asbnetwork.org

BUSINESS FOR A

JUST & SUSTAINABLE

ECONOMY



The Honorable Rep. Johnson Speaker of the House of Representatives 568 Cannon House Office Building U.S. House of Representatives Washington, DC 20515

The Honorable Rep. Jefferies House Minority Leader 2433 Rayburn House U.S. House of Representatives Washington, DC 20515 The Honorable Sen. Schumer Senate Majority Leader 322 Hart Senate Office Building United States Senate Washington, DC 20510

The Honorable Sen. McConnell Senate Minority Leader 317 Russell Senate Office Building United States Senate Washington, DC 20510

November 29, 2023

Dear Speaker Johnson, Minority Leader Jefferies, Leader Schumer, and Minority Leader McConnell,

The undersigned American Sustainable Business Network applauds the bipartisan agreement to extend the 2018-passed Farm Bill through September 2024. As you continue discussions towards the next Farm Bill, we ask that you include a set of policy priorities developed by the Regenerative Agriculture and Justice Working Group, a cross-sector business and investor initiative working in cooperation with farmers and other agricultural stakeholders. These priorities were previously explained in a letter that was sent to Congress in the Fall of 2022, and endorsed by over 200 businesses, investors, farmers, environmental groups, and other stakeholders. To advance these priorities, we've identified six marker bills that we ask you pass through the Farm Bill or other avenues.

By implementing these six marker bills, you will support the transition to regenerative agriculture and ensure the continued security and prosperity of American agriculture and food systems. Regenerative agriculture uses practices that build soil health, water quality, and biodiversity above and below ground. These practices will allow farmers to reduce dependency on costly pesticides and fertilizers while benefiting those living on or near agricultural lands. Regenerative agriculture not only restores soil and watersheds, but also enables robust carbon storage, a critical tool in combating climate change.

Regenerative agriculture techniques offer stronger <u>on-farm</u> resilience to drought and other extreme weather events, enhancing farmers' profitability. In fact, half of U.S. staple croplands could see an annual boost of \$7.4 billion



from improved soil health alone. This translates to <u>better water retention</u> and reduced crop losses during extreme weather, <u>reducing the need for external inputs</u>, such as pesticides and fertilizers, while also <u>increasing yields</u>—a lifeline for farmers facing unpredictable weather and economic uncertainties.

Moreover, policies that support regenerative agriculture align with the economic interests of American businesses working to meet the growing consumer demand for ethically produced goods. The U.S. market for regenerative products is poised to grow quickly in the next 10 years, as 60% of U.S. consumers want to choose products that are better for the environment. During the pandemic, sales of meat with labels boasting environmental and labor benefits jumped 18% compared to conventionally labeled meat products. A recent report projected that the sustainable fashion industry market was expected to more than double from 2021 to \$15 billion by 2030.

Regenerative agriculture isn't just good for consumers and the environment, it's great for business. Private capital investments in regenerative agriculture approaches have <u>proven positive long-term returns</u>. However, despite a robust and growing market demand for sustainably produced agriculture products, farmers face significant barriers to adopting regenerative practices:

- · Lack of access to financial support;
- · Shortage of technical assistance;
- Lack of access to federal programs for farmers from historically discriminated against communities, or beginning and small-scale farmers; (1)
- Missing essential infrastructure such as sufficient aggregators, processors, manufacturers, and quality controls.

We urge you to ensure the following marker bills are included in the Farm Bill to secure continued growth of regenerative markets. Additionally, the upcoming Farm Bill must utilize the full allocation of \$20 billion by the Inflation Reduction Act to support USDA conservation programs and scale the national transition to regenerative agriculture.

Invest in Local and Regional Supply Chains and Market Access

Independent farmers and ranchers lose access to markets due to a lack of supply chain infrastructure (e.g., aggregators, processing, and manufacturing capacity), which is particularly acute in the meat and dairy markets. The centralization of processing capacity requires the transportation of crops and animals across long distances, limiting the ability of local and regional regenerative producers to access markets.

⁽¹⁾ As almost half of agricultural land is predicted to change ownership over the next two decades, <u>National Young Farmers Coalition</u> reports that young farmers, especially those who identify as Black, Indigenous, and people of color (BIPOC) – while being proportionally undersubscribed to USDA conservation programs – are more likely to implement farming practices that care for soil and ecosystem health.



- Strengthening Local Processing Act (H.R. 945/S. 354): Includes several provisions related to meat and poultry processing establishments, including support for smaller establishments (10 500 employees) and very small establishments (fewer than 10 employees or annual sales of less than \$2.5 million), grants to boost meat processing workforce training, and an increase of federal cost shares for inspections of statecertified processing facilities.
- Food Supply Chain Capacity and Resiliency Act (<u>H.R. 4873</u>): Authorizes continued funding for the Food Supply Chain Guaranteed Loan Program, a critical new funding mechanism for small and medium-scale facilities. The program guarantees business loans for processing, aggregation, manufacturing, distribution, and other supply chain activities.

Incentivize and Assist Transition to Regenerative Agriculture

Transitioning from conventional to regenerative agriculture takes time, resources, and technical know-how. While farmers can improve yields and save money on inputs in the long run by adopting regenerative methods, the upfront costs (like fencing, equipment, and cover crop seeds) can be a barrier to this transition. Many farmers also lack access to education and technical assistance on soil health and regenerative methods.

- Soil CARE Act (<u>H.R.5951</u>/ <u>S. 3023</u>): Provides USDA Natural Resources Conservation Service (NRCS) staff and technical service providers (TSPs) with the latest education and tools to help producers in adopting conservation practices that build soil health, enhance resilience, and secure the future of U.S. food production. Education and training are key to scaling the adoption of regenerative agriculture, and this bill directs the NRCS to start at the top.
- Opportunities in Organic Act (<u>H.R.3650</u>/ <u>S.1582</u>): Makes voluntary funding available to farmers to adopt organic practices and to support organic supply chain development, ranging from on-farm equipment and infrastructure to help farms grow their businesses, to organic facilities that can serve producers throughout a region.

Support Underserved, Discriminated Against, and Young and Beginning Farmers

Current agricultural policy and market structures favor large-scale producers; as a result, small-scale and regenerative farmers are excluded from the majority of funding made available by the Farm Bill. Meanwhile, the USDA has a well-documented history of racial and ethnic discrimination and exclusion, preventing minority groups from accessing government funding programs and markets. Small-scale and discriminated-against Black, Indigenous, Latino, and Asian farmers and farmworkers have been practicing and refining regenerative agriculture and traditional ecological knowledge at the margins of society for centuries.



Future policies must support these practices and ensure that all farmers, not just those who are more economically secure, have a long-term horizon for planning and land management. Additionally, policies must support young and beginning farmers who face considerable difficulties, especially in accessing land and credit.

- Increasing Land Access, Security, and Opportunities Act (H.R.3955/S.2340): Addresses the interrelated challenges of land, capital, and market access by providing funding for community-led projects that help producers start and grow viable farm businesses; retain access to land; and transition land. The bill is focused on historically underserved farmers, ranchers, and forest owners, and prioritizes projects that provide direct financial assistance to producers. The bill includes funding for cooperatives, funding to purchase lands, the establishment of a stakeholder committee process to determine how funds are distributed, and includes incentives for Tribal consultation.
- Fair Credit for Farmers Act (<u>H.R.5296</u>/ <u>S.2668</u>): Improves access and accountability for the farm loan services offered by the USDA's Farm Service Agency (FSA) while strengthening farmer-borrower rights, helping to ensure that historically underserved farmers and ranchers receive equal treatment in FSA lending and appeal processes.

We welcome continuing conversations on these issues. If you or your staff would like to discuss this letter or regenerative agriculture more broadly, please do not hesitate to reach out to our Regenerative Agriculture policy lead, Liza Lamanna, at lamanna@asbnetwork.org. Thank you.

Best Regards,

Mia L. Woodard

American Sustainable Business Network, VP Policy and Government Affairs

Cc:

Hon. Debbie Stabenow, Chair, Senate Committee on Agriculture, Nutrition & Forestry Hon. John Boozman, Ranking Member, Senate Committee on Agriculture, Nutrition & Forestry

Hon. Glenn "GT" Thompson, Chair, House Committee on Agriculture Hon. David Scott, Ranking Member, House Committee on Agriculture