

**Public Comments Received for the Proposed Priorities for the Resilient Food Systems Infrastructure (RFSI)
Program**

Comment Period: July 14, 2023 – August 3, 2023

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Given the droughts, overuse of chemicals, water waste, degrading soil conditions, I think what would be a much smarter and more future proof use of funds would be to invest in indoor farming.
Good program. The investment is needed. However, excluding for-profits which serve socially disadvantaged farmers, distributing their crops to local institutions is a missed opportunity.
I believe that their inclusion would enhance the impact of the program, as long as they have a proven track record for serving small-scale farms operated by socially disadvantaged farms.
I believe priority for this grant is right where it needs to be. Most small farmers like ourselves do not have infrastructure on their farms because of how costly it is to small farmers. However if the focus of this grant is to help underserved farmers, there needs to be more help for them to do this grant. Underserved farmers like ourselves do not know how to do these grants. This grant should not discourage underserved communities by making it difficult for them to complete.
The priority of this grant can greatly improve the supply chain of small farmers; I believe there should be more assistance to them to ensure they can qualify for these grants.
As you prepare to award new funding through the Resilient Food Systems Infrastructure Program (RFSI), I urge you to seriously consider the new opportunities for farmers, rural communities, and businesses the plant-based sector has to offer. American farmers are growing the ingredients most commonly used in plant-based foods, including soybeans, dry peas, chickpeas, wheat, and mushrooms. The opportunity to diversify farm production by adding crops such as oats or hazelnuts offers a range of benefits, including higher farm profitability due to reduced input use and weed pressure, in addition to the environmental benefits of crop rotation. The biggest barriers faced by producers seeking to expand on-farm and processing operations are the need to update or retrofit equipment for advanced processing, a lack of

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investment in processing infrastructure outside of animal agriculture, and access to flexible funding options for equipment to access new markets. The RFSI program can help address this gap.
While plant-based food brands seek to source regionally when possible, availability, scale, and price hinder access to U.S. grown and processed ingredients. In 2020, PBFA's sister non-profit, the Plant Based Foods Institute, launched the Sustainable Sourcing Initiative (SSI). The SSI is supporting the plant-based foods industry in redesigning its supply networks to reduce climate impact, increase equity and improve livelihoods across the industry, and to build a more reliable ingredient supply system. Reducing the U.S. food supply's dependence on imported foods and ingredients helps build national food security and brings much-needed new opportunities to American farmers and rural communities. There is significant potential for increased sourcing from American farmers if the right infrastructure and support exist, and the RFSI Program can offer a boost for growers and processors to take part in the growth of the plant-based foods industry.
The goals of the RFSI – to provide more and better markets to small farms and food businesses; and to support the development of value-added products for consumers, fair prices, fair wages, and new and safe job opportunities – reflect the values of plant-based food companies and the farmers who grow our ingredients. We encourage you to prioritize these new opportunities and nurture the future of agriculture in your state.
Feasibility is demonstrated should be the priority vs "shovel ready".
Yes, it is of course from good intentions that you are wanting to do the right thing, although stuck in a less flexible, chronically ill food system, it may be difficult. In our society, money is very important to survive/get by, though I am usually not thinking of this, and believe you all are. I am thinking more of the priority to relocalize our way of life, and less from the conventional economic perspective you have, and more from an ecological, nature-oriented, environmental sustainability view, including/especially our food system (here seems to be a timely example of grant money from the CNRA that has great potential for Native American tribes to lead the way generally, in a much needed way of life transition). So for example, when you are wanting to create "revenue" for local (even regional) producers, ?why not combine grant money to restore natural habitat (like the Wildlife Conservation Board gives) while also growing at a much more ecologically local scale where they are producing for only themselves, and maybe in good, smart cooperation with their neighbors, and if the land (and their values) were to allow, maybe a bit extra for non-local trade/cooperation with the globalized society most all of us are a part of at this time.
It appears in the public comment information that this program will fund infrastructure and various types of middle supply chain operational enhancements, construction projects, workforce training, and other efficiency enhancement projects. We would like to request that this grant also be allowed to fund feasibility studies of the sort that would allow for the evaluation and planning of the above described packing house project. Elements of such a feasibility study

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<p>would include analysis of local grower participation; product pricing and cost structure; identification of distribution and marketing channels, etc.</p>
<p>We strongly support CDFA's draft priority for small and socially disadvantaged farmers and businesses, climate-beneficial projects, and applications submitted by producers. Small, organic, and disadvantaged producers often cannot utilize conventional supply chains, which are designed for purchasing large quantities of uniform and universally available products in the least expensive way possible. Instead, these producers differentiate their products based on social and environmental values in order to access price premiums and succeed in the marketplace. Prioritizing small, disadvantaged, and organic producers will support their efforts to address critical gaps and bottlenecks in processing, aggregation, and distribution and build accessible and resilient supply chains.</p>
<p>With approximately 75% of farmers in California operating on less than \$100,000 in annual gross sales, most small and disadvantaged farmers operate on thin margins with limited resources. Meeting the 25% or 50% match requirement will prevent most of these producers from the opportunity to leverage the RSFI program to invest in their regional food system infrastructure. We strongly recommend eliminating the match requirement or utilizing alternative CDFA resources to fill any match requirements set by the federal government for small and disadvantaged applicants. For example, directing RFSI funds to existing programs such as the Farm to Community Food Hub program to meet the federal matching requirements.</p>
<p>To increase accessibility for small and disadvantaged applicants applying for funds under the food safety priority of RSFI, we recommend allocating smaller grants directly to farmers without match requirements. A program such as the Vermont Produce Safety Improvement Grant offers no-match grants ranging from \$5,000 - \$20,000 directly to farmers to help growers implement on-farm food safety practices, transition to compliance with the Food Safety Modernization Act (FSMA) and more. Programs like these are effective, direct strategies to allocate resources to farmers looking to meet food safety requirements.</p>
<p>We also recommend allowing up to 10% of funds to be used for planning because disadvantaged producers often lack the resources to get a project "shovel ready." Prioritizing "shovel ready" projects tends to support projects that were planned prior to grant funding and thus can exclude applicants without the resources to invest in a project without grant funding.</p>
<p>We strongly support the USDA's priority to "expand capacity for processing, aggregation and distribution of agricultural products to improve markets for producers." Access to middle-of-the-supply-chain services is often the missing link for small, underserved, and organic producers to access important market opportunities. For example, [organization name removed] aggregates produce from dozens of farmers to fulfill orders for school cafeterias, which the individual producers could not fulfill themselves. Because they play a crucial role, losing just one "middle-of-the-supply-chain"</p>

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<p>businesses could throw dozens of farms into financial crisis. Prioritizing investment in “middle-of-the-supply-chain” infrastructure fills an urgent need and builds resilience into the supply chain.</p>
<p>One important aspect of building economically viable processing facilities is locating them in areas with sufficient product volumes. We recommend that the Department pursue, in collaboration with other state agencies and regional entities, a mapping exercise to identify gaps and strategic opportunities for expanding processing capacity. This important information will help applicants leverage RFSI funds most effectively and support the overall success of “middle-of-the-supply-chain” businesses.</p>
<p>As stakeholders invested in the development and success of California's agricultural sector, we firmly believe that fostering a more robust middle-of-the-supply-chain infrastructure will create numerous opportunities and address key challenges faced by local and regional producers. The priorities outlined in the RFSI program, specifically the focus on processing, aggregation, and distribution of targeted agricultural products, resonate deeply with our organization's membership and objectives.</p> <p>We also acknowledge and fully support the consideration of several important aspects that should be incorporated into the RFSI program. These additions outlined below aim to address potential disruptions that may occur in the food supply chain, especially during emergency situations or changes in the market. As such, we recommend the following initiatives to be included:</p>
<p>Transportation: There is increasing pressure on trucking within the food sector, as competition from large corporations intensifies. During emergency situations, trucking costs can skyrocket, impacting food distribution. We recommend considering projects that diversify and improve transportation portfolios, along with incentivizing transitions to Zero Emission Vehicles (ZEVs). This will not only reduce emissions but also enhance the efficiency and resilience of the transportation sector within the agricultural supply chain.</p>
<p>Processing: Modernizing processing plants is crucial for ensuring agility and adaptability within the food supply chain. This includes updating infrastructure to allow for new product lines. By investing in modern processing facilities, California can better cope with market fluctuations and maintain a steady flow of products to consumers.</p>

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<p>Food Bank Incentives: Building new partnerships, and amplifying existing relationships, with food banks is vital. Potential impacts of sudden economic changes can impact job markets and increase pressure on food banks. We propose establishing incentives to strengthen collaboration between the agricultural industry and food banks, thus facilitating a more efficient distribution of food to those in need during times of crisis.</p>
<p>Development of Alternative Packaging: Relying on food packaging from international markets can pose risks, particularly during disruptions at ports or within the packaging sector. To mitigate potential supply chain disruptions, we recommend considering projects which develop alternative packaging solutions. This proactive approach will ensure continuity in packaging availability and bolster the overall resilience of the food supply chain.</p>
<p>Climate Resiliency: Acknowledging that many disruptions are caused by climate events, we urge the consideration of projects which enhance the climate resiliency of food systems infrastructure in the RFSI program. By incorporating climate considerations into infrastructure and operations, the agricultural community can better prepare for and respond to the impacts of climate change, securing a more sustainable and adaptable food supply chain.</p>
<p>Energy Disruptions: To support agriculture producers who aggregate and process perishable foods, funding projects that ensure a reliable energy supply is essential. In times of crisis or emergency situations, disruptions in energy access can severely impact the preservation and processing of perishable foods, leading to food waste and supply chain disruptions. Therefore, we propose the inclusion of initiatives that enhance energy infrastructure resilience and incentivize the adoption of renewable energy sources in processing facilities. This will help guarantee uninterrupted operations in the agricultural supply chain.</p>
<p>Additionally, the term "shovel ready" projects, while indicative of the program's intent to support timely and efficient initiatives, requires clearer guidelines. We request CDFA provide more explicit criteria to define what qualifies as a "shovel ready" project. This information will assist prospective applicants in developing proposals that align with the program's desired timeline and ensure smoother project execution. Furthermore, we request consideration be given to projects that demonstrate feasibility over shovel readiness. Some projects may be unable to begin acquiring the leasing, licensing, or permitting necessary to be considered "shovel ready" but still maintain a level of feasibility consistent with the project timeline requirements.</p>
<p>Better Processing Options - The funding is designed to directly benefit California's farmers and ranchers, with an emphasis on small, underserved business owners, as well as historically underserved producers. [Organization name removed] supports the overall goal of the RFSI is to create more, and better, processing options across the specialty crops, dairy, grain, and other food sectors by targeting gaps and opportunities within the agricultural supply chain.</p>

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<p>Improve Mid-supply Chain – Through the RFSI grants program, CDFA seek to build resilience in the middle of the food supply chain, provide more and better markets to small farms and food businesses (as well as access), support the development of value-added products for consumers, and create new job opportunities. CDFA will conduct a competitive solicitation to award RFSI funds to projects that maintain and improve food and agricultural supply chain resiliency. RFSI grant-funded projects should support infrastructure in the middle-of-the-supply-chain for California food and farm businesses and other eligible entities.</p>
<p>Processing through Distribution - Mid-supply-chain activities include processing, aggregation, and/or distribution of targeted agricultural products. The grant program can be used to support food system crops and products meant for human consumption (excluding meat and poultry products, which are funded through other USDA programs).</p>
<p>Access to Data - While the emphasis of this funding is the enhancement of physical facilities, we urge CDFA and the RFSI program to seriously consider that access to data can also greatly enhance food processing decisions, allow to for better planning in the supply chain, allow for better, more informed reaction times to issues, and increase profitability in the mid-supply chain.</p>
<p>Data Platforms - Data analytics platforms can be used to improve mid-supply chain decision-making. Below are some of the more important variables that data can give mid-supply chain stakeholders to improve their decision-making:</p> <ol style="list-style-type: none"> 1. Develop a better understanding of world produce markets, including on the local, regional, and statewide levels. 2. Be able to see prices, weather patterns, geopolitical issues, transportation costs, labor issues, etc. in produce-growing areas throughout the world. 3. Use data to identify new markets, as well as increase penetration in existing markets. 4. Use data to improve overall planting and harvest decisions (timing, quantities, etc.). 5. Improve market success by identifying the best markets: local, regional, national, etc.
<p>Improved Decision-Making - All mid-supply chain stakeholders need to use crop data analytics platforms to improve marketing outcomes and profitability. Some of the RFSI funding should be dedicated to allowing mid-supply chain processors, aggregators, and distributors to access data platforms that can enable them to make better marketing decisions to improve profitability.</p>

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<p>This program seems to have a lot of potential and will have a lot of positive impact. The only recommendation we have is expanding the criteria of matching funds. As many farms and small-scale food hubs may not have matching funds, this would eliminate or minimize their eligibility and the potential impact for them. While we understand the need for matching funds, we also believe it may cause greater competition for smaller-scale farms that are going up against larger food-hubs, nonprofits and other agricultural practitioners that already have more capacity. Making it easier for small-scale farmers to access would alleviate this competition and elevate their long-term capacity to meet the middle-of-the-chain needs within local agriculture.</p> <p>Additionally, I would like to request that this grant funding opportunity be expanded to allow non-edible specialty crops - locally grown cut flowers specifically, to be eligible to participate. As you may know, since around the 1970s there has been a tremendous increase in the percentage of flowers that are imported from all over the globe, rather than produced locally or even nationally. With this rise of globalization the domestic flower industry was decimated. There is a nascent but growing “Slow Flower” movement on the rise, trailing the Slow Food movement. The ability to utilize grant funding to expand operations to develop and strengthen local middle supply chain operations of cut flowers produced by local farmers would be hugely beneficial and have significant impacts with regard to sustainability.</p>