

Food Systems Investments are Essential to Recovery and Long-Term Resilience



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May 28, 2020

Governor Gavin Newsom
Members, Business & Jobs Recovery Task Force
State Capitol, First Floor
Sacramento, CA 95814

Submitted via electronic mail

RE: Food Systems Investments are Essential to Recovery and Long-Term Resilience

Dear Governor Newsom and Business & Jobs Recovery Task Force Members:

We are grateful for your steadfast leadership as California faces an unprecedented public health crisis. As members of the agriculture, working land conservation, environmental, and food system communities, we write to recommend the following actions, which link economic recovery to overcoming food system inequities, increasing resilience through decentralized infrastructure and market access, protecting essential food system workers, and increasing on-farm resilience through diversification. California can achieve a bold vision of building more resilient and equitable regional food systems by implementing the following recommendations, either through an economic recovery bond measure or through other investments and related actions.

California's \$50 billion agricultural economy provides over 420,000 jobs across 70,000 farms and ranches. The Golden State's farm and ranch products provide over 13% of the country's total agricultural value, and its farm cash receipts are nearly double that of the next most productive state in the union.ⁱ The sudden disruptions caused by the global COVID-19 pandemic have had significant economic repercussions up and down the food supply chain. Enhancing the resilience of the system is crucial to keeping food on the tables of residents and to maintaining a strong economy and healthy workforce.

There are bright spots in the agriculture industry's ability to respond to the crisis. Among them are farmers and ranchers who embrace diversity in products they grow and markets to which they sell.ⁱⁱ Their diversity-centered business models point the way to a more resilient food system. They address the failures of our current food system, provide abundant supply, protect our essential food system workforce, and strengthen local economies.ⁱⁱⁱ

Recommendation #1: Fund additional regional and local processing, distribution, market, and financial infrastructure.

The Problem: Farmers who produce a limited number of products for institutional markets have been hard hit by the loss of processing facilities and sudden loss of markets. According to CDFA, farmers saw a 50 percent loss in markets in the first weeks of the crisis.^{iv} Much of that was due to the loss of large-scale food service and restaurant markets, and limited ability to respond due to industry consolidation.

Growers are being turned away from processors because of scale or the inability of facilities to quickly respond to new market demands.^v Inequitable access to capital prevents small and medium-scale producers from scaling their efforts to diversify what they grow and to whom they sell. Lack of capital stymies innovation in the food supply chain. Many farmers and ranchers are limited in what they can process and slaughter on their own land and struggle to access slaughterhouses or processing facilities.

The Solution: The state will spur economic activity by investing in market diversity for small, mid-sized and historically underserved farmers and ranchers and funding infrastructure critical for local market development. This includes processing, cold storage, food hubs, and distribution facilities. These investments stimulate local agriculture economies, raise local incomes, and promote job growth to support the increased agricultural activity.^{vi} Our recommendations:

- Rec 1.1: Create a California Resilient Food Systems Infrastructure Fund to extend federal stimulus farm bill programs by providing additional state dollars to the following USDA programs with special consideration for underserved farmers, including socially-disadvantaged farmers, certified organic and regenerative farmers, and for farmers that prioritize local and regional food access. These USDA programs help fund critical infrastructure and provide funding for institutional procurement practices that provide more markets for locally and regionally-grown goods.^{vii}
 - Farm to School
 - Senior Farmers' Market Nutrition Program
 - Local Agricultural Marketing Program (LAMP), which includes the Value-Added Producer Grant Program, Regional Food Systems Partnership Program, and the Farmers' Market Promotion Program.
- Rec 1.2: Expand the capacity of community development financial institutions to provide access to credit and land acquisition/tenure consultation to small agricultural businesses, specializing in serving historically underserved farmers. These are especially critical during and in recovery from disasters.
- Rec 1.3: Provide regulatory relief for small scale on-farm slaughter and direct sales of livestock, subject to existing USDA exemptions. USDA currently allows for on-farm slaughter and direct sales of poultry of less than 20,000 birds annually, but small and medium-sized California ranchers are subject to additional state regulations that limit market options.

Recommendation #2: Protect our essential food system workers and our most vulnerable communities.

The Problem: Food chain workers, especially those in production, processing, packing, retail, and delivery, are most at risk to the virus, often having to choose between work and personal safety. Their lives are put at risk in densely populated warehouses or facilities and they are underpaid.^{viii} Furthermore, their livelihoods are threatened by existing labor and immigration laws and proposed federal reforms. Food system resilience is undermined when workers cannot safely continue providing their essential services.

The Solution: In order to maintain the abundant flow of food from soil to table, the state must invest in the protection of these essential workers, provide working, housing, and transport conditions that keep them safe and give them the tools they need to stay healthy in their workplaces and communities. Our recommendations:

- Rec 2.1: Improve worker safety, including providing guidance to farmers and engagement with workers on social distancing and other health-protective measures.
- Rec 2.2: Improve farmworker housing conditions, which are often overcrowded and do not allow for social distancing. The state should rent motels and other lodging for farmworkers, as the state has done with unhoused populations, to prevent the spread of the virus among these essential workers.
- Rec 2.3: Combat the misinformation being spread via social media, primarily in Spanish-speaking communities, regarding access to potential benefits that might put people at risk of immigration authorities/ICE.

Recommendation #3: Incentivize diverse cropping and livestock systems to help growers withstand future volatilities.

The Problem: Lack of crop and market diversity hurts farmers and ranchers in California, and it is difficult for growers to transition into more diverse farming systems that provide more stability from external threats. Funding opportunities to help growers transition into more diverse farming systems are often oversubscribed, as evidenced by the nearly 500 applications CDFA received for its Healthy Soils grants this past spring.

The Solution: Crop diversity and integrated livestock management helps our farmers and ranchers weather market, crop, and climate volatilities. On-farm diversity rebuilds soil, sequesters carbon, improves community health risks by reducing the need for synthetic input use, and provides other agronomic, economic, and environmental benefits. Healthy Soils Program grants help promote on-farm resilience. We must continue to invest in these and other programs that facilitate transition into more diverse farming models. Our recommendations:

- Rec 3.1: Increase funding allocations for Climate-Smart Agriculture Programs (e.g. Healthy Soils, Waste Reduction, Alternative Manure Management Program, Sustainable Agricultural Lands Conservation Program and the State Water Efficiency and Enhancement Program), including the technical and financial assistance that greatly facilitate access to these programs by small- and mid-sized farmers and minority and women farmers.
- Rec 3.2: If existing pathways to fund healthy soils programs are redirected, the state should alternatively provide state soil health block grants to maintain the momentum of the highly successful Healthy Soils Program.
- Rec 3.3: Expand the state's pesticide and fertilizer regulatory program to support farmers as they transition away from the use of highly hazardous pesticides and fertilizers and move toward certified organic and regenerative agricultural systems that rely on ecological pest and nutrient management. DPR and CDFA will use mill fees to offset the cost of these programs.

California has the opportunity to invest in a regionalized, and therefore resilient and healthier food system that moves away from large-scale and corporate-driven interests towards community-based food systems. Such an orientation will allow for more diverse production systems, increase equitable capital and market access, and foster infrastructure development for producers of all scales. We look forward to continuing engagement with you in order to support implementation of the recommendations we have offered. Thank you for your time and consideration.

Sincerely,

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ⁱ <http://www.cdfa.ca.gov/Statistics/PDFs/2017-18AgReport.pdf>

ⁱⁱ <https://www.mercurynews.com/2020/05/11/some-california-farmers-prosper-while-other-struggle/>

ⁱⁱⁱ <https://www.scientificamerican.com/article/3-big-myths-about-modern-agriculture1/>

^{iv} <https://plantingseedsblog.cdca.ca.gov/wordpress/?p=21213>

^v <https://www.scientificamerican.com/article/the-effects-of-covid-19-will-ripple-through-food-systems/>;
<https://www.fresnobee.com/news/local/article241807661.html>; <https://civileats.com/2020/04/09/community-supported-agriculture-is-surg-ing-amid-the-pandemic/>

^{vi} https://www.ers.usda.gov/webdocs/publications/46393/7054_err97_1_.pdf?v=42265

^{vii} The claim "regenerative" is currently being reviewed as certifiable through a Regenerative Organic Certified pilot process.
<https://regenorganic.org/>

^{viii} <https://www.nytimes.com/2020/04/13/business/coronavirus-food-supply.html?action=click&module=Top%20Stories&pgtype=Homepage>;
https://www.npr.org/2020/04/10/832076074/white-house-seeks-to-lower-farmworker-pay-to-help-agriculture-industry?utm_source=facebook.com&utm_campaign=npr&utm_medium=social&utm_term=nprnews&fbclid=IwAR3xQu4fMtq3Q8pYVMACR-pzF79_LcTmntCTMrLxbBbU4zpjMRfTf_b0