to 20 years. Currently, farmers and ranchers are discouraged from implementing long-term on-farm regenerative practices that yield long-term benefits due to short-termed credit cycles.
- Allow FSA farm ownership and conservation lines of credit to be transitioned to operating credit under the same term.
- Implement a path for transition from or combination of FSA Farm Loan Programs to other FSA loan programs such as marketing assistance and farm storage facility loans under an umbrella operating loan term.
- Under congressional authority in the Farm Credit Act of 1971, require a 10% set aside of FCS profits to be re-lent to promote environmentally sustainable agriculture, prioritizing BIPOC and women farmers.

⁷⁰ Zoe Willingham. January 14, 2021. "Promoting Climate-Resilient Agricultural and Rural Credit." Center for American Progress. Available at <https://www.americanprogress.org/issues/economy/reports/2021/01/14/494574/promoting-climate-resilient-agricultural-rural-credit/>

Requested Action: Restructure broad financial tools and reporting to prioritize and support farmers and ranchers with inevitable climate related financial losses, and implementing climate adaptation strategies.

- Mandate the Securities Exchange Commission (SEC) to undergo rulemaking to require clear, comprehensive, comparable, and transparent disclosures.
- Require agribusiness corporations report their aggregate GHG emissions along their entire supply chains.
- SEC should issue “bad actor” designations to companies that not only would make them subject to climate risk audits, but also deny bad actors access to federal climate-smart agriculture program participation. Variants of good actor designations, depending on the effectiveness of practices employed on actual greenhouse gas emissions, could come with provisions for preferential access to federal contracts, subsidies, and federal credit access at discounted interest rates.
- SEC should increase current fines for repeated reporting noncompliance.

C. How can USDA help support emerging markets for carbon and greenhouse gases where agriculture and forestry can supply carbon benefits?

Requested Action: USDA’s ARS and ERS should jointly establish physical carbon credit metrics, and assess third-party validators of a potential carbon market at frequent intervals.

USDA’s research agencies are a mainstay of farmer-facing research. Taxpayer dollars fund USDA to benefit the public good; mitigating climate change through food production certainly furthers the public good. Farmers and agribusiness corporations alike look to USDA to set sound scientific standards and implement them via the many existing regional research stations, state and county extension agents, and county FSA and NRCS offices throughout the country. With support of professionals working directly with farmers, USDA is the best certifying agency to carry out President Biden and Secretary Vilsack’s vision of implementing widespread, voluntary climate-smart agriculture.

As of March 2021, leading agrifood corporations and carbon credit certifiers cited USDA- ERS in [public forums](#) as the best entity to set and monitor environmental and financial agricultural carbon credit baselines. With authority provided in the 2002 Farm Bill,⁷¹ regional sites for soil testing and practice reporting could be fully funded and staffed to understand regional soil carbon sequestration differences. Deploying regional staff would also ensure all farmers could participate in a USDA registered credit carbon bank, instead of requiring them to contract with a third party, private registry. USDA is the pragmatic choice to be the principal regulator of ongoing carbon credits because it is relatively protected from market disruptions compared to for-profit registries - ensuring privately developed credits would not lose value due to bankruptcy or economic recession. The challenge of ensuring permanence of practices to be an effective carbon credit registry would also be addressed with USDA as the principal scientific organization creating the new commodity.

⁷¹ Farm Security and Rural Investment Act of 2002 - Sec. 9009, later repealed by the 2018 Farm Bill.

Requested Action: USDA should take every step possible to stop programs and practices that unnecessarily increase greenhouse gas emissions before implementing a carbon bank. Agribusinesses and their polluting production schemes should not be eligible for incentives to address pollution issues they continually and disproportionately contribute to.

Such actions to stop net-polluting production include:

- Requiring entities undergo a full supply chain greenhouse gas emission inventory before they can participate in any carbon market.
- Barring CAFO manure management from EQIP eligibility, and requiring vertical integrators to take full responsibility and liability for properly managing manure created by the livestock they own, including accounting for those emissions in their emissions inventory.
- Implementing supply management for commodities to prevent overproduction that depletes soils and drives an industrialized feed-meat complex.⁷²
- Implementing agency provisions outlined in the Farm System Reform Act, Climate Stewardship Act, and the Agricultural Resilience Act.

Requested Action: Require a 15 year permanence period for carbon sequestration for corporate entities to buy or sell in a carbon market. Farmers are excluded from this requirement, and should be able to exit any carbon sequestration contract with no recourse.

Requested Action: Allow farmers already using regenerative practices to redeem grandfathered credits where appropriate records have been kept and can prove GHG mitigating/sequestering practices.

D. What data, tools, and research are needed for USDA to effectively carry out climate-smart agriculture and forestry strategies?

Requested Action: USDA's ARS and ERS set a baseline for environmental and financial modeling of all agricultural practices.

With USDA as chief scientific regulating authority of any climate-smart agricultural strategy, the agency should create a baseline model that accounts for accurate carbon sequestration and financial factors based on region and sector. Passed in the 2002 Farm Bill, USDA-ARS can establish regional sites for soil testing and practice reporting. The amount of carbon sequestered varies greatly by soil type, weather patterns, and practices. This demonstrates the need for numerous regional offices, staffed by expert soil scientists to provide accurate soil sequestration data from long-term, methodologically sound field trials. Trials should be run for a minimum of 5 years, and continue indefinitely. If too few data samples are collected, the trend-line could be skewed, and result in too much or too little carbon sequestration being accredited to certain

⁷² “With lifeline subsidies favoring [feed grain] crops above others, many farmers find themselves with little choice in what they grow. The result is a market often flooded with cheap corn and soy, with meatpackers standing at the ready to accept feed prices at below production.” Family Farm Action Alliance. 2020. “The Feed-Meat Complex: Unpacking the Truth About How Big Meat Pockets Billions in Farm Subsidies.” Available at <https://farmactionalliance.org/2020/11/16/thefeedmeatcomplex/>

practices. Until those trials reach a statistically significant time period, as determined by soil science experts, carbon sequestration rates should remain within a conservative margin or error.

USDA-ERS will be vital to providing accurate financial modeling that ultimately determines the cost of carbon offset or emitted. Such a baseline ought to also consider the rising cost to farmers caused by climate change including lower yields, higher insurance premiums, and transitioning to different crops and production methods.

Requested Action: ARS and ERS should also take into account the entire life-cycle greenhouse gas emission inventory of production schemes when analyzing specific practices. For example, if examining the impact of methane digesters, the entire chain of CAFO production must be examined to determine the net impact of the entire supply chain.

Requested Action: In the event that on-farm data must be collected for climate-smart baselines or program participation, USDA should provide personnel to collect data. If this is unfeasible, USDA should provide assistance for farmers to invest in data collection tools making sure the farmer owns the data. Failure to do so could inhibit small-scale or limited resource farms from participating.

2. Biofuels, Wood and Other Bioproducts, and Renewable Energy Questions

C. How can USDA support adoption and production of other renewable energy technologies in rural America, such as renewable natural gas from livestock, biomass power, solar, and wind?

Requested Action: Bar “natural gas from livestock” from being eligible for renewable energy or climate-smart programs.

Methane digesters are not a renewable energy source, and encourage the expansion of industrial livestock operations. Methane digesters capture manure from large CAFOs in large pits or lagoons, capture methane (25 times more potent than carbon) produced by anaerobic digestion of the manure, and process the methane to be used as “natural” gas. This process is far from “renewable,” especially when compared to the return on investment for wind and solar.⁷³ From the buildings themselves to the taxpayer subsidies that keep CAFOs economically viable⁷⁴ -- calling this artificial management scheme “renewable” is unequivocally false. Small CAFOs lack the volume of waste needed to produce excess methane, necessitating larger CAFOs be built if entities are to collect the enticing carbon offset profits. A solution that requires constant subsidization, and increased industrialization is far from “renewable.”

⁷³ “\$4 million could fund the startup costs for a 710- kilowatt factory farm gas project that would last 10 years, a 925- kilowatt solar project that would last 25–30 years, or a 2,000- kilowatt wind project that would last 20–25 years. At the end of those lifespans, the wind and solar projects would be able to fund the costs of new infrastructure, but factory farm gas would still rely on government grants.” Stray Dog Institute. March 21, 2021. “Factory Farm Gas: A Threat to Our Climate, Communities, and Clean Energy Future.”

⁷⁴ Harwood D. Schaffer, Pracha Koonnamdee, and Daryll E. Ray. 2008. “Economics of Industrial Farm Animal Production.” Pew Commission on Industrial Farm Animal Production. Available at http://www.pcifapia.org/images/212-6_PCIFAP_Ecnmics_v5_tc.pdf

A host of serious environmental,⁷⁵ health,⁷⁶ and environmental justice consequences^{77, 78} related to industrial agriculture exist, and more would emerge from further incentivizing methane digesters. Incentivizing methane digesters hinders agriculture, the Biden Administration, and Vilsack's USDA from reaching climate change mitigation goals.

Requested Action: Incentivize Rural Electric Cooperatives (RECs) through infrastructure funds from USDA for providing individuals and businesses with a Net Metering program for renewable energy that directly pays the generator of the energy an equivalent wholesale rate for their excess energy.

Net Metering programs provide an opportunity for a business, farm, or individual (generator) to install and develop renewable energy from sources such as wind and solar. Power generated by the generator is first used to meet the energy needs of the generator with any excess power being transferred onto the grid to meet the demands of the utilities to include Rural Electric Cooperatives. Net Metering provides an opportunity to decentralize electric power generation making it more resilient in the face of increased extreme weather. Additionally, it provides power generation to meet growing needs and provides a revenue stream for the generators.

4. Environmental Justice and Disadvantaged Communities Questions

Environmental justice must be explicitly prioritized and addressed in any climate change mitigation programs. First and foremost, Family Farm Action Alliance recognizes the historic discrimination against, disregard, and eventual cooptation of indiginous, agroecological, and whole-systems agricultural practices -- now branded as "climate-smart" agriculture by USDA and agrifood corporations.⁷⁹ As a member of the Rural Coalition, we align with and elevate their comments regarding racial equity, environmental justice, and calls to support *all* farmers and ranchers.

A. How can USDA ensure that programs, funding and financing capacities, and other authorities used to advance climate-smart agriculture and forestry practices are available to all landowners, producers, and communities?

⁷⁵Riva C. H. Denny. 2019. "Contributions to Global Climate Change: A Cross-National Analysis of Greenhouse Gas Emissions from Meat Production." Pp. 145-165 in *Global Meat: Social and Environmental Consequences of the Expanding Meat Industry*, edited by Bill Winders and Elizabeth Ransom. Cambridge, MA: MIT Press

⁷⁶ Amy A. Schultz, Paul Peppard, Ron E. Gangnon, and Kristen M. C. Malecki. 2019. "Residential proximity to concentrated animal feeding operations and allergic and respiratory disease." *Environment International*, Vol 130. doi: 10.1016/j.envint.2019.104911

⁷⁷ Nicole Wendee. 2013. "CAFOs and environmental justice: the case of North Carolina." *Environmental Health Perspectives*, Vol 121, No 6. Available at <https://doi.org/10.1289/ehp.121-a182>

⁷⁸ S. M. Rafael Harun & Yelena Ogneva-Himmelberger. 2013. "Distribution of Industrial Farms in the United States and Socioeconomic, Health, and Environmental Characteristics of Counties." *Geography Journal*. Available at <https://www.hindawi.com/journals/geography/2013/385893/>

⁷⁹ Lisa Held. April 20, 2021. "Is Agroecology Being Co-Opted by Big Ag?" *Civil Eats*. Available at <https://civileats.com/2021/04/20/is-agroecology-being-co-opted-by-big-ag/>

Requested Action: Conduct environmental justice analyses of every USDA program.

Environmental justice and racial equity must be prioritized in all USDA programs. Just as financial or environmental risk assessments are conducted, an environmental justice assessment should also be conducted. Such an assessment would include three main areas of consideration:

1. Is the program culturally appropriate? If so, do BIPOC farmers have access to the programs themselves, finance and capital requirements, outreach entities, technical assistance, etc.
2. Does the program disproportionately harm BIPOC communities? If there is any harm, the program should be altered or abandoned. For example, a carbon offset program that inadvertently incentivizes more CAFOs be built in a community of color while offsetting carbon emissions elsewhere would disproportionately harm BIPOC communities.
3. Does the program provide a path for new and aspiring BIPOC farmers to enter farming, while also ensuring existing independent farmers and ranchers can thrive?

Requested Action: Ensure those farming on Heirs' property, fractured allotments, and colonias can participate in *any* USDA program, including climate-smart programs.

As directed in the 2018 Farm Bill, USDA should examine the impacts of current land tenure disputes regarding Heirs' property, fractured allotments, and colonias on obtaining, financing, and implementing climate-smart agricultural practices. Also directed in the 2018 Farm Bill, USDA needs to fully implement the program to allow operators on Heirs' property to obtain a FSA farm number. Further, ERS should study and make recommendations on federal cooperative ownership standards, to remedy the current state patchwork policies regarding cooperative establishment, ownership, public-private collaboration, and operation.

B. How can USDA provide technical assistance, outreach, and other assistance necessary to ensure that all producers, landowners, and communities can participate in USDA programs, funding, and other authorities related to climate-smart agriculture and forestry practices?

Requested Action: Direct program funding and outreach for public climate adaptation and mitigation through 1890 and 1994 land grant institutions. These institutions serve smaller, independent, and socially disadvantaged farmers and ranchers.

The 1890 and 1994 land grant institutions serve socially disadvantaged populations with a fraction of the funding allocated to the 1862 institutions. The 1890 and 1994 institutions are also mandated in their mission statements to serve smaller, diverse farms and ranches. Unless some degree of technical assistance, outreach, and other assistance is led by the 1890 and 1994 institutions, not all farmers, landowners, and communities will be served equitably.

C. How can USDA ensure that programs, funding and financing capabilities, and other authorities related to climate-smart agriculture and forestry practices are implemented equitably?

Requested Action: Implement the Clyburn 10/20/30 Formula⁸⁰ throughout all USDA funding and outreach allocations, which would direct at least 10% of investment to be made in persistent poverty communities (counties where 20% or more of the population lives below the poverty line for the last 30 years).

Requested Action: Change USDA lending authority to prequalify beginning farmers for FSA loans, and provide no interest loans to beginning BIPOC farmers and BIPOC-led cooperatives.

Requested Action: Allow all Native Community Development Financial Institutions (CDFIs) to pay back only the interest on a loan to all federal financiers, and reinvest the principal amount into Native Community Development. This will bar existing commercial credit extraction from Native CDFIs.

USDA has begun the process of addressing systemic racism in its past conduct and programs that have disproportionately harmed Black, Indigenous, and People of Color (BIPOC) farmers. We hope to see this recognition and pattern of anti-racist action continue. Historically, federal farm programs have disproportionately benefited white farmers. In this new administration, committed to equity, it is of vital importance that increased proportions of USDA funding, outreach, and technical assistance reach BIPOC, women, and smaller farms first.

Conclusion

We are hopeful of President Biden's urgency in addressing the climate crisis, and are encouraged by Secretary Vilsack's commitment to improve USDA's conduct in the current administration.

We want to reiterate our position that we support any program that incentivizes independent farmers and ranchers to implement climate change mitigation and carbon sequestering practices, but are deeply concerned if the EO is to be implemented without:

1. Preemptive antitrust and competition protections;
2. Sole scientific regulation and oversight by USDA, as opposed to corporate agribusinesses;
3. Ensuring equitable access for all independent farmers and ranchers, regardless of size or land tenure status; and
4. Formally disincentivizing agribusiness practices that produce high levels of greenhouse gasses.

Lastly, if a carbon bank or carbon market is to be administered, we require significant market protections through antitrust enforcement *and* transparent carbon credit commodity price-setting mechanisms be in place to protect independent farmers and ranchers.

We appreciate your consideration of these recommendations, and look forward to working with you through the development and implementation of the Executive Order.

⁸⁰ Congressman James. E Clyburn. "10/20/30 Formula to Fight Persistent Poverty." Available at <https://clyburn.house.gov/10-20-30-amendment>

Sincerely,



Joe Maxwell

APPENDIX C

March 31, 2021

Bruce Summers, Administrator
Agriculture Marketing Service, USDA
Room 3071, STOP 0201
1400 Independence Ave. SW
Washington, D.C. 20250

**RE: Comments on the AMS COVID Stimulus Grants; submitted online via
<https://www.ams.usda.gov/event/how-comment-ams-covid-stimulus> and by electronic mail to
AMSCOVIDStimulus@usda.gov**

Introduction

Family Farm Action Alliance welcomes the opportunity to provide comments on the USDA-AMS COVID Stimulus response grant development, coordination, and implementation, authorized by the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act of 2021. We appreciate your efforts to seek input from stakeholders across the food supply chain.

Family Farm Action Alliance is a national research, policy development, market innovator, and advocacy organization working to build a sustainable, inclusive economy in which everyone has the right to share in the prosperity they help build while respecting our land, natural resources, and neighbors around the world. We focus our efforts on: 1) anti-monopoly reform, 2) regenerative agriculture, 3) resilient local and regional food systems, and 4) market innovation. The USDA-AMS opportunity for grant input sits squarely within the interest of our supporters, comprised of farmers, small business owners, and rural and urban constituencies.

We applaud the agency's previous work on providing COVID relief grants, and for continuing to seek input from stakeholders across the food supply chain.

Requested Action

We recommend the COVID relief grants be awarded in amounts ranging from \$5,000 - \$150,000, with an opportunity to apply for a second round award once all eligible applicants are awarded in the first round. Eligible entities would include small farms, small food processors (meat, dairy, eggs, and other food products), food hubs, farmers markets, small grocers and retailers, and other business entities playing a critical role in the local and regional food supply chains. Grants should be used to cover any COVID-19

related expense to an eligible entity retroactively from March 2020 - present. Alternative business and entity arrangements should not be limited in applying, such as cooperatives or fractured allotments.

In the following section, we directly address the questions asked by USDA-AMS included in the comment submission webpage.

What is the definition of a small and mid-sized in your sector? (food processing, distribution, seafood processing, farmers markets, producers)

According to food processing (meat, eggs, and other food products), a very small plant employs less than 10 employees, small plants employ 10-99 employees, and mid-sized plants employ 100-499 employees.

In farming, depending on the sector, USDA-ERS Farm Typology considers a family farm as small if it has a Gross Cash Farm Income (GCFI) of \$350,000 or less, and defined as a medium-sized family farm with a GCFI of \$350,000 - \$1,000,000. While USDA considers this farming threshold when farm laborers are related to the primary operator, we encourage the expansion of this definition to any non-corporate owned or controlled farm, whose farm operators and employees work together, but are not necessarily related.

In the development of this grant, we recommend at least 10% of funds be set aside for applicants in persistent poverty counties as outlined in the Clyburn 10/20/30 formula,⁸¹ a 20% set aside for grants to very small and small processing plants, small farms, and other small business entities. We recommend an additional 10% set aside for BIPOC and women-owned and operated food chain businesses. Further, entities with less than 50 employees *and* who primarily serve their local or regional foodshed should be prioritized to receive funding.

How would a business in your sector confirm their status as small or mid-sized? (number of employees, sales dollar figures, etc.) and what kinds of documents might show that status?

We recommend using the previously mentioned employee numbers and gross income amounts to confirm entity status as small or mid-sized. We recommend an initial self-certification be sufficient to apply for the grant certification, with later verification by USDA if deemed necessary. USDA should offer clear guidance and technical assistance in multiple languages to business entities to certify their operations and size if they are selected to provide further verification.

Documents that would be acceptable would include:

- Bank statements
- Business licenses and permits
- Certificate of formation or incorporation
- EIN confirmation letter from the IRS

⁸¹ Congressman James. E Clyburn. "10/20/30 Formula to Fight Persistent Poverty." Available at <https://clyburn.house.gov/10-20-30-amendment>

Verification of local and regional service providing could include:

- Sales invoices
- Marketing materials
- List of vendors and their contact information

The legislation directs USDA to use these funds to help businesses organizations respond to coronavirus, including for measures to protect workers against COVID-19. What categories of expenses or investments have been or are now necessary in your business sector to respond to coronavirus?

The COVID-19 pandemic has impacted businesses and entities represented in Family Farm Action Alliance's membership in many ways depending on their sector. We encourage grants be available to cover a wide range of expenses including:

- Personal Protective Equipment
- COVID and temperature testing equipment and services
- Food safety certifications
- Expansion or renovation of processing facilities and lines
- Staff time for COVID-19 related scheduling, shifting, and protocol implementation
- Increased transportation
- Signage
- Packaging and labeling materials and equipment
- Increased storage equipment (dry and cold)
- Food safety upgrades
- E-commerce upgrades (computers, website management, staff time, wifi, etc)
- Food delivery costs (transportation, fuel, staff time)
- Food stand staffing cost
- Purchase or rent of temporary expansions (packing sheds, kitchens, livestock pens, retail space)
- Lost revenue from community or public events
- Market development and innovation (product delivery, curbside delivery, increasing or expanding vendor locations)
- Any other expense for protecting employees from COVID-19, including worker housing, childcare, or transportation

What are the impediments to people applying for these grants? What kinds of assistance or resources will they need to be able to do apply?

Many stakeholders find federally administered grants difficult to access and navigate. To ensure all eligible stakeholders can apply, especially those who were underserved by previous CARES funding, the grant program should be administered by regional entities, hubs, and farm organizations - similar to the administering of USDA's Farm and Ranch Assistance Network grants. USDA should offer an online portal that is simple to navigate with as few individual application materials as possible, and offer technical assistance in multiple languages.

Again, USDA should make clear that applicants are not limited by formation under an alternative business structure, and that initial eligibility will be self-certified. AMS ought to set a guidance process for those that seek clarification for applying with alternative business structures, and proper follow-up verification. We recommend appropriated funds in Section 1006 of the American Rescue Plan Act of 2021 be used to implement our requested technical support and outreach.

We appreciate your consideration of these recommendations, and look forward to working with you through the development and implementation of the AMS COVID stimulus grants.

Sincerely,



Joe Maxwell

References Cited in Text

Choi, Jin Young and Douglas H. Constance. 2019. “Marshallese Migrants and Poultry Processing.” *Journal of Rural Social Sciences*, 34(1): Article 6. Available at: <https://grove.olemiss.edu/jrss/vol34/iss1/6>

Freshour, Carrie. 2019. Cheap Meat and Cheap Work in the U.S. Poultry Industry: Race, Gender, and Immigration in Corporate Strategies to Shape Labor. Pp. 121-140 in *Global Meat: Social and Environmental Consequences of the Expanding Meat Industry*, edited by Bill Winders and Elizabeth Ransom. Cambridge, MA: MIT Press.

Government Accountability Office (GAO). 2005. Workplace Safety and Health: Safety in the Meat and Poultry Industry, While Improving, Could Be Further Strengthened. Washington, DC: US Government Accountability Office. Publication GAO-05-096.

Howard, Philip H. 2019. “Corporate Concentration in Global Meat Processing: The Role of Feed and Finance Subsidies.” Pp. 31-54 in *Global Meat: Social and Environmental Consequences of the Expanding Meat Industry*, edited by Bill Winders and Elizabeth Ransom. Cambridge, MA: MIT Press.

Human Rights Watch. 2005. Blood, Sweat and Fear: Workers’ Rights in U.S. Meat and Poultry Plants. January 24. Retrieved November 13, 2008

IPCC (International Panel on Climate Change). 2018. Special Report: Global Warming of 1.5 Degrees Celcius: Section 8: Agriculture. October. Retrieved August 24, 2020. <https://www.ipcc.ch/site/assets/uploads/2018/02/ar4-wg3-chapter8-1.pdf>

Otero, Gerardo. 2018. *The Neoliberal Diet: Healthy Profits, Unhealthy People*. Austin, TX: University of Texas Press.

Schwartzmann, Kathleen Crowley. 2013. *The Chicken Trail: Following Workers, Migrants, and Corporations across the Americas*. Ithaca, NY: Cornell University Press.

Stull, Donald and Broadway, Michael J. 2004. *Slaughterhouse Blues: The Meat and Poultry Industry in North America*. Belmont, CA: Wadsworth.

Stull, Donald D. 2019. "Chickenizing American Farmers." Pp. 63-98 in *In Defense of Farmers: The Future of Agriculture in the Shadow of Corporate Power*, edited by Jane W. Gibson and Sara E. Alexander. Lincoln: University of Nebraska Press, 2019.

Weis, Tony. 2015. Meatification and the madness of the doubling narrative. *Canadian Food Studies/La Revue canadienne des études sur l'alimentation*, 2(2), 296-303.

Winders, Bill and Elizabeth Ransom. 2019. *Global Meat: Social and Environmental Consequences of the Expanding Meat Industry*. Cambridge, MA: MIT Press.

Winson, Anthony. 2013. *The Industrial Diet: The Degradation of Food and the Struggle for Healthy Eating*. New York: NYU Press.