

MARK GORDON GOVERNOR OF WYOMING CHAIR MICHELLE LUJAN GRISHAM GOVERNOR OF NEW MEXICO VICE CHAIR JACK WALDORF

September 6, 2023

The Honorable Debbie Stabenow Chairwoman Committee on Agriculture, Nutrition, and Forestry United States Senate 328A Russell Senate Office Building Washington, DC 20510 The Honorable John Boozman Ranking Member Committee on Agriculture, Nutrition, and Forestry United States Senate 328A Russell Senate Office Building Washington, DC 20510

Dear Chairwoman Stabenow and Ranking Member Boozman:

Western Governors appreciate the efforts of the Committee as it constructs a legislative package for the reauthorization of the Farm Bill. Many programs contained within the Farm Bill are essential to the communities, economies, and wellbeing of the West. Agriculture, conservation, rural development, and forestry are issues of particular significance in our region and investments in these areas are of critical importance to western states and territories.

Western Governors have adopted policy resolutions on a broad range of issues relevant to the Farm Bill. To assist your consideration, please find attached four policy briefs which highlight some of the Governors' priorities for the 2023 Farm Bill. As the Committee continues its deliberations, we would like to offer our support in areas where our policy priorities overlap.

Western Governors encourage you to consult with and consider us a useful resource for the Committee and its members as you discuss various policy options and develop Farm Bill legislation. We hope that this process will produce comprehensive and bipartisan legislation that benefits our shared constituents.

Thank you for your consideration, and please let us know how we can be of assistance as you continue your efforts on the reauthorization of the Farm Bill.

Sincerely,

Mark Gordon

Governor of Wyoming Chair, WGA

Michelle Lujan Grisham Governor of New Mexico Vice Chair, WGA

Attachments (4)



WGA Farm Bill Policy Recommendations: Agriculture

Priority: Enhancing Nutrition Access

Nutrition assistance programs can help meet the needs of children and the most vulnerable while creating economic opportunity across the agriculture supply chain from the store where food is purchased all the way back to the farm. Nutrition assistance programs should continue to provide flexibility for states to respond to unique economic conditions, serve all eligible participants to the greatest extent practicable, and pursue transparency and accountability in program administration (PR 2023-05, B10, B12). Nutrition programs can be revised to better utilize the numerous small producers in the West while acknowledging that non-consumable production is a large component of western agriculture (PR 2023-05, B11, B12).

WGA Policy Recommendations

- Invest in grants and programs to increase nutrition access at farmers markets while supporting local farmers, such as the Gus Schuhmacher Nutrition Incentive Grant Program.
- Revise existing nutrition access and surplus crop distribution programs to make participation more accessible for smaller producers.
- Increase the flexibility afforded to states when implementing federal nutrition programs, including the Emergency Food Assistance Program, to ensure the timely and efficient achievement of program goals.
- Establish programs, similar to the former Farmers to Families Food Box Program, that connect local producers to food insecure areas and families, are easy to access for small producers, and include an expanded list of eligible commodities.

Priority: Increase Research Funding to Address Changing Climates and Resilience of Western Working Lands

Funding for American agricultural research has decreased by over one-third in the last 20 years. The effects of changing climates, including catastrophic wildfires and extended drought, and continued instability in agricultural input supply chains necessitates investments in working lands, both to ensure financial stability for producers and to steward increasingly fragile and overworked croplands (PR <u>2023-05</u> B6, B7).

WGA Policy Recommendations

- Increase funding allocated to agricultural research under Title VII, Research, Extension, and Related Matters, to maintain crop and livestock yields during extended drought and weather-related disasters.
- Invest in domestic capacity for the production and distribution of seed stocks of drought tolerant and soil type insensitive varieties by utilizing state programs and USDA Plant Material Centers.

Priority: Supporting Small Producers and Local Food Systems

Rural communities in the West can be remote and difficult to access, making them susceptible to disruptions in food supply chains. The temporary closures of large, centralized food processing, packing, and distribution centers during the COVID-19 pandemic demonstrated the need for more numerous local food production and distribution facilities to support resilient rural communities (PR <u>2023-01</u> B31, B44). These disruptions led to the permanent loss of small farms and ranches and local processing facilities, resulting in enduring reductions of local food system capacity (PR <u>2023-05</u> B12, B13).

WGA Policy Recommendations

- Expand the Local Agriculture Market Program to increase engagement among consumers and small producers, particularly the ability of consumers to purchase local foods with nutrition benefits like the Supplemental Nutrition Assistance Program.
- Support opportunities to decentralize food distribution, feedlots, and livestock processing centers.

Priority: Enhance Readiness for Disease and Pest Management

Plant and animal disease pose a significant threat to western agriculture. Recent outbreaks of avian influenza, African Swine Fever, and constant management challenges resulting from brucellosis and chronic wasting disease demonstrate the need to proactively address diseases and the threat they pose to food supplies. Preventing widespread infections and invasions through early detection and treatment is a more cost-effective solution than mitigating outbreaks (PR <u>2023-05</u> B14).

WGA Policy Recommendations

- Fund and develop the National Animal Vaccine and Veterinary Countermeasures Bank to prepare the agriculture community for future disease outbreaks.
- Increase or maintain investments in programs outlined under Section 12101, Animal Disease Prevention and Management, of the 2018 Agricultural Improvement Act.

For additional context, please refer to WGA Policy Resolutions: <u>2023-07</u>, Broadband Connectivity; <u>2023-06</u>, Rural Development; <u>2023-05</u>, Western Agriculture; <u>2023-01</u>, Working Lands Working Communities; and <u>2021-04</u>, Species Conservation and the Endangered Species Act.



WGA Farm Bill Policy Recommendations: Conservation

Priority: Increase Efficacy of Conservation Programs

Conservation programs administered by the Natural Resources Conservation Service (NRCS) and Farm Service Agency (FSA), including the Conservation Stewardship (CSP), Conservation Reserve and Grassland Conservation Reserve (CRP and GCRP), and Environmental Quality Incentives Program (EQIP), promote responsible land management in western states and are of crucial importance to the agricultural sector (PR <u>2023-05</u> B3, B7, B8, B9). Water conservation is also one of the most sought-after agriculture practices in the West, and further adoption of programs which invest in aging and inefficient irrigation systems would significantly benefit the entire region.

The demand and the need for these programs has grown, but funding, public understanding, and agency staff capacity to administer the programs are limiting their utilization (PR <u>2023-01</u> B38). Many producers also lack the knowledge and social connectivity to apply, secure, and successfully complete the requirements of a government contract. Expanding program eligibility to include Agricultural Experiment Stations would accelerate adoption of EQIP practices by demonstrating the credibility of benefits and increasing producer knowledge through a trusted community resource (PR <u>2023-05</u> B7, B9).

WGA Policy Recommendation

- Adjust programming, increase flexibility, and expand outreach to attract historically underengaged producers who may possess lands and waters with a significant potential for resource conservation in order to better achieve conservation outcomes. Ensure NRCS and FSA state offices have appropriate staffing levels required to process conservation program applications in a timely manner.
- Enable Agricultural Experiment Stations and other demonstration farms to apply and participate in EQIP to develop knowledge, conduct field demonstrations at-scale, and enhance trust and program credibility among producers who have not adopted resource conservation practices.
- Further incentivize improving and updating inefficient irrigation infrastructure under EQIP.

Priority: Maintain Baseline Conservation Funding

Some Farm Bill conservation programs received supplementary funding in the Infrastructure Investment and Jobs Act (<u>Pub. L. 117-58</u>) and Inflation Reduction Act (<u>Pub. L. 117-169</u>). This temporary funding should not affect the funding levels authorized in the Farm Bill.

WGA Policy Recommendation

• Maintain or increase baseline funding authorizations for Farm Bill conservation programs.

Priority: Expand Emergency Conservation Programs

Resources provided through the Emergency Watershed Protection Program and the Emergency Conservation Program are critical as wildfires, drought, landslides, and other weather-related disasters affect the West with increasing frequency. Damage resulting from natural disasters can leave watersheds and landscapes more vulnerable to subsequent events. These emergency resources can reduce the risk of compounding the effects of future disasters (PR <u>2023-05</u> B3, B6; PR <u>2023-01</u> B8, B16).

WGA Policy Recommendation

- Increase funding available under the Emergency Watershed Protection program to comprehensively address the risks associated with weather-related disasters, especially uncharacteristic wildfires, which expose watersheds to subsequent and compounding disasters.
- Reevaluate cost-share requirements for the Emergency Watershed Protection program to ensure equitable access for rural and underserved communities.
- Expand Emergency Conservation Program eligibility beyond the current private lands-only requirement to include leased state and federal lands, which constitute a significant portion of western working lands.

For additional context, please refer to WGA policy resolutions: <u>2023-07</u>, Broadband Connectivity; <u>2023-06</u>, Rural Development; <u>2023-05</u>, Western Agriculture; <u>2023-01</u>, Working Lands, Working Communities; <u>2021-06</u>, Disaster Preparedness and Response; and <u>2021-04</u>, Species Conservation and the Endangered Species Act.



WGA Farm Bill Policy Recommendations: Rural Development

Priority: Invest in Community Capacity

Most rural communities do not have the expertise or the resources to maintain staff dedicated to pursuing and managing federal grants and loans, nor can they afford to pay third-party consultants, as larger communities frequently do. However, most federal loan and grant programs for rural communities are focused on physical infrastructure, and little funding exists to support the development of this capacity. The percentage of rural development program allocations that can be used for technical assistance, training, and grants to nonprofit organizations that assist communities is currently capped at five percent (PR <u>2023-06</u> B1).

WGA Policy Recommendations

- Increase the proportion of rural economic development and infrastructure funding that can be allocated to technical assistance, implementation, and grants to state and local governments, nonprofit organizations, and associations to assist communities in applying for and managing funding under those programs.
- Allow U.S. Department of Agriculture Rural Development (USDA RD) to negotiate the percentage of financial versus technical assistance within appropriations.
- Authorize costs associated with grant management and compliance as an allowable use of rural development grant funds.

Priority: Reduce Non-Federal Matching Fund Requirements

Rural communities with very small populations and low incomes often are not able to generate or reserve revenue sufficient to cover a grant's required non-federal matching fund requirements, which are determined on a graduated scale using median household income (PR <u>2023-06</u> B3).

WGA Policy Recommendation

• Authorize USDA to establish criteria under which the federal cost share of a project may exceed 75 percent or for which the non-federal cost share requirement is waived. The criteria should pertain to communities with the least ability to raise revenue based on population size and income.

Priority: Develop Alternative Criteria for Distressed Communities

Median household income, used to prioritize applicants and qualify for loan rates or federal share percentages on a graduated scale, is calculated using five-year average income data from the Census Bureau's American Community Survey. Given the West's rapid demographic change and disparities between rural and urban areas, this data and subsequent calculations are often outdated and skewed, which presents barriers for communities that are most in need of federal assistance. This concern is especially pronounced in rural areas, where there are higher concentrations of poverty,

and energy communities that are dealing with sudden or rapid loss of high-income jobs (PR <u>2023-</u><u>06</u> B3; PR <u>2021-02</u> B2).

WGA Policy Recommendation

• Authorize USDA RD to utilize alternative methods to identify distressed communities and to determine a community's ability to provide the non-federal share of projects costs.

Priority: Consolidate Broadband Programs and Standardize Speed Requirements

USDA RD has a myriad of offerings to promote broadband connectivity across the rural West, including the Rural eConnectivity Program (the ReConnect Program), Community Connect Grants, the Innovative Broadband Advancement Program, and the Rural Broadband Access Program. The speed and eligibility requirements vary for each of these programs, but many define eligible service areas as those where current broadband service is less than 10/1 Mbps and require projects to deliver speeds of at least 25/3 Mbps.

The standard of 25/3 Mbps does not correspond with the download and upload speeds necessary to support business, education, and health care applications that promote economic and community prosperity. Other federal broadband programs and the ReConnect Program are adopting higher broadband service standards to meet these modern bandwidth demands and provide scalable support to communities into the future. In addition, the inconsistency of federal program requirements and service speeds poses challenges for states and communities as they apply for funds to close the digital divide (PR 2023-07 B1, B17; PR 2023-06 B3).

WGA Policy Recommendations

- Consolidate USDA broadband programs under the ReConnect Program and authorize ReConnect so that it serves as the primary USDA RD program to facilitate broadband deployment in rural areas.
- Require a higher standard of at least 100/20 Mbps with scalability to 100 Mbps symmetrical for broadband speeds to meet modern bandwidth demands and improve consistency across federal broadband programs.

For additional context, please refer to WGA Policy Resolutions: <u>2023-06</u>, Rural Development; <u>2023-07</u>, Broadband Connectivity; <u>2023-01</u>, Working Lands, Working Communities; and <u>2021-02</u>, Utilizing State Data in Federal Decision Making.



WGA Farm Bill Policy Recommendations: Forestry

Priority: Expand Good Neighbor Authority

In the 2018 Farm Bill, Congress expanded Good Neighbor Authority (GNA) to include counties and federally recognized tribes as eligible partners. Congress also authorized states to retain revenues from GNA timber sales, but prohibited their expenditure on non-federal land. Because counties and tribes were not authorized to retain revenue, their participation in GNA projects has been substantially limited. Further, the authority only applies to a narrow scope of activities for two federal land management agencies (PR <u>2021-03</u> B13, B37; PR <u>2023-01</u> B10, B17, B18, B33, B34).

WGA Policy Recommendation

- Reauthorize GNA, maintain states' ability to retain GNA revenue, and remove the requirement that GNA project revenue must be spent solely on federal lands.
- Authorize all federal land management agencies to enter into Good Neighbor Agreements.
- Authorize counties and tribes to retain GNA timber sale receipts.
- Permit 20-year GNA contracts and additional restoration services, including road construction and maintenance, recreation improvements, restoration planning and implementation, and seed collection.

Priority: Expand Stewardship Contracting Authority

As with GNA, Stewardship Contracting is only available to the U.S. Forest Service (USFS) and Bureau of Land Management (BLM), creating an arbitrary limitation on the application of this crossboundary management tool and an impediment to large-scale, fast-paced forest restoration (PR <u>2021-03</u> B13, B14; PR <u>2023-01</u> B34).

WGA Policy Recommendation

• Authorize all federal land management agencies to utilize Stewardship Contracts.

Priority: Reauthorize Funding for Other Cross-boundary Restoration Programs

The Joint Chief's Landscape Restoration Partnership (JCLRP), the Collaborative Forest Landscape Restoration Program (CFLRP), and the Landscape Scale Restoration Program (LSR) each provide financial and technical assistance for forest restoration across varying scales and land ownerships. Without these programs, whose funding authorizations expire in FY23, agencies will struggle to achieve the pace and scale of restoration needed to address the forest health crisis (PR <u>2021-03</u> B21, B23; PR <u>2023-01</u> B1, B11).

WGA Policy Recommendation

• Reauthorize appropriations for JCLRP, CFLRP, and LSR.

Priority: Increase Reforestation Capacity

The USFS Reforestation, Nursery, and Genetics Resources (RNGR) program directs technical assistance to federal, tribal, state, territorial, and private nurseries. RNGR is uniquely positioned to assist partners with native plant seed and seedling production, a function that is essential to successful post-wildfire forest restoration. Despite this, RNGR is currently underfunded relative to the existing and projected reforestation demand. Failure to invest in a robust reforestation program will exacerbate post-wildfire effects on communities and ecosystems (PR <u>2021-03</u> B4, B21, B22, B40; PR <u>2023-01</u> B26, B30).

WGA Policy Recommendation

- Direct USDA to create a budget line item for RNGR within the USFS State and Private Forestry account to increase visibility and accountability for the program.
- Authorize appropriations of at least \$15 million to minimize diversion from other State and Private Forestry programs.

Priority: Increase Assistance for Forest Product Utilization

Grants under the USFS Wood Innovation Program provide financial assistance to promote the use of wood products and biomass, with the goal of offsetting forest management costs by expanding markets for hazardous fuels and wood residues extracted during restoration activities. The Wood Innovations Grant stimulates, expands, and supports U.S. wood products markets by providing financial assistance to eligible recipients seeking to develop forest product manufacturing or promote wood use in commercial building construction. The Community Wood Energy Grant funds the development of community wood energy systems and wood processing facilities. The program and funding authorizations for these grants expire in FY23, and reauthorizing both will improve the economics of forest restoration (PR <u>2021-03</u> B10, B12; PR <u>2023-01</u> B40, B42-45).

WGA Policy Recommendation

• Reauthorize the Wood Innovation Program and expand funding for the Community Wood Energy Grant.

Priority: Fully Implement the Forest Inventory and Analysis Program

The Forest Inventory and Analysis Program (FIA) provides data which is foundational to successful forest management. The program has not received sufficient funding to be fully implemented, and as a result is unable to meet the growing demand for forest data (PR <u>2021-03</u> B23, B24, B36; PR <u>2023-01</u> B21).

WGA Policy Recommendation

• Increase investments in FIA to fully implement the program and meet the growing demand for forest data and statistics.

For additional context, refer to WGA Policy Resolutions: <u>2023-01</u>, Working Lands, Working Communities and <u>2021-03</u>, National Forest and Rangeland Management.