

Rebuilding Regional Food System Infrastructure Act

Regional Food Systems Legislation A Proposal New York Sustainable Agriculture Working Group February, 2005

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Federal policy holds, as a public good, the assurance of a safe, nutritious, and affordable supply of food for all Americans. Commodity supports, agricultural subsidies, the land grant universities and the cooperative extension system all reflect this long-standing, well-established federal commitment. However, current commodity support system reaches only a small share of small family farmers and producers of specialty crops so vital to health and nutrition in every region of the country.

As we prepare for a more secure US future, we must reassess our food system. Homeland security is jeopardized by increasing dependence on few readily identifiable global supply chains vulnerable to off-shore attack. However, a food system that relies on multiple, redundant, independent local and regional food supply chains on American soil will strengthen our homeland security while simultaneously supporting local jobs and economies and promoting environmental stewardship.

Local-regional food systems and food supply chains have enormous, untapped economic development power. For example, currently New York State consumers spend (export) about \$35 billion to purchase (import) food from the global supply chain. Yet, NYS farmers and ranchers have the capacity to produce at least 60% of the food products now imported from global sources, a potential market opportunity with over \$21 billion in annual revenue. If NYS farmers and ranchers captured only 10% of the \$43 billion annual NYS consumer food expenditure, that new revenue would expand the NYS economy by over 17,000 jobs and \$16 billion in total income through regional multiplier effects. Preliminary market gap research has demonstrated this economic benefit in every region and state studied to date, including New York, Iowa, Minnesota, Louisiana and Hawaii.¹

Family farmers and ranchers strive to maintain the productive capacity of their farms for future generations. They are able to provide a higher level of management intensity per acre of land and with support from the land grant university and extension system, they can adopt innovative and diverse sustainable practices than larger specialized farms.² Diverse production systems usually use less water for irrigation, less fertilizer, and fewer pesticides. They are not as reliant on non-renewable energy sources and federal subsidies for support. Smaller farms also produce fewer off-farm negative effects like sediment and pollutants in water, noise, and odor than industrial livestock and row-crop operations. In most cases,

¹ Herrera, H. 2004. New York State Food System Fact Sheet: The Economic Potential of Regional Food Systems. Rochester, NY: The Center for Popular Research, Education and Policy and NYSAWG

² For example, the Small Farms Program, New York FarmNet and New York FarmLink at Cornell University provide such assistance.

these farmers want to pass on their farm and the farming lifestyle to their children or beginning farmers.

The relative lack of state-of-the-art or even adequate regional food system infrastructure constitutes a major obstacle to seizing the multiple homeland security, economic development, and environmental opportunities presented by on local-regional food systems. Local and regional infrastructure for packing, processing, storing, distributing and transporting food along local and regional supply chains simply does not exist. Rebuilding this infrastructure will require a small but steady federal investment.

We ask that Congress allocate funds to rebuild regional food system infrastructure. We propose a funding stream indexed to the commodity price support programs. For example, an allocation of only 1% of aggregate funding for commodity support over 10 years as provide in the 2002 Farm Bill would provide approximately \$300,000,000 over 10 years for rebuilding regional food system infrastructure. This allocation would represent a very substantial new funding stream for rebuilding local-regional food system self-sufficiency.

We recommend the administration of this program by an appropriate unit of United States Department of Agriculture for the distribution of this funding to eligible organizations. Eligible organizations will include non-profit organizations and for-profit small businesses that would institute and uphold commitments to local and regional food distribution and promotion while also maintaining transparent fair trading for all parties involved. This grant program will support two kinds of grants, Planning Grants and Implementation Grants. The first competitive Planning Grant would support grantees for two years to create business plans for regional value chains and food system infrastructure. The business plans will serve as the key element of the application for the award of Implementation Grants. The Implementation Grants will provide seed money to implement the business plans and begin to rebuild local and regional food system infrastructure.