
February 7, 2022

To: Jeff Hudson
Rural Business-Cooperative Service
1400 Independence Ave. SW, Rm 5803-S STOP 3201
Washington, DC 20250-3201
Cc: Dr. Karama Neal

Re: [Docket \(RBS-21-BUSINESS-0036\)](#)

Disclaimer: The opinions expressed herein are our own and do not necessarily reflect the views of The Johns Hopkins University.

Summary:

- Currently global food systems have a disproportionate influence on supply chains, in large part because of industry consolidation and lack of competition. We recommend that Rural Business-Cooperative Service adopt a regional approach and organize state offices into overlapping and complementary regional food-shed working groups, that also include external members who are representative of a given region, to support food system governance and coordinate investment.
- We recommend Rural Business-Cooperative Service prioritize funding to support a diversity of supply chain actors, with an emphasis on more agile, mid-, and small-scale businesses whose values balance the current vulnerabilities caused by consolidated supply chains.
- We recommend Rural Business-Cooperative Service take an iterative approach, driven by data and evidence that is curated by the Data Analytics Division within the Rural Development Innovation Center, to allow for the nuance of various local and regional settings by prioritizing businesses that target a broad set of values with their operations.
- The Food Supply Chain Guaranteed Loan Program must be implemented in coordination with greater enforcement of existing regulations such as the Packers and Stockyards Act and Occupational Safety and Health Administration's (OSHA) Worker Protection Standards (29 CFR 1910), enact new rules for a worker heat standard that includes meat and poultry processors and other needed labor protections, and encourage cooperation, organization, and collective action in the industry to ensure that workers are treated with dignity and paid a living wage.

Dear Mr. Hudson,

The [Johns Hopkins Center for a Livable Future](#) (CLF) is an interdisciplinary academic center based within the Johns Hopkins Bloomberg School of Public Health. Our mission is to promote science and systems thinking to build a healthy, just, equitable, and sustainable food system. Since its inception, CLF has long recognized that diet, food production, the environment, economic opportunity, and public health are interwoven elements of a complex system. More information on our work to support the Biden-Harris Administration's efforts to encourage more fair, competitive markets may be found in ANNEX 1 as well as more information about CLF's work to facilitate more resilient food systems in ANNEX 2.

We commend the Biden-Harris administration on making available approximately \$1 billion in loan guarantees to support activities in the middle of the supply chain through the Food Supply Chain Guaranteed Loan Program. This focus brings much needed attention and financial resources to an aspect of our food supply chain that is often lacking in public awareness and support. The Food Supply Chain Guaranteed Loan Program has the capacity to

address the unprecedented increase in consolidation within the meat and poultry supply chains, and the food system at large, while creating and maintaining incomes and jobs. The Rural Business-Cooperative Service (RBCS) agency is well-positioned to make the most of this historic opportunity. **We recommend that RBCS adopt a regional approach and organize state offices into regional food-shed working groups, with overlapping and complementary geographic distribution, and includes external members who are representative of a given region, to support food system governance and coordinate investment.** Serving as a backbone to enable and support evidence-based decision making within these regional groups, the Data Analytics Division within the Rural Development Innovation Center must curate and harmonize data collection, and aggregate additional sources to provide public facing reporting and communication.

Our food supply chains involve a complex web of interactions among multiple food systems tied to a range of global, national, regional, and local levels. All levels of food systems are important and serve an assortment of critical functions. However, global food systems have increasingly played a disproportionate role in our food supply chains, reflecting greater industry consolidation as well as monopolistic behavior, contributing to ongoing supply chain vulnerabilities. At the outset of the COVID-19 Pandemic, decentralized, local supply chains, such as Community Supported Agriculture and regional supply chain coordinators, such as Niman Ranch, experienced a rapid increase in (often unmet) demand due to the disruption of consolidated, national and global supply chains. While many of these local and regional supply chain components were not able to expand or reorient on such short notice to meet that demand, incentivizing investment in regional economies may catalyze broader economic growth, while maintaining supply chain resilience and security in advance of the next shock to our collective systems.

Niman Ranch is a good example of a company that facilitates cooperation in supply chains through their network of smaller-scale, decentralized producers. Through regional cooperation, the Niman model added \$17.8million per 100,000 hogs to the Iowa State economy while the consolidated model only added \$11.8 million¹. In addition to economic benefits, the Niman Ranch model was more resilient as demonstrated by their ability to maintain supply chain consistency during the early stages of the COVID-19 Pandemic when many consolidated facilities were forced to euthanize their passels, herds, and flocks or destroy harvests. Recognizing that the Food Supply Chain Guaranteed Loan Program is focused on the middle of the supply chain, the Niman Ranch example illustrates not just the economic impact of investing in regional supply chains, but also the increased resilience from supporting diversified and decentralized enterprises.

The Niman Ranch example illustrates an approach or model whereby profit is not sought at all costs, but rather aims to improve targets values and a sense of place that are associated with quality of life. Recent research suggests that policies targeting quality of life in communities with populations between 10,000 and 50,000 may be more effective at driving both population retention and growth in addition to economic growth when compared to policies that exclusively focus on the quality of business environment such as low taxes, business incentives, and loose environmental regulations². Such research findings provide some evidence of the benefits to the middle class when policies prioritize shifting the balance from consolidated economic interests to businesses that are focused on values such as restoring or regenerating local and regional economies. Therefore, **we recommend RBCS adopt a regional approach in implementing the Food Supply Chain Guaranteed Loan Program to support a diversity of supply chain actors, with an emphasis on more agile, mid-, and small-scale, decentralized businesses whose values balance the current vulnerabilities caused by consolidated supply chains.**

Despite the promise such research seems to suggest, there are many other factors influencing such complex issues. One-size-fits-all solutions generally do not provide sufficient latitude or agility needed to address the unique situation of each local economy or even the various factors associated with the variety of regional systems throughout the US. For the Food Supply Chain Guaranteed Loan Program to catalyze investment and shift greater share of the market to resilient regional food systems, decisions must be based on publicly available data. CLF supports the requirement as outlined in [Section F.j.2](#) of the Notice of Funding Opportunity for the Food Supply Chain Guaranteed Loan Program that the beneficiary project report on their success in increasing capacity or contributing to the resilience, diversity, or security of food supply chains. Feedback loops from both up- and downstream supply chain actors and stakeholders are needed to address the myriad of insecurities and injustices that

exist. **We recommend RBCS take an iterative approach, driven by data and evidence that is curated by the Data Analytics Division within the Rural Development Innovation Center, to allow for the nuance of various local and regional settings by prioritizing businesses that target a broad set of values with their operations.** Such an approach to regions and communities can help ensure those who have not always benefited from federal policies will both directly and indirectly benefit from this program. Therefore, CLF recommends the establishment of a working group or regional supply-chain coordination body that:

- Includes food systems stakeholders that represent the ethnic, racial, gender, and sexual orientation identities of the populations of each region.
- Curates a public facing outlet for robust data, communication, transparency, and accountability.
- Develops guidance and facilitates high quality, actionable data flows between program administrators, supply chain actors, financial service providers, and other food system actors.
- Coordinates resource allocation to scale promising investments, facilitate the mediation of bottlenecks, and avoid unintended consequences to the resilience of regional economies.
- Harmonizes data collection to allow for analysis of the relationship between funding decisions and other social outcomes such as nutrition security, longer term vulnerability, and equity.
- Commissions a study or studies to help improve understanding of how initiatives and programs can help to improve resilience and reduce vulnerability in food supply chains.
- Tells the story of the Biden-Harris Administration's effort to support the American middle-class by creating more fair, competitive supply chains.

Public, reciprocal data allow for transparency, accountability, and scaling of successful supply chain investment. The Data Analytics Division in collaboration with a regionally based bodies are well suited to curate that data, conduct analyses, and interpret the results. For regional food economies to thrive and increase resilience of our food system, we need information infrastructure that reduces asymmetry to improve supply chain transparency, protect data, ensures affordable access, and facilitates equitable participation. All stakeholders in a supply chain and food system need access to the information, not only those able to pay for it³. Reducing information asymmetries is a critical step to ensure resilience. Vulnerabilities can come from unexpected places. Even where the shortcomings are known, coordination will be needed to strengthen weak links⁴. Harmonization of data collection efforts will allow for comparison and disaggregation to understand successes and shortcomings, while facilitating program administration and investment coordination.

In the state of Maryland, CLF had the opportunity to participate in a committee that could serve as a model for a working group on regional food system governance. Albeit at the state and not the regional level, The Maryland Food System Resiliency Council (FSRC) was established in pursuant to Chapter 725 of 2021, sponsored by Senator Katie Fry Hester (Senate Bill 723) and Delegate Lorig Charkoudian (House Bill 831) to work toward a more resilient food system in the State and to address those systemic impediments which influence food insecurity in Maryland. The FSRC, which recently released their own interim report⁵, is housed in the Maryland Department of Emergency Management enabling a whole-of-government approach given the Department's history in coordinating across multiple departments. Many of the recommendations made to FSRC in their interim report focus on information flows and establishing mechanisms to access data and evidence for planning and decision making for resilience, such as Recommendation 1.1 Establish and maintain a statewide food system map incorporating data elements from existing maps to provide a holistic view of existing need, services, and gaps. This state level governance body also generated physical and market infrastructure recommendations that could be strengthened through programs such as the Food Supply Chain Guaranteed Loan Program. For example, Recommendation 2.1 highlights the need for increased cold storage capacity and Recommendation 4.3 highlights the need for a technology platform that connects producers directly with consumers. FSRC is a food system governance body of the state of Maryland. It is difficult to say how or if the recommendations would have changed if the analyses were conducted on the Chesapeake or other regional delineation, as the understanding of food systems may be unnecessarily constrained by state boundaries. So, while the FSRC represents a promising model to identify data needs and investment opportunities, RBCS needs to organize a body that is more representative of the regional food

shed that includes representation from state offices and food system stakeholders that are external to Rural Development.

The Food Supply Chain Guaranteed Loan Program can facilitate a more equitable national food system that addresses the well documented shortcomings of the status quo by empowering a food systems governance body, in conjunction with the enforcement of existing legislation. The historic level of investment of the Biden-Harris Administration in the Food Supply Chain Guaranteed Loan Program represents an equally historic opportunity to advance progress and begin to move beyond the current system, that is mired with structural inequality and increasing corporate consolidation to one that better addresses vulnerabilities and help create a more just and equitable society. To achieve the aspirational goal of revitalizing local and regional commerce, **this program must be implemented in coordination with greater enforcement of existing regulations such as the Packers and Stockyards Act and Occupational Safety and Health Administration's (OSHA) Worker Protection Standards (29 CFR 1910), enact new rules for a worker heat standard that includes meat and poultry processors and other needed labor protections, and encourage cooperation, organization, and collective action in the industry to ensure that workers are treated with dignity and paid a living wage.**

We are encouraged by the Biden-Harris administration's efforts to adopt a systems perspective that recognizes the inherent complexity and attempts to address the underlying causes of food and nutrition insecurity. By targeting systems, the Biden-Harris investments may influence not just the environment and economic development, but also nutrition security, longer-term vulnerability, and equity. Thank you for the opportunity to comment and share our perspective. We would be happy to work with you and provide any additional information to support the success of this important program. Our contact information is indicated below.

Sincerely,

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ANNEX 1

Our work aligns with the Biden-Harris Administration’s effort to create food systems that respect workers, stabilized food access, and fairly compensates farmers and ranchers. Some examples include:

- Encouraging the Administration and Department of Justice to enforce the Packers and Stockyards Act
- Supporting contract transparency through legislation such as the Cattle Contract Library and Swine Contract Library.
- Publishing the report [*Essential and in Crisis: A review of the public health threats facing Farmworkers in the US*](#), which advocates for humane treatment of food supply chain workers in OSHA’s development of a federal heat standard in occupational settings. Federal Heat Standard in occupational settings

Responding to requests for comment on [Investments and Opportunities for Meat and Poultry Processing Infrastructure, Supply Chains for the Production of Agricultural Commodities and Food Products](#), and the [Climate Smart Agriculture and Forestry Partnership Program](#).

ANNEX 2

The Johns Hopkins Center for a Livable Future has a history of facilitating Food Systems governance for resilience, diversity, and security. Overview of specific projects at JHU focused this topic:

- **Enhancing Food Security in the Northeast with Regional Food Systems** During this seven-year project, CLF was one of nine academic institutions and USDA that studied the 12 state Northeast region to understand if sourcing regionally produced food could improve food access in low-income communities while also benefiting farmers, food supply chain firms and others in the food system. This USDA-funded project was one of the first to engage the entire food chain from production to consumption in a collaborative effort. It is still considered to be one of the most comprehensive regional food system research projects to date in the United States
- **Municipal Planning for Supply Chain Resilience** — With the Johns Hopkins Center for Applied Public Research, CLF convened a five-city Community of Practice to create resources that help local governments improve food system resilience to COVID-19 and other crises.
- **Assessing food system vulnerabilities: a fault tree modeling approach** potential routes to food system failure provides a tool that allows for consideration of the entirety of the food system; has potential to provide a quantitative assessment of food system failure and recovery; and can capture short-term and long-term hazards in a single framework⁶.
- [Food Systems Dashboard](#) combines multiple data sources to give users a complete view of food systems across the globe. The Dashboard helps user visualize and understand key information, while comparing across countries or regions. This information can be used to track progress of goals, interventions, and initiatives.