

Gary Van Meter  
Director, Office of Regulatory Policy  
Farm Credit Administration  
1501 Farm Credit Drive  
McLean, VA 22102-5090  
RE: FCA 76 Fed. Reg. 30280 (May 25, 2011)

July 25, 2011

Dear Mr. Van Meter,

The Johns Hopkins Center for a Livable Future (CLF) supports the Farm Credit Administration's effort to increase the diversity of agricultural producers receiving loans from the Farm Credit System through focused marketing efforts via FCA 76 Fed. Reg. 30280. The opinions expressed herein are our own and do not necessarily reflect the views of The Johns Hopkins University. We would like to see such benefits significantly extended to producers working in smaller markets and/or with more diverse crop production, particularly socially disadvantaged and beginning farmers. As an organization promoting healthier agricultural practices to achieve greater well-being among the general public, we look forward to the beneficial impact that increased borrowing by smaller and more diverse agricultural producers will have on local and regional food systems. We also anticipate the positive effect this will have in turn on the health of both communities and individuals.

Many currently underserved producers, including small-scale, socially disadvantaged, and beginning farmers, greatly benefit from strong local and regional food markets. Such markets more easily support their businesses, which often are not equipped to participate in the national or global market. In turn, these producers help meet local and regional demand for various goods, and make up a substantial portion of farmers participating in direct-to-consumer sales. In fact, three out of five farmers selling their products directly to consumers qualify as socially disadvantaged, while two out of five are classified as beginning farmers.<sup>1</sup> These underserved farmers are notable contributors to local and regional food systems, and should be recognized as such.

Local and regional food systems can have far-reaching impacts. They have the potential to contribute to healthier rural economies,<sup>2</sup> minimize the risk of widespread contamination,<sup>3</sup> and reduce vulnerability to high fuel prices and supply chain interruptions. Local and regional food systems may also encourage crop diversification, as producers strive to meet a variety of local and regional demands. We support greater crop diversification at all scales of agricultural production, given its established benefits, such as increased disease and pest resistance.<sup>4</sup>

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<sup>1</sup> Martinez, Steve, et al. "Local Food Systems: Concepts, Impacts, and Issues," U.S. Department of Agriculture, Economic Research Service, (ERR 97), May 2010.

<sup>2</sup> Pew Commission on Industrial Farm Animal Production. "Putting Meat on the Table: Industrial Farm Animal Production in America," April 2008: p 41.

<sup>3</sup> Halweil, Brian. "Home Grown: The Case for Local Food in a Global Market," Worldwatch Institute, 2002.

<sup>4</sup> Lin, Brenda B. "Resilience in Agriculture through Crop Diversification: Adaptive Management for Environmental Change," *BioScience*, March 2011: Vol. 61, No. 3 pp. 183-193.

These benefits make better local and regional food systems essential to establishing a healthier, more sustainable food system. Consequently, we encourage more FCS support for the producers who would contribute to such an effort, and call for this assistance to address their diversity in terms of demographics, production methods and products.

To ensure that these factors are taken fully into account, it will be necessary to include certain measures in the new amendment.

We support the following recommendations:

- 1) A minimum investment goal of at least 10% of Farm Credit System capital within five years for local and regional food system (LRFS) producers, as they are defined in the 2008 Farm Bill.
- 2) A thorough analysis of the food system infrastructure currently available to serve LRFS producers within FCS-institutions' chartered territories. Infrastructure analysis should include an inventory of packing and processing facilities, aggregation opportunities, direct, wholesale and institutional markets, and technical assistance available to LRFS producers of a wide variety of farm products. This analysis should be used to develop a plan for identifying potential partnerships with lending institutions that will address weaknesses in the food system infrastructure of these territories
- 3) A plan for development of lending and business support products that feature terms and benefits appropriate for local and regional food producers
- 4) A plan for media and community outreach to LRFS producers, including the addition of LRFS producers to the FCS Board
- 5) A plan for staff-development training for FCS personnel across the full spectrum of FCS services, so that they understand the needs of LRFS producer and can better serve LRFS producers

Thank you for your time. We hope you will give serious consideration to these recommendations that are so important to the LRFS producers and the health of our food system.

Sincerely,

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