

SUPPORTING SMALL AND MID-SIZED PRODUCERS IN THE 2023 FARM BILL

Small and mid-sized producers are leading the charge to improve the resiliency and climate impact of the American food system through environmental stewardship, community empowerment, and economic contributions to local markets. Yet, these operations receive a disproportionately small share of farm bill funding to enhance their operations. Meanwhile, large intermediary firms continue to dominate market share without adequately compensating producers or accounting for the climate and social harms associated with their supply chains. It is time for Congress to shift the balance of the farm bill to support small and mid-sized producers.



ISSUE



SOLUTION

SUPPORT SMALL AND MID-SIZED FARMS

Beginning farmers and ranchers (BFRs), as well as socially disadvantaged farmers and ranchers (SDFRs), are more likely to own and operate small to mid-sized operations. Many of these operations engage in specialty crop production, which involves shorter transportation and sale windows and greater labor costs. Consumers are demonstrating a greater demand for locally- and sustainably-raised products from these producers, but current farm bill programs and funding mechanisms are still insufficient to level the playing field between small to mid-sized operations and large, consolidated agribusiness.

To better serve small and mid-sized farms, Congress should:

- Upgrade whole-farm insurance policies through Whole-Farm Revenue Protection (WFRP) by expanding the Micro Farm Insurance Program to include mid-sized farms, reducing recordkeeping requirements, and updating the compensation structure available to Approved Insurance Providers that issue WFRP policies.
- Leverage farm incubator programs (programs that provide technical support and professional skills development to BFRs) by increasing funding for the Farming Opportunities Training and Outreach Grant Program.
- Increase funding for the Organic Certification Cost Share Program to cover the full cost share authorized under the statute for all interested producers.
- Fund the expansion of processing capacity of small processing facilities to support small-scale, independent meat producers.

STRENGTHEN LOCAL AND REGIONAL FOOD SYSTEMS

Small and mid-sized producers often cannot access large, intermediated markets due to product minimum requirements, unequal bargaining power, and low prevailing market rates. Local and regional markets present an opportunity for smaller producers to develop relationships with local buyers and sell directly to consumers.

To facilitate the connections between small and mid-sized farmers with local and regional market opportunities, Congress should:

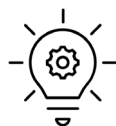
- Double the baseline funding for the Local Agriculture Market Program.
- Amend the Specialty Crop Block Grant Program funding to support states with high potential to expand specialty crop production and to build new local and regional marketing channels, and require states to include a strategy to support SDFRs and BFRs in their grant administration plan.
- Increase funding for and expand partnership opportunities available under the Regional Food System Partnership program, which provides grants to public-private partnerships to develop local and regional food system plans.
- Support urban agriculture by increasing funding for the Office of Urban Agriculture and Innovation Production and by establishing an Urban Agriculture Conservation Easement Program.



For full recommendations and supporting background information, please visit FarmBillLaw.org/2023FarmBill/ or [click here](#) for the full-length **Farm Viability** report.



ISSUE



SOLUTION

PROMOTE FAIR COMPETITION IN FARM SAFETY NET PROGRAMS

Originally intended to protect against farm losses producers could not financially bear, the farm bill's commodity and crop insurance programs (i.e., subsidized crop insurance premiums) now disproportionately benefit large and wealthy farms. By helping these large farms to amass greater resources, this investment further perpetuates the financial barriers experienced by smaller producers.

To ensure subsidy programs support small to mid-sized producers, Congress should:

- Lower the adjusted gross income cap for receipt of commodity program subsidies and decrease the percentage of base acres eligible for commodity program payments, to prevent over-subsidizing the largest farms.
- Introduce tiered means testing for subsidized crop insurance to ensure crop insurance operates as a true risk management tool for smaller producers, rather than a funding mechanism for the largest farms.

ADDRESS AGRICULTURE CONSOLIDATION

As large intermediary firms continue to consolidate and vertically integrate their operations, small and mid-sized livestock producers continue to operate at the whim of these firms. This system operates to the detriment of the long-term viability and resilience of the American food system.

- Clarify that livestock producers and poultry growers need not show competitive injury to prevail on their claims under the Packers and Stockyards Act (PSA).
- Authorize and provide more funding for the USDA to enforce sections 202(a) and (b) with respect to live poultry dealers under the PSA.
- Establish and provide funding for a Special Investigator's Office in the USDA to investigate PSA violations.
- Amend the Clayton Act to restore its intended scope to preserve competition and prevent the myriad economic and social harms caused by consolidation.