Federal Farm Bill Spending in California: Biggest AG State gets Short Shrift

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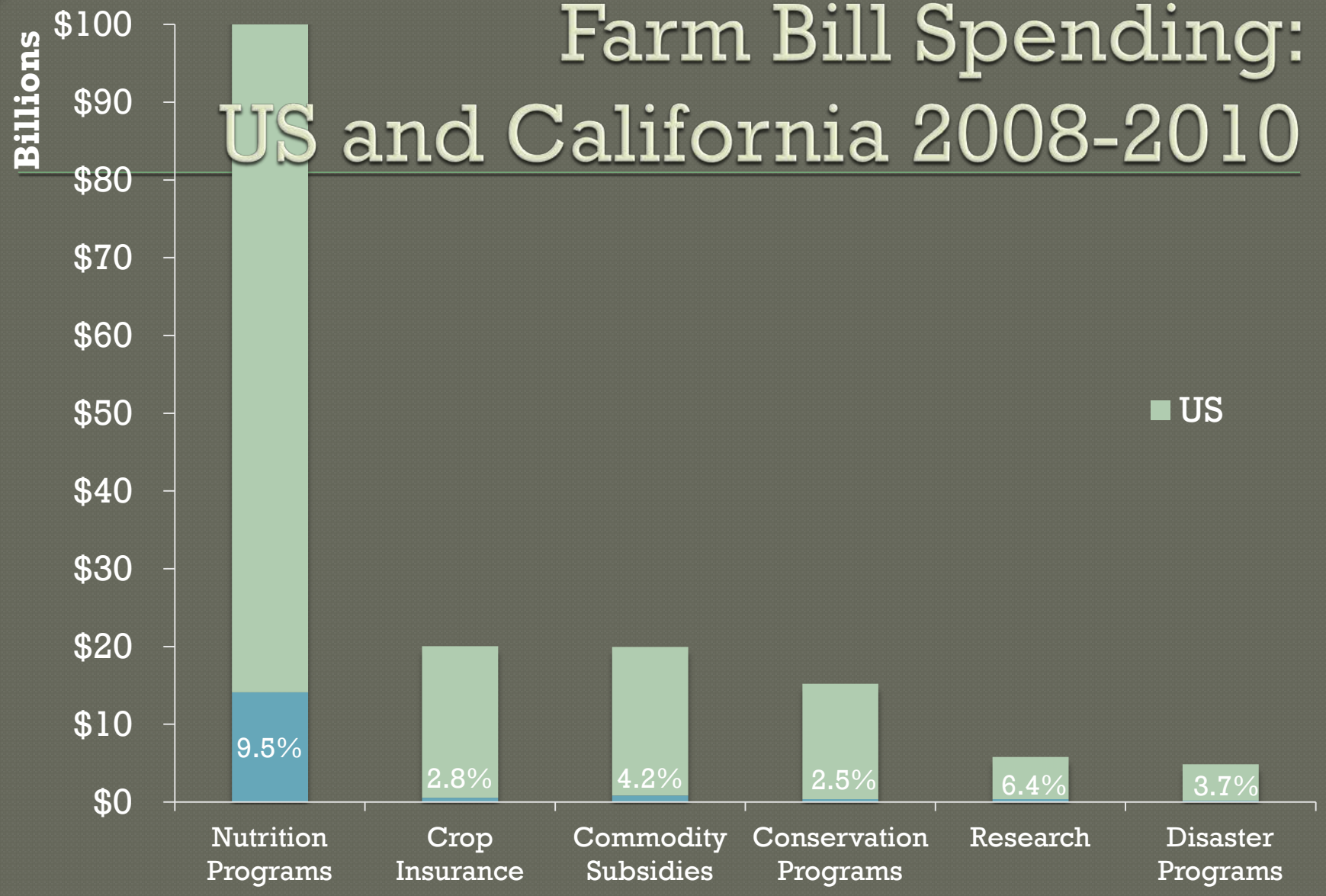
California Gets Short Shrift in Farm Bill

Even though we are #1 ag state and generate **12% of nation's output** -$37.5 billion dollars (2010), we receive on average **just 5%** of Farm Bill funding nationally.

Major Farm Bill Program Spending
US and California 2008-2010
(in millions)

	Nutrition Programs	Crop Insurance	Commodity Subsidies	Conservation Programs	Research	Disaster Subsidies
2008						
US	$38,570	$6,788	$6,209	$4,724	$1,921	$2,064
CA	$3,599	$191	$256	$105	$132	$87
% total	9.3%	2.8%	4.1%	2.2%	6.9%	4.2%
2009						
US	$50,646	$5,193	$7,776	$4,947	$2,104	$246
CA	$4,705	$170	$402	$138	$132	$32
% total	9.3%	3.3%	5.2%	2.8%	6.3%	13%
2010						
US	$59,149	$8,062	$5,966	$5,527	$1,769	$2,535
CA	$5,535	$195	$185	$135	$108	$60
% total	9.4%	2.4%	3.1%	2.4%	6.1%	2.4%
2008-2010						
US	$148,365	$20,043	$19,951	$15,198	$5,794	$4,845
CA	$13,839	$556	$843	$378	$372	$179
% total	9.3%	2.8%	4.2%	2.5%	6.4%	3.7%

Farm Bill Spending: US and California 2008-2010



US Farm Bill Spending

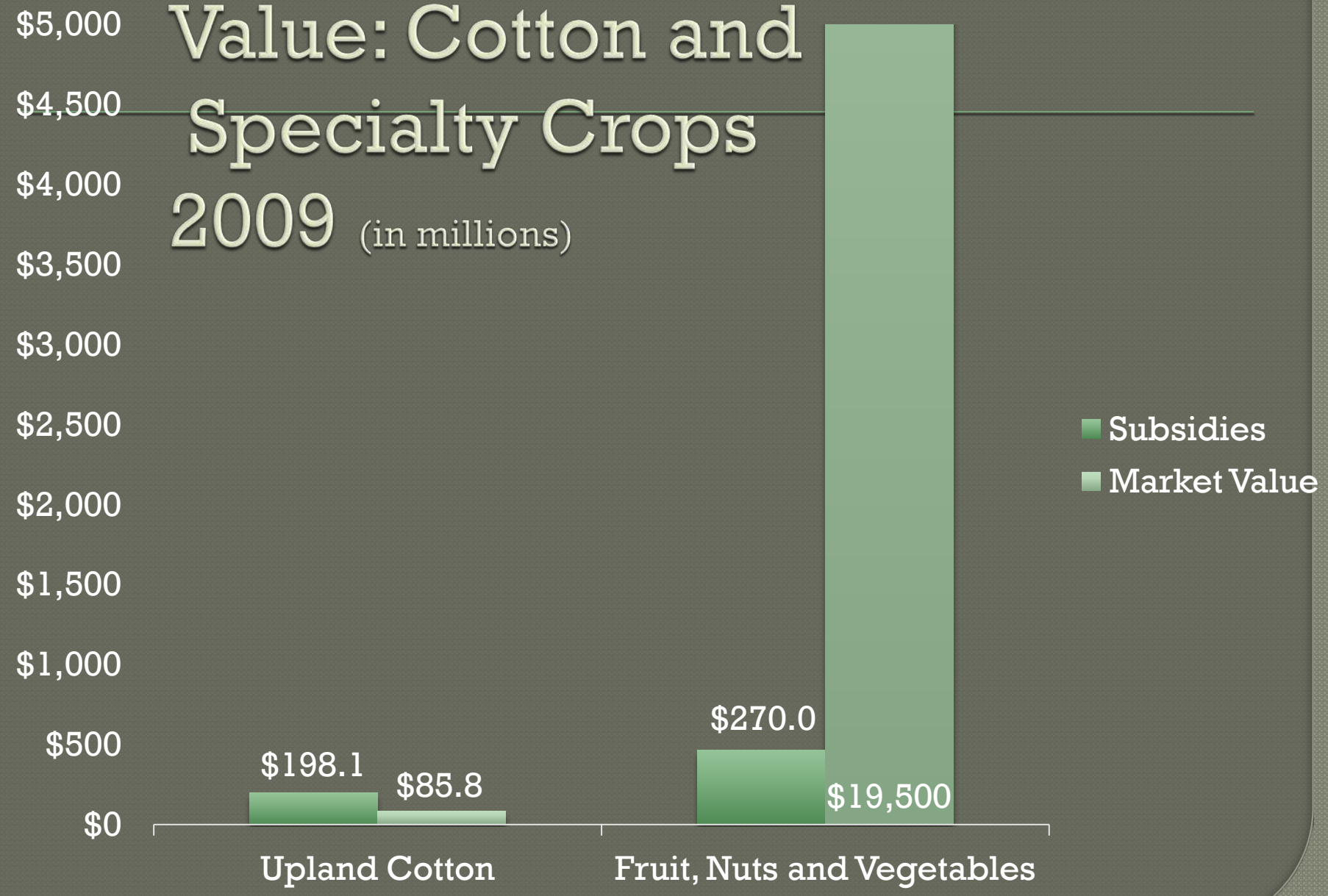
Commodities vs. Fruits, Nuts and Vegetables 2008-2010

(billions)

- Commodity Spending*
- Fruit, Nuts and Vegetables Spending**

*Includes subsidies, crop insurance, research and commodity programs
**Includes specialty crop programs, crop insurance, and research

Federal Subsidies Vs. Market Value: Cotton and Specialty Crops 2009 (in millions)



California also gets short shrift when it comes to programs that support:

- Specialty Crops (fruits, nuts and vegetables)
- Local and Regional Food Systems
- Organic Agriculture

California accounts for **more than half** of US specialty crop production

- 92 % of tree nut production
- 52% of fruit production
- 49% of vegetable production

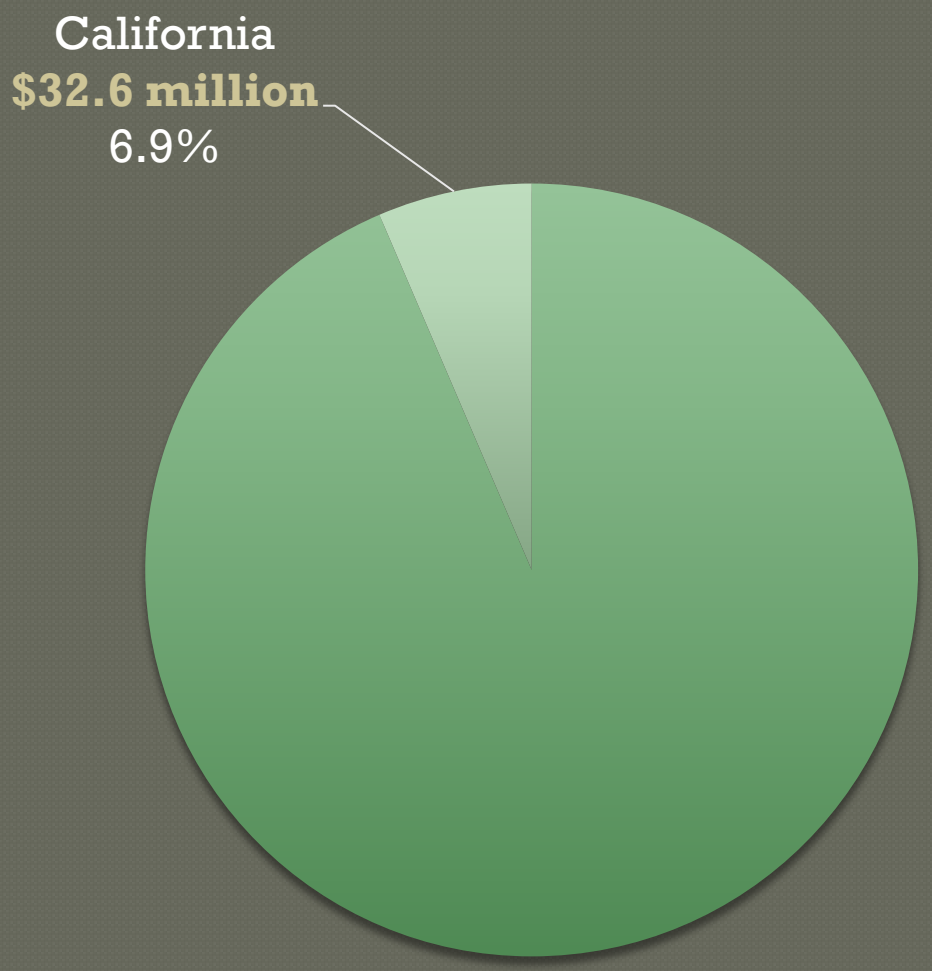
Yet – we're getting just **26%** of specialty crop farm bill funding

California is a leader in Local and Regional Agriculture

- Largest number of CSA's – **276**
- Largest number of farmer's markets – **729**
  - 1 in every 10 markets nationwide
- **411** schools with Farm to School programs
- CA, OR & WA account for **24%** of all local food sales
- **74%** of organic produce is sold within **500** miles and **44%** of organic produce is sold within **100** miles

YET

CA only received 6.9% of farm bill funding local and regional food system programs



2008-2011

Farm bill funding for local and regional food systems

$473 million

Major Local and Regional Farm Bill Programs 2008-2011

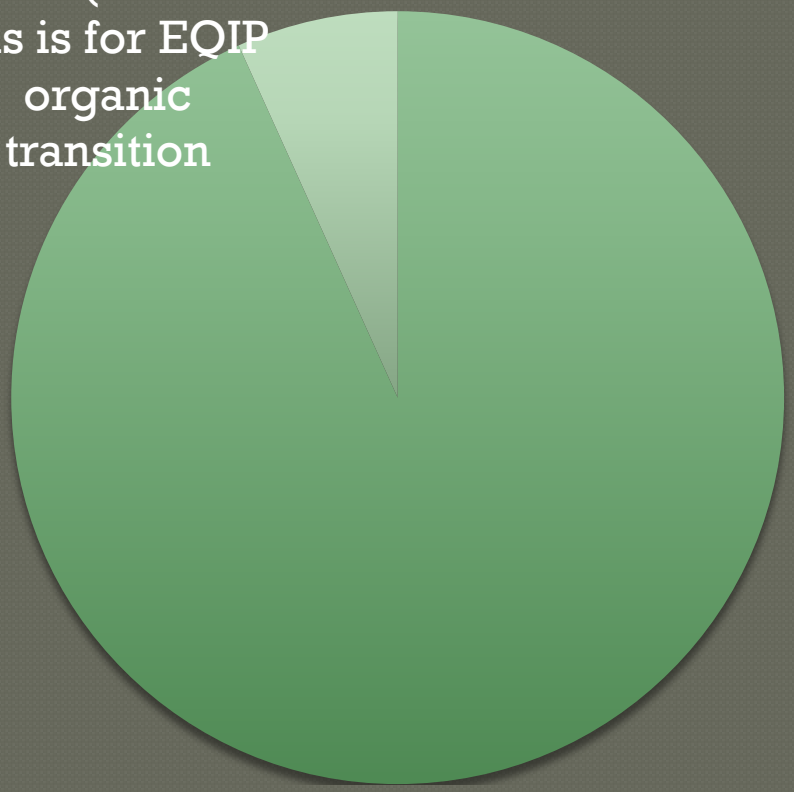
millions

	US	CA	%CA
Senior Farmers Market Nutrition Program	$88.9	$3.3	3.7%
Value Added Producer Grants	$82.4	$5.8	7.0%
Outreach & Tech. Assist. for Social Disadvantaged Farmers	$61.4	$1.3	2.2%
Beginning Farmer & Rancher Development Program	$53.1	$2.8	5.3%
Community Outreach & Assistance Partnership	$43.8	$2.0	4.6%
Specialty Crop Block Grant Program	$34.5	$8.7	25.2%
Farmers Market Promotion Program	$23.4	$2.3	9.8%
Rural Cooperative Development Grants	$22.4	$0.9	3.8%
Community Food Projects	$20.0	$3.0	15.2%
Other	$43.1	$2.5	5.8%
Total	**$473.0**	**$32.6**	**6.9%**

CA is a Leader in Organic Agriculture

- Leading US organic producer
  - **36%** of nationwide organic sales, generating **$1.15 billion** in revenue
- Largest number of farmers transitioning to organics (195)
- Most organic cropland acreage in the nation
- 2% of all CA farmland is organic
  - 593,000 acres

YET CA only received 6.7% of farm bill funding for organic programs and just 4% of organic research



2008-2011

Total farm bill funding for organic programs

$218.4 million

California's Specialty Crop Block Grants: Getting More Bang for the Buck

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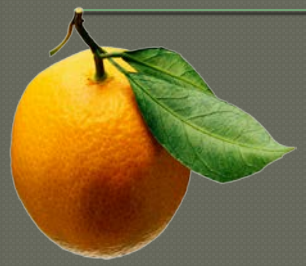
Purpose of the Study



to assess whether California's Specialty Crop Block Grant (SCBG) Program funding priorities and decision-making process are in line with CDFA's top priorities and strategies as defined by the California Agricultural Vision.

To make recommendations for how the program could be improved to have greater impact and better aligment with "Ag Vision priorities"

What we did

- Analyzed project funding in 2009-11
- Assessed grant portfolio against 11 "Ag Vision" priorities
- Reviewed the technical document's current priorities, objectives and areas of emphasis
- Assessed the decision-making process

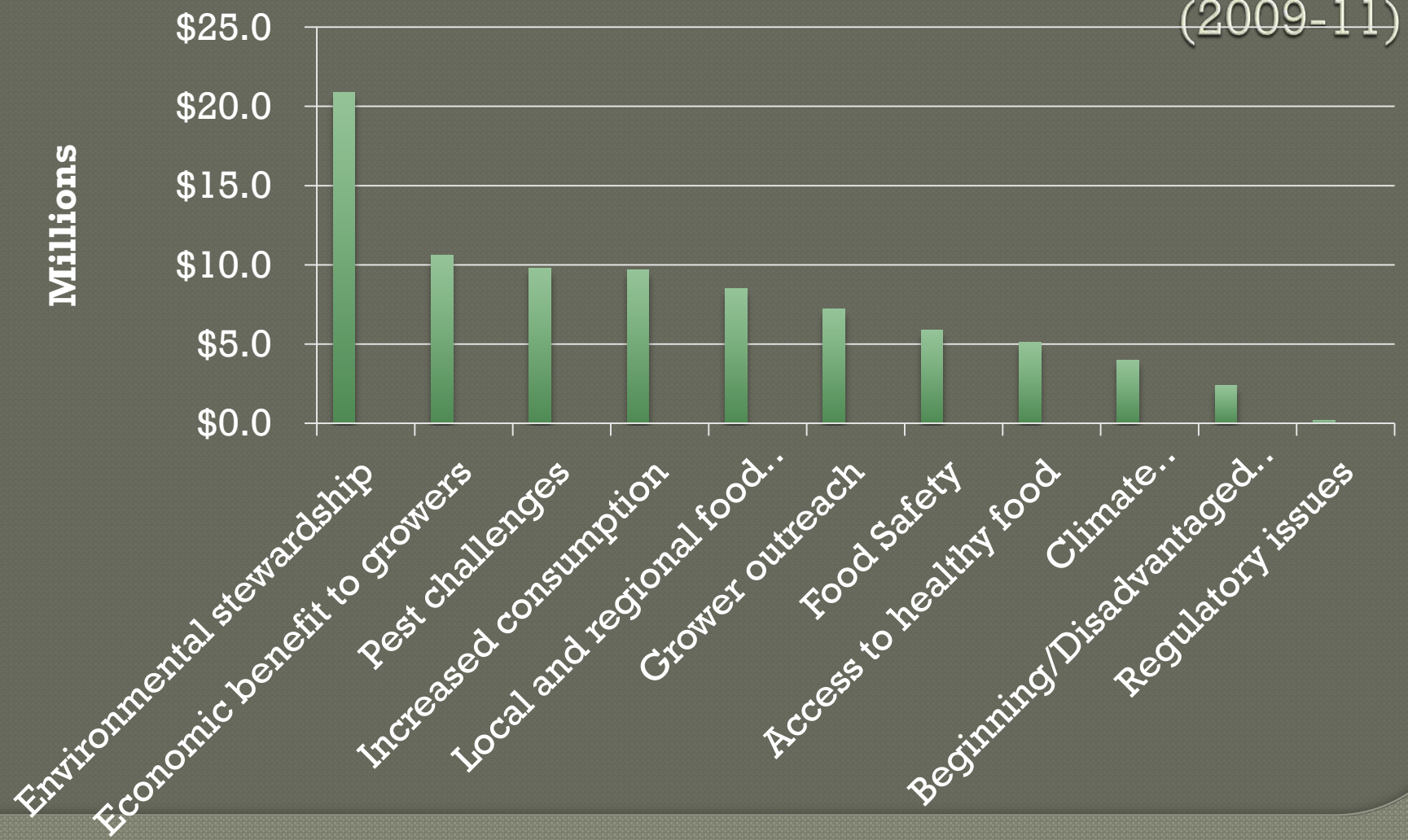
What we Found

- Excellent value for specialty crop industry and consumers

- Dozens of worthwhile projects that align in many respects with the Ag Vision, esp. in Environmental Stewardship

SCBG Funding that in part address Ag Vision Priorities: Environmental Stewardship #1

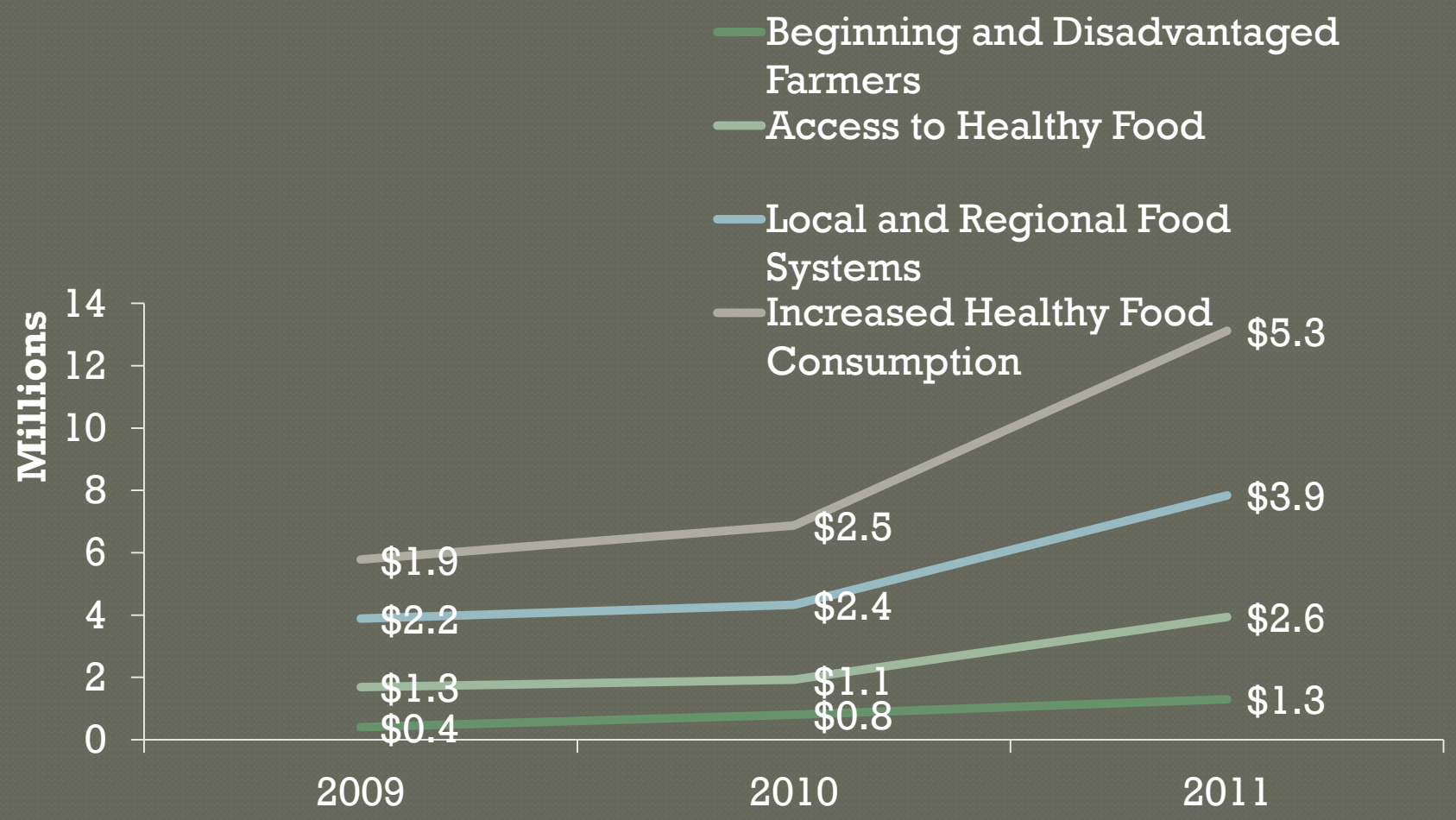
(2009-11)



What we Found

Dramatic growth in 2011 for projects that increase healthy food consumption, and strengthen local and regional food systems.

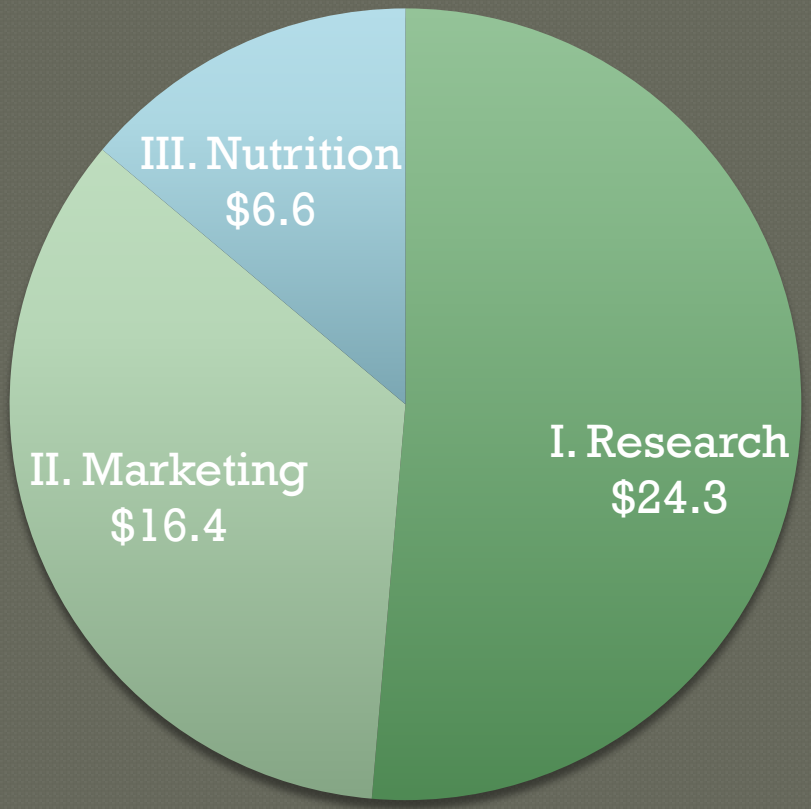
Increasing Funding for Key Ag Vision Priorities



What we Found

Major Imbalance in grant allocation, with more than half of all funding going to research

concerns



Research include

environmental

plant health

food safety

What we found: Environmental Stewardship has some gaps

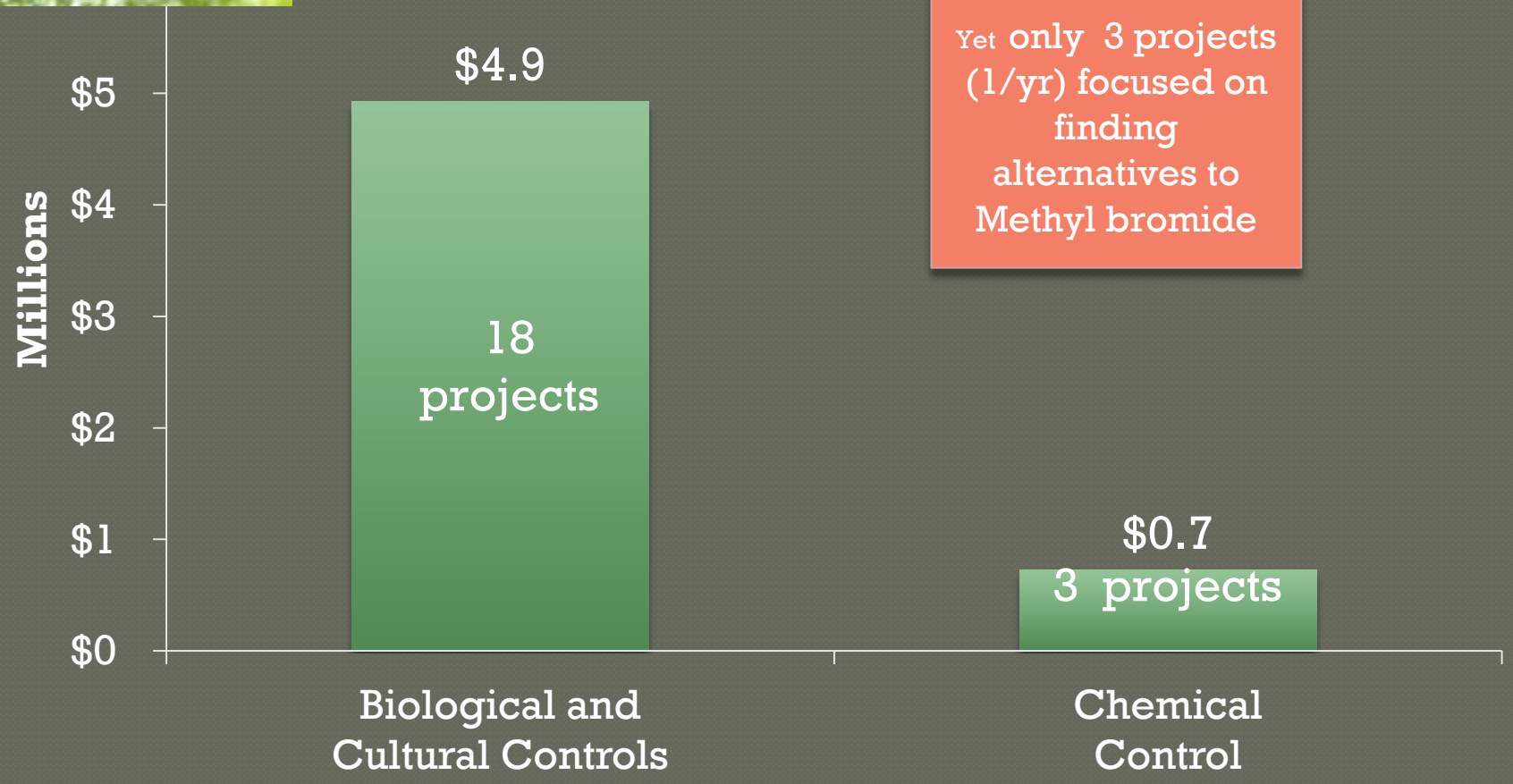
- Few projects had grower outreach and dissemination components (10%)
- 80% of projects were in Research; Few marketin projects had sustainability/stewardship component
- Few projects explicitly focused on reducing fossil fuel based inputs or climate change adaptation
- Just 1 percent of funding supported organic agriculture

Missed opportunity to help organic growers meet market demand

- US organic industry grew **9.5%** in 2011
  - $31.5 billion dollars in organic sales

- Organic Demand > Supply
- Organic imports are on the rise ($1 billion in imports)
- By 2015, the number of organic farmers required to meet projected market demand must triple to at least 42,000 organic farmers (OFRF)

Research on Pest Challenges – Primary focus on Biological Controls



Yet only 3 projects (1/yr) focused on finding alternatives to Methyl bromide

What we Found: Major Funding Gaps

Some "Ag Vision" priorities critically underfunded:

- Access to healthy food
- Local/regional infrastructure
- Grower outreach and dissemination
- Beginning/disadvantaged farmers
- Farm labor issues
- Climate Adaptation

What we Found: Direct Economic Benefit to Growers

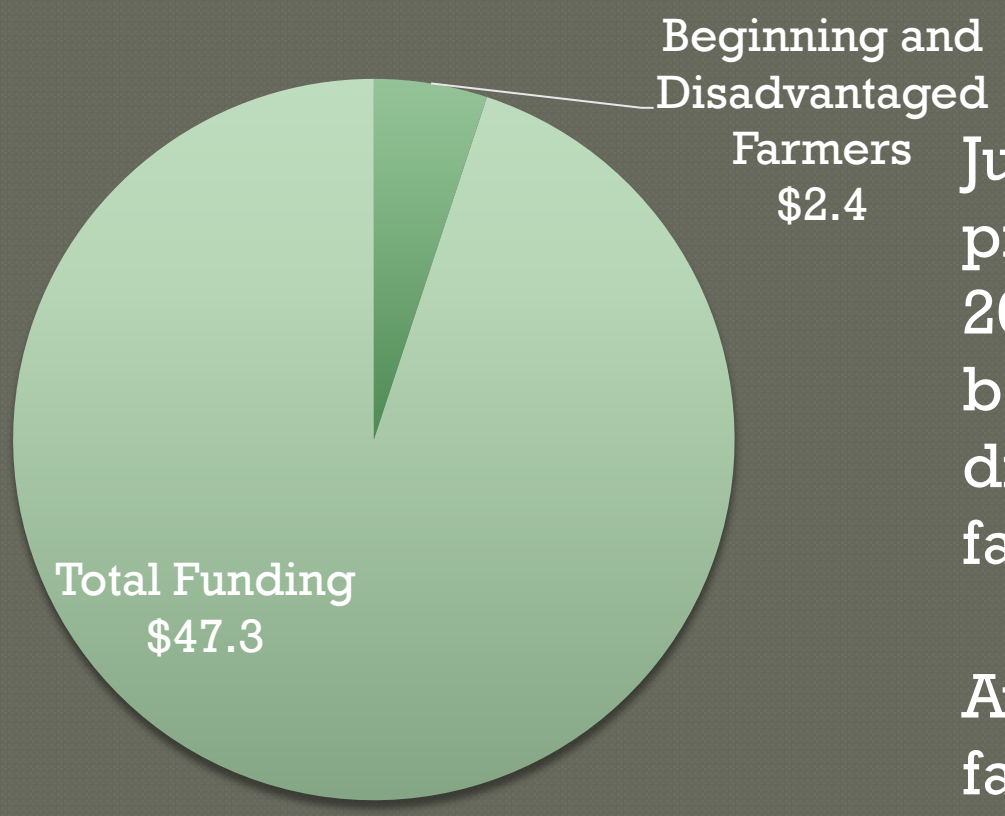
- **Only $10.6 million** went to grants geared in part to providing a direct economic benefit
  - Increased sales/market share
  - Higher return on the dollar
  - Direct marketing
  - Value added products

- AND only **$2.6 million** provided a higher return to growers

(Average US Farmer receives **$0.16** of retail dollar)

Critical Funding Gap: Beginning and Disadvantaged Farmers

(in millions)



Just 8 of the 190 projects funded 2009-2011 support beginning and disadvantaged farmers

Av age of CA farmer 58

Critical funding gap: Grower Outreach and Dissemination

- Strong consensus that it's an underresourced area
- Just **15%** of all funding supports projects with a grower outreach/dissemination component
  - 29 Projects, $7.2 million in funding
- Very little outreach in *Research Funding Area*
  - Only **1 project** total in 2011
  - **No projects** in Plant Health and Pest Challenges Only **3 projects** (1 project/yr) in Food Safety

Florida requires all requires all projects to "have very strong information dissemination and outreach component

What we found: Marketing Awards Miss the Mark

Too much Marketing funding is directed to general communications and educational projects with little impact on growers' profitability or boosting consumption (several problematic projects in this area)

PR Oriented Marketing Awards Miss the Mark

2009: The California Specialty Crop Communications Plan: $391,700

2010 California Specialty Crop Communication Coalition promotional Campaign: $ 481,163

"The result of this project will be a social media based educational resource that documents the diversity of CA specialty crop industry and its farm innovations, environmental contributions and stewardship"

California Specialty Crop Communication Coalition Social Media Outreach Plan: $461,112

"The project is designed to engage consumers in real time dialogue and education them about the benefits the industry provides to the state"

2010 California Specialty Crop Communication Coalition Promotional Campaign

Know A California Farmer Website:

- Jan. 1 to Feb. 21: of 48 blog posts, 32 focused on rice; 11 on dairy issues; two on livestock and three on general agriculture stories. Not one addressed specialty crops
- Of the 150 blog posts from January to May 2012, just nine focused on specialty crops
- At least two posts from 2011 by rice growers,overtly political, extolling the virtues of rice subsidies

Misleading Grant Proposal: There appears to be NO Specialty Crop Communications Coalition. There is a California Agricultural Communications Coalition.

2010 California Specialty Crop Communication Coalition Social Media Outreach Plan: $461,112

According to press reports, "The California Agriculture Communications Coalition, via the Western Growers Association has awarded a contract (advertised as $357,000 over three years) to AdFarm to "communicate the value of the agriculture industry to the state of California and reconnect consumers to the source of their food supply.""

"Consumers are hearing only one side of agriculture's story – and it's not ours." Tom Nassif, Western Growers

Mark: International Trade

- $2.3 million, 12 projects focus on international markets
- Export Promotion does nothing for domestic consumption and most projects can be funded through the larger Market Assistance Program ($23 million/yr to specialty crops) that funds international export projects.

Projects that Address Multiple "Ag Vision" Objectives: Good Bang for the Buck

1 project touches on 6 objectives:

"Specialty Crop Solutions for Health-Distressed Communities"

- Agriculture and Land Based Training Association, $164,558

- Increased consumption
- Access to healthy food
- Local and regional food systems
- Beginning and disadvantaged farmers
- Enhanced environmental stewardship
- Economic benefit to grower

6 projects likely to achieve 5 objectives (mostly in nutrition category)

California' SCBGP Decision Making Process

1. *Scoring Criteria do not reflect the technical document's goals and strategies.*

- All the scoring criteria questions in Phase 1 and most questions in Phase 2 are designed to measure the general quality of the proposal, rather than its likely impact on or ability to achieve objectives in the technical document.

- The questions could as easily relate to housing or economic development as to food and agriculture:

"Does the proposal explain the beneficiaries and how they will be impacted?"
"How well do the activities relate to the proposal's objectives?"
"Are the outcomes appropriate?"

California' SCBGP Decision Making Process

2.***Basis of Final Decisions Is Murky***

"It is unclear how CDFA allocates funding to each broad funding category and sub-area and how it decides which proposals to forward to USDA for approval "

"At least two reviewers agreed that the process is very unclear, citing at least two instances in which very high scoring proposals were ultimately rejected by CDFA while others with lower scores were approved"

California' SCBGP Decision Making Process

3. ***Lack of clear objectives and specified outcomes in Technical Document, as well as lack of funding targets***

Its not clear how grants are prioritized between the three broad categories and eight subareas.

The sub-areas in the technical document do not identify specific priority objectives or the desired impact of funded projects.

"The document states that "areas of emphasis" are suggestions and should not be considered exclusive. This leaves it unclear how grants will be evaluated against one another and limits CDFA's ability to encourage submission of proposals that address key gaps and needs."

California' SCBG Decision Making Process

4. Lack of Transparency

- *Little information is available on approved and rejected proposals* (e.g. short abstracts that sometimes lack clear objectives, no interim reports, no info on rejected proposals*)*
- *The process for awarding grants is opaque-(*e.g. state plan not available, little info on how grants are allocated across categories and subareas, etc.*)*
- *Rejected grant applicants get little feedback*

Recommendations

1. Align technical guidance document and scoring criteria more closely with the "Ag Vision" giving preference to projects that address the technical document's priorities and multiple objectives. (e.g. Projects that increase healthy eating/econ benefit to growers)

2. Establish guidelines for allocating funding more equitably among grant categories, reducing support for research and int'l trade projects that could be funded by other farm bill sources and increasing grants in the Marketing and Nutrition categories to deliver immediate economic and public health benefits.

3. Revise Marketing grant criteria to give priority to farm profitability, sustainability, local and regional infrastructure and nutrition/public health benefits. Eliminate broad communications grants more appropriately funded through private associations.

Recommendations

4. Require research proposals to include a grower outreach and/or dissemination component and give priority in the research area to projects that address multiple natural resource concerns.

5. Give priority to projects in the Nutrition category that increase consumption and access to healthy food while creating direct benefits and linkages for growers.

6. Increase transparency by clarifying how final grant decisions are determined and publishing timely, detailed information on approved, denied and completed grants.

7. Expand outreach to organic, beginning and disadvantaged farmers and farmworker communities and continue to diversify the membership of the Technical Review Committee that evaluates proposals.

8. Reject proposals that undermine or conflict with the "Ag Vision" goals.

Recommendations for USDA

- Broaden the program's mandate to put more emphasis on increasing consumption and availability of locally and regionally produced specialty crops and improving the profitability, ecological sustainability and competitiveness of specialty crop producers.
- **Mandate transparency requirements to ensure that state grant-making agencies** make available more information on the decision-making process, as well as full project proposals, timely progress reports and final performance reviews of specialty crop block grants.
- Revise USDA rules to require that grants give priority to projects that achieve multiple ecological, economic and public health benefits.

END

SCBG program: 5th most important Farm bill Program for Specialty Crops

Farm Bill Program	CA Spending (in millions) 2008-10
Crop Insurance*	$481
Purchases for Fruits and Veg	$350
Specialty Crop Research	$219
Market Access Program*	$75
Specialty Crop Block Grant Program	$35
Plant Pest Management/Disease Prev.	$22
Fresh Fruit and Vegetable Snack	$15
DOD Fresh Program (for schools)	$15

*just the specialty crop component

Specialty Crop Block Awards: Top 5 States

(in millions)

	2009	2010	2011
California	$16.3	$17.3	$18.7
Florida	$4.1	$4.8	$4.4
Washington	$2.9	$3.7	$3.1
Texas	$1.8	$1.8	$1.7
Oregon	$1.7	$1.8	$1.4
National Funding	$48.6	$54.4	$54.3

National Average Award: $68,161
California Average Award: $248,819

Key Source of Funding for the State's Food and Ag Organizations and Farmer Groups

Funding falls far short of the demand. California alone generated requests for $65 million in grants 2009, nearly four times the amount of grant money available to the state that year .

OREI/ORG Funding Received 2008-2011

Top 5 States Receiving OREI/ORG Funding

1. Iowa – $6,058,127
2. Oregon – $5,507,027
3. New York – $4,732,322
4. Ohio – $4,501,074
5. Washington – $4,317,637

$2,608,205 – California received