

ECONOMIC OPPORTUNITIES FROM LOCAL AGRICULTURAL MARKETS

HEARING BEFORE THE SUBCOMMITTEE ON BIOTECHNOLOGY, HORTICULTURE, AND RESEARCH OF THE COMMITTEE ON AGRICULTURE HOUSE OF REPRESENTATIVES ONE HUNDRED SIXTEENTH CONGRESS

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ECONOMIC OPPORTUNITIES FROM LOCAL AGRICULTURAL MARKETS

TUESDAY, FEBRUARY 11, 2020

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON BIOTECHNOLOGY, HORTICULTURE, AND
RESEARCH,
COMMITTEE ON AGRICULTURE,
Washington, D.C.

The Subcommittee met, pursuant to call, at 10:01 a.m., in Room 1300 of the Longworth House Office Building, Hon. Stacey E. Plaskett [Chair of the Subcommittee] presiding.

Members present: Representatives Plaskett, Delgado, Cox, Harder, Schrier, Pingree, Carbajal, Panetta, Craig, Dunn, LaMalfa, Davis, Bost, and Conaway (*ex officio*).

Staff present: Malikha Daniels, Brandon Honeycutt, Prescott Martin III, Troy Phillips, Patricia Straughn, Jeremy Witte, Paul Lewis, Dana Sandman, and Justina Graff.

OPENING STATEMENT OF HON. ANGIE CRAIG, A REPRESENTATIVE IN CONGRESS FROM MINNESOTA

Ms. CRAIG [presiding.] This hearing of the Subcommittee on Biotechnology, Horticulture, and Research entitled, *Economic Opportunities from Local Agriculture Markets*, will come to order.

Good morning, and thank you for joining us as we discuss how farmers and ranchers across the country are capitalizing off local agricultural markets. Today's farmers and ranchers have had an incredibly challenging job. We expect these individuals to feed a growing world, be good stewards of the land, and navigate an increasingly complex global economy. While these ideals are admirable, farmers and ranchers ultimately cannot achieve these goals if their operations are not financially viable to support themselves and their families. Simply put, the economics must work for the other ends to be realized.

This challenge has been increasingly difficult in recent years as the farm economy continues to lag. Despite this downturn, farmers and ranchers have seen a surge in consumer interest for foods that are produced locally. As consumers become more connected to the story of their food, we see producers across this nation seeking out new business opportunities directly with shoppers to increase their margins and keep their operations viable.

In the 2017 Census of Agriculture, USDA's National Agricultural Statistics Service reported that over 159,000 farmers and ranchers were selling directly to consumers. The value of their products sold either directly to consumers or into local retail markets was over

\$11.8 billion, representing three percent of total food sales. As consumer demand continues to grow, these sales from local markets present a strong economic opportunity for our farmers and ranchers.

Within the horticulture title of the 2018 Farm Bill is a program called the Local Agriculture Market Program, or LAMP. This program combined two existing initiatives, the Farmers' Market and Local Food Promotion Program and the Value-Added Producer Grant, into one program with a collective focus on helping farmers and ranchers take advantage of local markets. Projects funded by LAMP aim to better connect farmers and ranchers to consumers, and to help producers increase the margins they receive on their products. This Committee reauthorized these programs in the 2018 Farm Bill, and I am glad to see LAMP receive \$50 million in annual mandatory funding over the life of our legislation. This step forward represents a strong investment by Congress and a commitment to support the development of these local agricultural markets.

Moving forward, it is my goal to ensure that the recent restructuring of the LAMP Program contributes to and does not detract from the underlying goals of the previously separate Value-Added Producer Grants Program, and the Farmers' Market and Local Food Promotion Program. Each program supports an important mission, and I will be watching USDA's implementation to make sure these programs continue to operate as Congress intended.

During this Subcommittee hearing, we will receive testimony from farmers and advocates from across the country who are working to support successful local agricultural markets. I look forward to hearing their perspectives and to learn how we can better support market opportunities for farmers and ranchers in our districts.

In consultation with the Ranking Member and pursuant to Rule XI(e), I want to make Members of the Subcommittee aware that other Members of the full Committee may join us today, such as myself.

I recognize Ranking Member Dunn for his opening statement.

**OPENING STATEMENT OF HON. NEAL P. DUNN, A
REPRESENTATIVE IN CONGRESS FROM FLORIDA**

Mr. DUNN. Thank you very much, Madam Chair.

Good morning. We meet again as our farmers and ranchers back home continue to face tough times. Whether it is a new pest or disease process or shortage in good labor, dwindling list of crop protection tools, the list goes on and on. An economy that is booming for so many others is still not providing much needed relief for many people in the agricultural industry, and despite these circumstances, maybe even due to these circumstances, many farmers and ranchers are engaging in some innovative strategies to develop new marketing channels to get their products into the hands of the consumers.

Today's hearing is a good opportunity to discuss both the merits and the challenges to development of local and regional agricultural systems.

Today's American consumer tends to care more about where their food is sourced and how it is produced. Strengthening ties be-

tween producers and consumers is a worthy goal, especially since the average individual in America is at least three generations removed from production agriculture. Direct marketing channels are a great opportunity for farmers and ranchers to foster a relationship with their consumers, establishing trust that benefits the industry as a whole.

Local agriculture systems have their challenges. In order to succeed, many farmers and ranchers need to market a larger volume of product than their local markets can handle. They may also be located far away from their consumer population interested in purchasing their product. Or, they may be growing a commodity that is better suited for further processing by food and industrial manufacturers not located nearby. This challenge extends to the consumer. If all food were locally sourced, consumers would not have the same access to a wide range of fruits and vegetables year-round. And consumers would also be subject to a wide range of ups and downs in prices that result from sourcing from limited local areas.

Despite these challenges, local and regional agricultural systems continue to be one of many opportunities for farmers and ranchers to increase the value of their product and satisfy the American consumer, and I look forward to hearing from our witnesses today, and I sincerely appreciate you taking the time to share your experience with us.

Thank you very much, Madam Chair. I yield back.

Ms. CRAIG. Thank you so much.

The chair would request that other Members submit their opening statements for the record so the witnesses may begin their testimony, and to ensure that there is ample time for questions.

[The prepared statement of Ms. Plaskett follows:]

PREPARED STATEMENT OF HON. STACEY E. PLASKETT, A DELEGATE IN CONGRESS
FROM VIRGIN ISLANDS

Good morning, and thank you for joining us as we discuss how farmers and ranchers across the country are capitalizing off local agricultural markets.

Today's farmers and ranchers have an incredibly challenging job. We expect these individuals to feed a growing world, be good stewards of the land, and navigate an increasingly complex global economy. While these ideals are admirable, farmers and ranchers ultimately cannot achieve these goals if their operations are not financially viable to support themselves and their families. Simply put, the economics must work for the other ends to be realized.

This challenge has been increasingly difficult in recent years as the farm economy continues to lag. Despite this downturn, farmers and ranchers have seen a surge in consumer interest for foods that are produced locally. As consumers become more connected to the story of their food, we see producers across this nation seeking out new business opportunities directly with shoppers to increase their margins and keep their operations viable.

In the 2017 Census of Agriculture, USDA's National Agricultural Statistics Service reported that over 159,000 farmers and ranchers were selling directly to consumers. The value of their products sold, either directly to consumers or into local retail markets, was over \$11.8 billion, representing three percent of total food sales. As consumer demand continues to grow, these sales from local markets present a strong economic opportunity for our farmers and ranchers.

This story is true in my district of the U.S. Virgin Islands. Farmers in the territory are working to recover from back to back natural disasters following Hurricanes Maria and Irma, so they are seeking out any and all opportunities to increase their profits and grow their operations.

In a hearing last year, this Subcommittee learned about Ridge to Reef Farm on the Island of St. Croix. Despite being impacted by multiple natural disasters, the

territory's only organic farm has been able to rebuild itself through local market opportunities such as a Community-Supported Agriculture program, a farm stand, multiple farmers' markets, and agritourism experiences. If other farming operations in the Virgin Islands follow suit, I believe the territory's farmers and ranchers can work to meet the demand of their communities, decrease our overall dependency on expensive imports, and foster innovative partnerships with local restaurants and our thriving tourism industry. The economic potential exists, but my producers need resources and technical assistance to successfully make these business decisions.

Within the horticulture title of the 2018 Farm Bill is a program called the Local Agriculture Market Program, or LAMP. This program combined two existing initiatives—the Farmers' Market and Local Food Promotion Program and the Value-Added Producer Grants—into one program with a collective focus on helping farmers and ranchers take advantage of local markets. Projects funded by LAMP aim to better connect farmers and ranchers to consumers and to help producers increase the margins they receive on their products.

I supported the reauthorization of these programs in the 2018 Farm Bill, and I was glad to see LAMP receive \$50 million in annual mandatory funding over the life of our legislation. This step forward represents a strong investment by Congress and a commitment to support the development of these local agricultural markets.

Moving forward, it is my goal to ensure that the recent restructuring of the LAMP programs contributes to, and does not detract from, the underlying goals of the previously separate Value-Added Producer Grants Program and the Farmers' Market and Local Food Promotion Program. Each program supports an important mission, and I will be watching USDA's implementation to make sure these programs continue to operate as Congress intended.

During this Subcommittee hearing, we will receive testimony from farmers and advocates from across the country who are working to support successful local agriculture markets. I look forward to hearing their perspectives, and to learn how we can better support market opportunities for farmers and ranchers in our districts.

Now, I'd like to recognize the distinguished Ranking Member, Mr. Dunn of Florida, for any opening remarks he would like to make.

Ms. CRAIG. With that, I would like to welcome each of our witnesses. Thank you so much for being here today.

At this time, I would like to introduce our first witness, Ms. Sommer Sibilly-Brown, the founder and Executive Director of the Virgin Islands Good Food Coalition. Ms. Sibilly-Brown's organization was founded in 2012, and is working across the territory to better connect farmers, businesses, and consumers to healthy food options and economic opportunities.

I would now like to recognize myself to make an introduction as well of Minnesota's second witness here. It is my pleasure to introduce my constituent, Kathy Zeman, the Executive Director of the Minnesota Farmers' Market Association. Kathy started working with MFMA in September 2012. She is also the owner of Simple Harvest Farm Organics in Nerstrand, Minnesota, and is an occasional vendor at Riverwalk Market Fair in Northfield. Kathy first became aware of MFMA in 2009 when she was part of the effort to create Riverwalk Market Fair and attended an MFMA conference in Owatonna, where she was impressed by the speakers and resources offered at that event. Kathy has spent most of her career in agriculture and brings those connections to MFMA, which has helped us build stronger collaborations with diverse groups and has paved the way for successful public policy efforts. Kathy's favorite vegetable is any green leafy vegetable, but by far, her favorite all-time food is milk. Welcome to you, Kathy, and thank you so much for being here today.

Our third witness is Mr. Clay Oliver, the owner of Oliver Oil Company from Pitts, Georgia. In addition to his time spent on a multi-generational farm, Mr. Oliver's business makes cold-pressed

artisan cooking oils from locally produced sunflowers, pecans, and peanuts.

The fourth and final witness is Mr. Bret Erickson, the Senior Vice President of Business Affairs at J&D Produce, Inc., from Edinburg, Texas. Prior to his current role, Mr. Erickson served as President and CEO of the Texas International Produce Association.

Thank you so much to the four of you for being here today.

We will now proceed to hearing from our witnesses. Each of you will have 5 minutes to present testimony. When the light turns yellow, that indicates that there is 1 minute left to complete your testimony.

Ms. Sibilly-Brown, please begin when you are ready.

STATEMENT OF SOMMER SIBILLY-BROWN, FOUNDER AND EXECUTIVE DIRECTOR, VIRGIN ISLANDS GOOD FOOD COALITION, KINGSHILL, ST. CROIX, VI

Ms. SIBILLY-BROWN. Thank you, Chair Plaskett, Ranking Member Dunn, and Congresswoman Craig, for the opportunity to testify regarding issues impacting the success and resilience of local and regional food systems.

I am Sommer Sibilly-Brown, the founder and Executive Director of Virgin Islands Good Food Coalition. I am not a farmer, but I am tied to agriculture and I am tied to food. We all are.

The Virgin Islands agricultural community is comprised of approximately 300 producers across four islands, ten percent of which are full-time producers whose farm size ranges from $\frac{1}{4}$ of an acre to 10 acres. The other 90 percent are part-time producers and home-based producers. The ratio of full-time to part-time producers that support our local food system, coupled with a 99 percent import rate, creates a unique dynamic. Nevertheless, when it comes to agriculture, we are a community of strong will, despite our fragile food system.

The barriers that I will address in this testimony are the ones that I see pertinent to the efficient development of an effective local and regional food system: fiscal and financial resource allocations, community infrastructure, and social capacity. The Virgin Islands Good Food Coalition has identified funding and resource allocation as a major barrier. There has been no significant investment in building up our food system. We do not have the same access and assets as other parts of the nation. Our territory is not equipped through local government and small business to do the type of investment seen in the mainland or in large metropolitan locations.

While the United States Department of Agriculture has a progressive grant-making portfolio and a competitive grant structure with programmatic criteria that provides equal funding opportunities, this is not done equitably. The current USDA grant structure assumes that every applicant has capacity staffing, partnership, technical skills, and community support to write such proposals. For example, the Value-Added Producer Grant requires a non-Federal funding match that is at least equal to the amount of the Federal funding requested. The Farmers' Market Promotion Program and Local Food Promotion Program Grants require 25 percent match. Therefore, communities like the U.S. Virgin Islands with the least assets, a shortage of technical expertise, limited resources

for matching opportunities, and a higher level of need often go under-served.

Another barrier for us to increase production, reduce the import rate, and create a healthy and local regional food system are the infrastructure issues. Currently in the territory's model, the farming community is primarily dependent on services provided through the Virgin Islands Department of Agriculture. Through qualitative interviews and post-hurricane community food assessments, farmers echo their frustration around access to water and land preparations. These services are primarily conducted by our local Department of Agriculture. This is sad, realizing that farmers in the contiguous United States have much different protocols for preparing and managing their land. There are different technical trainings, provisions, and access to capital that exist on the mainland than those that are afforded in the territory, leaving a stark difference in land control and preparation. We need the opportunity to engage in capacity planning for our supply chain. This could include assisting producers in determining production scale and market demands. There is a great opportunity for producers to supply wholesale local food to hotels and cruise line markets. There are opportunities to create a plethora of value-added food-related businesses that can fill gaps in the supply chain. However, we also need the opportunities to train persons in the community to lead these entrepreneurial endeavors, which sheds light on another issue: lack of access to training and certifications that could bolster our food system.

The final barrier I would like to highlight today is social capacity. When considering our regional relationships and what would be most beneficial, I would like to look at the USDA structure for assigning territories and regions. Our state Rural Development office is in Gainesville, Florida. Our local area office is in the Virgin Islands. But in farm-to-school, we are paired with the Mid-Atlantic region. The regions are not consistent. We are not similar regarding scale, environment, transportation needs, government structure, or even culture. The territory would greatly benefit from opportunities to be paired with other islands and territories to learn from their lessons.

Our territory is comprised of socially-disadvantaged populations; however, we are still asked to deliver and withstand the same procedures as the mainland. I would be remiss if I did not use this opportunity to state the need to excavate the deep social, cultural, and structural barriers impacting the local and regional food system of the territory, one of which includes the policies at play within the USDA farm bill.

Once again, I would like to thank the Subcommittee for giving me the opportunity to testify before you today on the needs of advocates like myself when it comes to resiliency of our local and regional food system.

[The prepared statement of Ms. Sibilly-Brown follows:]

PREPARED STATEMENT OF SOMMER SIBILLY-BROWN, FOUNDER AND EXECUTIVE
DIRECTOR, VIRGIN ISLANDS GOOD FOOD COALITION, KINGSHILL, ST. CROIX, VI

Issues Impacting the Success and Resiliency of Local and Regional Food Systems

Thank you, Chair Plaskett and Ranking Member Dunn, for the opportunity to testify before the Subcommittee on Biotechnology, Horticulture, and Research regarding issues impacting the Success and Resilience of local and regional food systems.

I am Sommer Sibilly-Brown, Founder and Executive Director of Virgin Islands Good Food Coalition, Incorporated (VI[GF]C). VIGFC is a community based domestic nonprofit organization licensed in the Virgin Islands of the United States of America. I am not a farmer, but I am tied to agriculture and I am tied to food. We all are.

The Virgin Islands as a territory has a vibrant and interesting history with food and agriculture. We have a capable, dedicated agricultural community comprised of approximately three hundred producers across four islands. Ten percent of which are full time producers whose farm size ranges from $\frac{1}{4}$ acre to 10 acres. The other ninety percent are part-time and home-based producers. The ratio of full-time to part-time producers that support our local food system coupled with a 99 percent import rate creates a unique dynamic. Nevertheless, when it comes to agriculture, we are a community of strong will despite a fragile food system.

The devastating impacts of Hurricanes Irma and Maria in 2017 accentuated our fragility, which increased interest in local and regional food systems across the Territory. The increased frequency and intensity of significant environmental events (hurricanes, droughts, floods, *etc.*) have exacerbated our community and resulted in the need to prioritize the creation of a healthy, resilient food system.

I would like to state on the record that while the United States Department of Agriculture has a comprehensive approach to support agriculture within the contiguous United States through resources, technical assistance and grants, the territory lacks capacity and resources to apply or receive many of the support systems provided, and thus, has seen no forward movement in our agricultural programming. It is my experience that content, and context are not the same, we can't take a cookie cutter approach to building place-based systems. Though I understand it is the goal to make laws and policies that apply to all, I would be remiss if I did not use this opportunity to state the need to excavate the deep social, cultural, and structural barriers impacting our local and regional food system, of which one system includes the policies at play within the USDA farm bill.

The barriers that I will address in this testimony are ones that I see pertinent to efficient development of an effective local and regional food system: fiscal/financial/resource allocations, community infrastructure, and social capacity.

Barrier No. 1: Funding and Resource Allocation

Virgin Islands Good Food Coalition, Inc., has [i]dentified funding and resource allocation has a major barrier. There has been no significant investment in building up our food system. We do not have the same access to assets as other parts of the nation. Our territory is not equipped through local government and small businesses to do the type of investment seen mainland or in large metropolitan locations. While the United State[s] Department of Agriculture has a progressive grant-making portfolio and provides various levels of resources to bolster communities all around the nation, these are not accessible in our territory. USDA offers a competitive grant structure and programmatic criteria that provides equal funding opportunity; however, this is not done equitably. The current USDA grant structure assumes that every applicant (farmer, group, state agency, community-based organization, university, *etc.*) has capacity, staffing, partnerships, technical skills, and community support (*i.e.*, match or in-kind) to write such proposals. While these may seem simple, I assure you, after 7 years of trying they are not. For example, the Value-Added Producer Grant requires a non-Federal funding match that is at least equal to the amount of the Federal funding requested; the Farmers' Market Promotion Program and the Local Food Promotion Program grants require a twenty-five percent match (cash or in-kind). The hardest thing to do in a small community is create partnerships with under-funded private and public entities or find a cash or true in-kind match. Therefore, communities like the U.S. Virgin Islands with the least assets, a shortage of technical expertise, limited resources for matching opportunities, and a higher level of need often go unserved.

Another opportunity to highlight fiscal barriers that affect resilience is the post-hurricane funding priorities. Since the hurricanes there have been several conversations regarding the tranches of money that are available to support the Territory in its rebuilding and resiliency efforts. I am familiar with the efforts regarding the

commitments for funding of the Education System, Health Care System, Housing Support, Hazard Mitigation, and Federal highways. I have been a part of several conversations around the need to support agriculture and local food systems as well but no commitments for funding has been made. We do not have access to funds that would allow for the infrastructure for local food to be developed. Similarly, there are still producers waiting to be reimbursed for damages to their farms from the hurricane. This has a major impact on their way of life, their businesses and our local and regional food system.

Barrier No. 2[:] Community Infrastructure

For us to increase production, reduce the import rate and create a healthy local and regional food system we must address the food system infrastructure issues. This means every resource necessary: seed, feed and compost suppliers; equipment repair and fabrication services; food processors; distributors; retail outlets; professional services such as logistics managers and waste handlers; surplus food rescue; and financial, workforce, civic, and land and energy resources. Currently in the Territory's model, the farming community is primarily dependent on services provided through the Virgin Islands Department of Agriculture. Through qualitative interviews and the post-hurricane community food system assessments, farmers echoed their frustration around access to water and land preparation. VIGFC has concluded that on average a farmer may wait 3 months, or in extreme cases, over a year to have their land prepared. These services are primarily conducted by the Virgin Islands Department of Agriculture. This is sad, realizing that farmers in the contiguous United States have much different protocols for preparing and managing their land. There are different technical trainings, provisions, and access to capital that exist on the mainland than those that are afforded in the territory, leaving a stark difference in land control and preparation.

Another challenge in infrastructure is inter-island supply and value-chain operations. Affordable and reliable inter island transportation for agricultural products that is grown, harvested, or prepared in the territory is not existent. Farmers working to create a supply chain to the entire territory have used non refrigerated cargo barges, private boats of people going across the Island and even chartered planes. Currently there is a cargo boat that leaves once a week in between St. Thomas and St. Croix that can hold 20 cases of food. For us to have a more successful food system a consistent, climate-controlled, affordable inter-island means of transportation is a priority.

We need the opportunity to engage in capacity planning for our supply-chain. This could include assisting producers in determining production scale and market demands, there is great opportunity for producers to supply wholesale local food to hotel and cruise line markets. There are opportunities to create a plethora of value-added food related businesses that can fill gaps in the supply chain. However, we need opportunities to train persons in the community to lead these entrepreneurial endeavors. Which sheds light on another issue, lack of access to training and certifications that could bolster our food system.

Barrier No. 3: Social Capacity

For many years efforts were targeted towards the [a]griculture [i]ndustry and focused solely on employing technical experts that could speak to increasing production. VIGFC has worked to convene and host larger conversations, through a partnership with Iowa State University and the Federal Emergency Management Agency Office of Community Planning we have trained 20 people in the territory on Local Food Leader and Community Food Systems. The purpose of the training was to increase capacity within the territory to participate and lead community-based food system work.

When considering our regional relationships and what would be most beneficial, I would like to look at the USDA structure for assigning Territories and Regions. Our state Rural Development office is in Gainesville, Florida and our local area office is in the Virgin Islands. In Farm-to-School we are paired with the Mid-Atlantic Region and are shifting to the Northeast Region. Regions are not consistent between programming, and do not make sense regarding support or technical assistance. We are not similar regarding scale, environment, transportation needs, governance structure, or even culture. The territory would greatly benefit by being paired with and cultivating relationships with other islands and territories. I think that there is a need and a space for the Virgin Islands to have the opportunity to work and share directly with Puerto Rico, Guam, American Samoa, Northern Mariana, Hawaii and Alaska. While oceans away their geographic location, infrastructure challenges, cultural nuances, government structure, transportation solutions and agricultural practices will be more aligned with what we are experiencing.

Our territory is comprised of socially-disadvantaged populations; however, we are still asked to deliver and withstand the same procedures as the mainland. The Consolidated Farm and Rural Development Act defines a socially-disadvantaged group as one whose members have been subject to racial, ethnic, or gender prejudice because of their identity as members of a group without regard to their individual qualities. USDA regulations further define socially-disadvantaged farmers and ranchers (SDFRs) as belonging to the following groups: American Indians or Alaskan Natives, Asians, Blacks or African Americans, Native Hawaiians or other Pacific Islanders, Hispanics, and women. The 2018 Farm Act includes dedicated funding providing increased cost-share, loss compensation and loan assistance to SDFRs, as well as provisions to incentivize research on issues faced by SDFRs. There is an understanding of the marginalization and lack of support given to these communities, however, there is no due-diligence or change in the outreach, technical assistance, or other resources provided in order to meet the communities where they are. As a territory we don't have the same technical expertise and assets; we are under-represented as all our farms are under-served by crop insurance, and we continue to experience these constraints due to systemic barriers both federally and locally.

I may not be a [f]armer, but I am the descendant of two great men Jean Joseph Sibilly and William Florian Glasford who spent their life developing Farming Communities in St. Thomas and across the Caribbean. I am humbled and honored to steward their vision of a food secure territory. The time has come for us to take an innovative approach to how we support the development of a healthy local food system. It is my suggestion, through testimony, to encourage new policy and technical assistance regarding supporting marginalized communities, such as the USVI territory by making provisions to change (resource allocations, technical assistance, funding allocations for infrastructure, and support of social capacity).

Once again, I would like to thank the Subcommittee for giving me the opportunity to testify before you today on the needs of advocates like myself when it comes to resiliency of our local and regional food systems. I am happy to answer any questions you may have.

Virgin Islands Good Food Coalition, Inc.

Virgin Islands Good Food Coalition was founded in 2012 and is the only community-based organization of its kind in the territory. Our work seeks to understand and address the complex as well as historic systemic issues that affect the Virgin Islands food system. VIGFC serves as a conduit for information and a pipeline of opportunities that flow between policy makers, philanthropy, institutions and private industries to facilitate long-term change in the Virgin Islands food system.

We have three primary focus areas; Food Security, having reliable access to a sufficient quantity of affordable, nutritious food; Food Sovereignty, the right of people to have culturally appropriate food produced through sound ecologically sustainable methods, and Sustainable agricultural practices, which means meeting society's food and textile present needs, without compromising the ability of future generations to meet their needs.

The vision of the Virgin Islands Good Food Coalition is to build a thriving local food economy that ensures that healthy food is available and accessible to every resident in our territory through supporting farmers and locally owned food businesses. We seek to raise awareness about the importance of a healthy local food system and the impact of defining our own agriculture systems in the territory as well as highlight the role that we play in the global [f]ood [s]ystem. The mission of the organization is to aid in the revitalization of agriculture in the Virgin Islands by uniting local food producers, local businesses, and local consumers to create a sustainable network of local food options.

Ms. CRAIG. Thank you so much, Ms. Sibilly-Brown.

Ms. Zeman, please proceed with your testimony.

**STATEMENT OF KATHY ZEMAN, EXECUTIVE DIRECTOR,
MINNESOTA FARMERS' MARKET ASSOCIATION, NERSTRAND,
MN**

Ms. ZEMAN. Chair Plaskett, Ranking Member Dunn, Congresswoman Craig, and Members of the Subcommittee, thank you for the opportunity to testify today.

My name is Kathy Zeman. I am the Executive Director of the Minnesota Farmers' Market Association, and I am also an organic livestock farmer in Rice County, where I direct-market eggs and

the meats, as well as value-added farm products, like my goat milk soap and wool dryer balls from my Icelandic sheep.

Both I and MFMA are members of the Minnesota Farmers Union, and I would like to thank National Farmers Union and MFU for the leadership opportunities they afford farmers like me, and for their support for building local foodsheds in Minnesota and throughout the country.

I am here today to share my perspective on local food system development in Minnesota, and the Federal grant programs housed under the umbrella of the Local Agriculture Market Program, or LAMP, especially the Farmers' Market Promotion Program, the FMPP. These programs are incredibly important for strengthening the local foodshed in Minnesota. They have improved the viability and profitability of many farm businesses, including mine.

Local food sales and system capacity have grown tremendously over the past several decades. As an example, in Minnesota, we started out with 15 farmers' markets in 1998, and last year, we grew to 302. To help local food systems sustain their growth and serve their communities and to help organizations like MFMA continue to build our capacity and serve our members, there is a need for a strategic investment through federally-funded programs like LAMP.

Farmers and ranchers, on average, receive only about 15¢ of every food dollar that consumers spend, but at farmers' markets, farmers capture a much larger share. These markets can be a boom for local economies by creating local jobs and by driving business to nearby brick and mortar stores.

MFMA's vision has three planks. We want to cultivate a vibrant local foods community, provide accessibility to local farm-fresh foods, and allow for opportunities for our local food producers to thrive and grow. Our third and second planks, however, making local food accessible while ensuring that our local food producers receive a fair price, can at times be at odds. We help bridge that gap, in part, thanks to the Supplemental Nutrition Assistance Program. MFMA has been supportive of Market Bucks administered by Hunger Solutions Minnesota, which doubles SNAP EBT purchases up to \$10, dollar for dollar. However, monitoring and making SNAP available at farmers' markets is difficult for everyone. Incidentally, the viability of accepting SNAP benefits at farmers' markets was first tested through FMPP grants.

FMPP grants have been essential to the development of farmers' markets broadly. Because these grants fund community-wide and state-wide projects, rather than just individuals, their benefits are often far-reaching. Moreover, the entities eligible for FMPP grants truly need these funds. In many cases, organizations that do the farmers' market work and local food capacity building are not able to secure loans, venture capital, or other vital resources.

In 2014, we received an FMPP grant called Developing Sustainable Farmers' Markets in Minnesota. We traveled across the state offering eight 1 day farmers' market academies to market managers and vendors with a focus on profitability and food safety. We taught 548 attendees, completed 78 one-on-one consultations with markets and vendors to optimize their sales, and introduced many folks to our organization.

In 2017, MFMA advised on a 3 year FMPP grant received by the University of Minnesota, with a focus on the seven county Minneapolis/St. Paul metro area. That project gathered metrics on the customers, vendors, partners, and prospective lenders.

In 2019, 70 markets with about 13 unique vendors participated in the project with 11,200 market visitors completing the surveys. Overall, the data that we collected through this project taught us that we need more data and research on our local food systems, and that we need to continue to refine our methods of data collection. This grant only allowed us to capture data on seven counties. We have 80 more counties in Minnesota that have farmers' markets. If we understood our markets better, we could then better invest in our local farm and food systems, and then we would be able to grow that market even more sustainably.

While FMPP has been immensely valuable to date, there are certainly opportunities for program improvement. Local and regional food system development is typically carried out by smaller and sometimes under-resourced community organizations. These organizations know the communities in which they are embedded, and they should be integral to the local food development system.

As you know, the 2018 Farm Bill requested a 25 percent matching grant requirement. We would welcome waiving that match on a case-by-case basis for certain organizations that are under-resourced.

Local food, whether direct-to-consumer via farmers' markets or other marketing channels, has cemented itself as part of the food system in the U.S. We are grateful that lawmakers mandated permanent mandatory funding to LAMP in the 2018 Farm Bill.

I look forward to working with all of you in the future local food systems, and I welcome your questions. Thank you.

[The prepared statement of Ms. Zeman follows:]

PREPARED STATEMENT OF KATHY ZEMAN, EXECUTIVE DIRECTOR, MINNESOTA FARMERS' MARKET ASSOCIATION, NERSTRAND, MN

Chair Plaskett, Ranking Member Dunn, and Members of the Subcommittee, thank you for the opportunity to testify today.

My name is Kathy Zeman, and I am the Executive Director of the Minnesota Farmers' Market Association (MFMA), a position I've held since 2012. I am also an organic livestock farmer in Rice County, Minnesota. I primarily direct market eggs and meats, as well as value-added farm products, like goat milk soap and wool dryer balls from my Icelandic sheep.

I am an individual member, and MFMA is an organizational member, of Minnesota Farmers Union (MFU). I'd like to take this opportunity to thank National Farmers Union (NFU) and MFU for the leadership opportunities they afford farmers like me, and for their support building local foodsheds in Minnesota and throughout the country.

I am here today to share my perspective on and experience with local food system development in Minnesota and the three Federal grant programs housed under the umbrella of the Local Agriculture Market Program (LAMP), especially the Farmers Market Promotion Program. These programs are incredibly important for strengthening and growing the local and regional foodshed in Minnesota. They have improved the viability and profitability of many farm businesses, including mine. I look forward to sharing why these programs are so important and where there are opportunities for program improvement.

The Importance of Local and Regional Food Systems, and the Role of Farmers' Markets

"Local" and "regional" food systems have grown tremendously in recent decades. Nationally, between 1992 and 2007, direct-to-consumer sales of unprocessed prod-

ucts approximately doubled from \$706 million to \$1.4 billion (in 2017 dollars).¹ The number of farmers' markets in the United States grew from fewer than 2,000 in 1994 to more than 8,600 registered in the USDA Farmers' Market Directory today.² In Minnesota, we grew from approximately 15 markets in 1998 to more than 300. This growth can be attributed to many factors. But, to help these systems sustain their growth and serve their communities, and to help organizations like the Minnesota Farmers' Market Association (MFMA) continue building capacity, there is a need for strategic investment through programs like LAMP.

Farmers' markets are perhaps the most widely known approach to direct-marketing food and other farm products. Farmers and ranchers on average receive only about 15¢ of every food dollar that consumers spend.³ At farmers' markets, farmers capture a much larger share. These markets can be a boon for local economies because they generate local business, which also creates local jobs. We also find that farmers' markets tend to drive business to brick and mortar stores wherever they are located, helping keep the consumer dollar circulating in local and regional economies.

Farmers' markets are also excellent business incubators, including for underserved communities. These markets have low overhead costs and they provide a relatively simple and straightforward opportunity for businesses to test out new products for customer satisfaction and pricing for profitability.

Farmers' Markets: Promoting Economic Opportunity and Local Food Access

Minnesota Farmers Market Association (MFMA) is Minnesota's membership organization for the more than 300 farmers' markets in the state, as well as several thousand farmers, food makers, and artisanal craft vendors that sell at these markets. MFMA's mission is to support all Minnesota farmers' markets. And our vision is as follows:

We envision a community of vibrant, profitable, and professionally managed Minnesota farmers' markets that:

- Cultivates, nourishes and inspires a vibrant local foods community;
- Provides accessibility to local farm-fresh foods; and
- Allows opportunities for local food producers to thrive and grow.

The second and third planks of our vision—making local food accessible while also helping local food producers receive a fair price for what they have grown or made—can at times be at odds. An important way we bridge that gap is through the Supplemental Nutrition Assistance Program (SNAP), formerly known as food stamps. SNAP helps low income Americans purchase food, and the program also supports farmers and farmers' markets in all 50 states.

In 2019, 106 markets in Minnesota accepted SNAP benefits. SNAP customers at these markets spent just shy of \$165,000 using the SNAP Electronic Benefit Transfer (EBT) system. While challenges remain that make it difficult for farmers' markets to accept EBT, this process has become much more mainstream. Additionally, Minnesota funds a program called Market Bucks, administered by Hunger Solutions Minnesota, which doubles SNAP-EBT purchases up to \$10, dollar-for-dollar, at participating farmers' markets in the state. Matching dollars came to a little over \$140,000 in 2019, creating over \$546,000 in additional economic activity in communities throughout Minnesota.⁴

The USDA Farmers' Market Promotion Program (FMPP) has been critical to the development of food access at farmers' markets. The viability of SNAP and incentive programs at farmers' markets was tested and demonstrated through early FMPP grants, which laid the groundwork for the current program including the Gus Schumacher Nutrition Incentive Program.⁵

The Gus Schumacher Nutrition Incentive Program (GusNIP), formerly known as the Food Insecurity Nutrition Incentives (FINI) Program, provides grants on a competitive basis at the Federal level to projects that help low-income consumers access

¹Jeffrey K. O'Hara and Matthew C. Benson. "Where have all the direct-marketing farms gone? Pattern[s] revealed from the 2017 Census of Agriculture." *Journal of Agriculture, Food Systems, and Community Development*. August 23, 2019.

²Farmers Market Coalition. <https://farmersmarketcoalition.org/education/qanda/>.

³National Farmers Union. *The Farmer's Share*. January 31, 2020.

⁴Market Bucks, Hunger Solutions Minnesota. <http://www.hungersolutions.org/programs/market-bucks/>.

⁵Farmers' Market Promotion Program 2010—Final Performance Report. "Expanding Farmers Market Opportunities and Sales in Chicago." <https://www.ams.usda.gov/sites/default/files/media/IL%20FY10%20Experimental%20Station%20-%20%2461%2C784.pdf>.

and purchase fresh fruits and vegetables, similar to Market Bucks in Minnesota. Strong Federal funding and support for programs like GusNIP, as well as the removal of unnecessary barriers to accepting incentives and benefits provided by these programs, are incredibly important, both for ensuring low income consumers have access to healthy, local produce and to increase economic opportunity for local farmers and food makers.

The legal environment can sometimes pose challenges to the success of farmers' markets, and we have worked hard in Minnesota in recent years to increase the viability of our markets and vendors. MFMA has worked collaboratively to change laws at the state level in Minnesota to open new opportunities for vendors, while still protecting consumer health and safety. Key changes include:

- In 2014, the Safe Food Sampling law was passed that now allows food sampling and cooking demos at any farmers' markets, without a license, if food safety requirements are followed. Food sampling is critical for our produce farmers if they want people to buy crops like kale, or try out novel items like cauliflower pizza crusts; and
- In 2015, our Cottage Foods Law was amended to mandate food safety training, allow online advertising, allow sales from homes as well as farmers' markets, and expand the sales cap. Since then, we have registered just shy of 4,000 cottage foods producers, with estimated annual sales of \$25 million and growing.

We collaborated on the above efforts with a wide range of organizations, including Minnesota Farmers Union, Renewing the Countryside, the University of Minnesota Institute for Sustainable Agriculture (MISA) and the Regional Sustainable Development Partnerships, the Sustainable Farming Association (SFA) of Minnesota, Land Stewardship Project, and the Minnesota Departments of Agriculture and Health.

The Minnesota Farmers' Market Association (MFMA) and Farmers' Market Promotion Program (FMPP) Grants

The Minnesota Farmers' Market Association has first-hand experience with a key Federal program aimed at increasing economic opportunities from local agricultural markets: the Farmers' Market Promotion Program (FMPP). The purpose of FMPP is to increase domestic consumption of, and access to, locally and regionally produced agricultural products, and to develop new market opportunities for farm and ranch operations serving local markets.⁶

MFMA is pleased that FMPP, as well as the Local Food Promotion Program (LFPP) and the Value-Added Producer Grant (VAPG) program, all have permanent, mandatory funding through the 2018 Farm Bill under the LAMP umbrella. We are grateful that lawmakers recognized the growing demand for locally and regionally produced food, and the unique economic opportunities created by burgeoning local and regional food systems.

FMPP grants have been essential to the innovation, growth, and development of farmers' markets. Because these grants fund community-wide and statewide projects, rather than individuals, their benefits are often far-reaching. Moreover, the entities eligible for FMPP grants truly need these funds; in many cases, organizations doing farmers' market and local food capacity building work are not able to secure loans, venture capital, or other vital resources. FMPP has helped countless farmers' markets get started or expand operations, have created new market opportunities for numerous farmers and entrepreneurs, and have created a venue for communities to procure fresh, locally produced produce and other products.

In 2014, MFMA received a 2 year, \$61,496 FMPP grant called "Developing Sustainable Farmers' Markets in Minnesota." The goal of the project was to improve farmers' markets in Minnesota through regional trainings to market managers and vendors.⁷ In order to ensure our work was accessible, we traveled across Minnesota teaching eight 1 day "Farmers' Market Academies," to market managers and vendors, with a focus on profitability and food safety. We contracted with two University of Minnesota Extension educators to develop curriculum; reached 548 attendees; and completed 78 one-on-one consultations with markets and vendors on layout and design of the markets and vendor booths to optimize sales.

This FMPP grant offered numerous benefits to farmers and vendors in the local foodshed while strengthening MFMA as an organization. Through our work on the Academies, MFMA welcomed over 40 new members and gathered 250 new contacts, which increased our ability to offer education and support throughout the region in

⁶USDA-AMS, Farmers' Market Promotion Program. <https://www.ams.usda.gov/services/grants/fmpp>.

⁷USDA-AMS, FMPP Awarded Grants, FY 2014. <https://www.ams.usda.gov/sites/default/files/media/FMPPAward2014.pdf>.

which we work. Approximately 80 percent of Farmers' Market Academy attendees ranked them "very useful." Ultimately, MFMA only needed to spend about \$98 per attendee to help each person we served through our project.

In 2017, MFMA became an advisor to an FMPP grant received by the University of Minnesota, a 3 year \$448,410 grant called "Building a Community of Farmers' Markets for a Healthier Food System in the Twin Cities Metro." With a focus on the farmers' markets in the seven county Minneapolis-St. Paul metro region, this project is aimed at providing data collection tools and data products that help market managers customize metrics and reports for existing partners and prospective funders. Data are being gathered from the markets, their vendors, and their customers. Reliable data are essential for maintaining or growing funding for local and regional food system initiatives. More and better data can also ultimately contribute to improving policy development and design for the local food sector in general.

Each year, grant funds paid markets a stipend of \$150 and vendors \$25 to collect data. They also helped fund the travel expenses for ten student interns each summer to gather and analyze data under the supervision of University of Minnesota project leaders. In 2019, 70 markets with 1,308 unique vendors participated in the project, with 11,200 market visitors completing surveys.⁸ Key research findings from this project include:

- 24 percent of vendors selling at farmers' markets are 35 years old or younger, with an average age of 48 (the average age of all farmers in Minnesota was 56.5 in 2017);⁹
- 74 percent of vendor businesses are owned by women;
- 35 percent of vendor businesses are owned by people of color;
- Farmers' market vendors employed, on average, approximately six people; and
- Vendors reported sales of about \$29 million, or about \$22,000 in annual sales per vendor.

Findings thus far indicate that farmers' markets are important community assets. They are outlets for entrepreneurship that create jobs in the community and do so in a way that is diverse and inclusive.

The project's findings also show that we still need improved data on farmers' markets and local and regional farm and food systems. This grant only allowed us to collect data in seven counties, but there are 80 additional counties in Minnesota that are home to farmers' markets. We also need to extend this work by refining data collection methodologies. We would be better positioned to make smart investments in our local farm and food system in Minnesota if we could paint a more thorough picture of that ecosystem through solid qualitative and quantitative data.

Opportunities To Improve the Farmers' Market Promotion Program (FMPP)

As described above, FMPP has been immensely impactful, but there are also opportunities for program improvement. The following are some ideas I hope the Committee and USDA will consider that can help FMPP, and in some cases LFPP and VAPG, continue to build on their many successes, while also taking cues from past challenges presented by program design and implementation.

Local and regional food system development is typically carried out by smaller, and in some cases under-resourced, community organizations. These organizations know the communities in which they are embedded and should be integral to local and regional food and farm system development. But, to do their job well, they need more technical assistance than they are currently receiving, both for grant application development and carrying out grant requirements successfully. We applaud lawmakers for including in the 2018 Farm Bill the opportunity for a simplified application and reporting process for recipients of smaller grants. However, more can be done through technical assistance from USDA to help all FMPP, LFPP, and VAPG grant recipients apply for grants and deliver successfully on grant deliverables.

The 2018 Farm Bill included a new 25 percent matching requirement for FMPP that was previously only required for LFPP. Matching requirements can be important for maintaining program integrity, but they can also disadvantage smaller, under-resourced organizations. In the spirit of equity, we would welcome the oppor-

⁸University of Minnesota. FM360: The Farmers Market Metrics Project. <https://fm360.umn.edu/>.

⁹USDA-NASS. 2017 CENSUS OF AGRICULTURE. MINNESOTA. *Table 52, Selected Producer Characteristics, 2017 and 2012.* https://www.nass.usda.gov/Publications/AgCensus/2017/Full_Report/Volume_1_Chapter_1_State_Level/Minnesota/st27_1_0052_0052.pdf.

tunity for the match to be waived on a case-by-case basis for certain community-based organizations.

As noted earlier, we need more and better data and research, and funding for this research, so that we can make smart decisions about how to strengthen both farmers' markets and our local and regional farm and food system more broadly. The U.S. Census of Agriculture, which first started asking question about sales of edible products to direct-to-consumer outlets in 1978, is incredibly important for helping researchers uncover broader trends in the sector. And the Local Food Marketing Practices Survey (LFMPS), first administered in 2016 to collect 2015 data, is another important product.¹⁰ These data are not granular enough to help us make improvements in our state and at the community-level.

Finally, we would like to note that we have not been the recipient of an FMPP grant since program changes were made with the creation of the LAMP. We are excited by LAMP's new initiatives, including the regional partnership program, as well as support for value chain coordination, food safety infrastructure development, and food safety certification. We look forward to following and engaging with the program as it continues to evolve and hope to play a constructive role in its future development.

Conclusion

Local food, whether direct-to-consumer via farmers' markets or through other marketing channels, has cemented itself as an important feature of the food system in the state of Minnesota and throughout the United States, in urban and rural communities alike. In order to help local and regional food systems continue to mature, they need strong investment from well-designed Federal programs, for which LAMP and its subprograms play a leading role. I look forward to working with Congress and USDA to continue to improve and grow these programs so that farmers and eaters, and the communities in which they are embedded, can thrive.

Thank you for the opportunity to testify. I look forward to your questions.

Ms. CRAIG. Thank you so much, Ms. Zeman.

Mr. Oliver, please begin.

STATEMENT OF CLAY OLIVER, OWNER, OLIVER OIL COMPANY LLC, PITTS, GA

Mr. OLIVER. Good morning, Subcommittee Chair Plaskett, Ranking Member Dunn, and Members of the Subcommittee. Thank you for the opportunity to testify before you about my family's farm and the Value-Added Producer Grant Program.

My name is Clay Oliver, and I am the owner of Oliver Farm Artisan Oils. We are a small family business located in Pitts, Georgia. Currently, we produce oils from six different seeds and nuts. Our oils are sold in retail size bottles up to industrial volumes. Cold-pressed and unrefined, our oils taste like the seed or nut that they are extracted from. They retain their vitamins and healthy nutrients because of the slow, gentle way they are processed, and they can be used in many ways.

At Oliver Farm, we also mill our defatted meal after the oil pressing into finely ground flours. These seed and nut flours offer a tasty, gluten-free option to wheat and grain flours for those with grain allergies, and as a tasty twist on classic desserts.

I grew up on a small family farm near Pitts in Wilcox County. My father was the fourth generation to buy and live on the same land. He worked hard to make it during the 1970s and 1980s as a small dryland farmer. My mother and father strived to provide and improve our way of life, and instilled in me a strong work ethic and desire to learn, and I am very thankful for it.

¹⁰Jeffrey K. O'Hara and Matthew C. Benson. "Where have all the direct-marketing farms gone? Patter[n]s revealed from the 2017 Census of Agriculture." *Journal of Agriculture, Food Systems, and Community Development*. August 23, 2019.

I worked on the farm for my daddy and at other jobs throughout my youth. After college and a brief time working in education, I found myself back on the farm working for my father, and eventually with my brother, Clint. Clint and I ran a 500 acre farm on our own, and worked as partners for about 10 years. Then on April 18, 2008, my father died suddenly of a heart attack at age 55. My mother, Jurice, Clint, and I were thrust into roles, we did not anticipate, overnight.

As you know, during 2008 the great recession began and people all over felt the effects. Our fuel prices skyrocketed and there was a lot of talk about alternative fuel sources. That sparked in me an interest that I knew very little about, and I began researching and visiting oil plants, learning everything I could about this. My initial thought was to make my own fuel and supplement what we used. However, the equipment is expensive and the savings on fuel would not pay for the equipment for a long time. I was very fortunate to meet some people who influenced me to consider growing, processing, and selling food grade oils.

After spending some time thinking about it and doing my research, I fell in love with the idea of growing and processing sunflower oil on our farm, and that is when the Lord began to open some doors for me. In 2012, I grew my first crop of sunflowers for oil production, and by the end of that year, we had pressed oil from sunflowers, pecans, and peanuts all grown in our county. From that time until now, I have slowly grown our little business and awareness of the benefits of cold-pressed oils. Our little artisan oil business has been so successful that after 17 years of teaching, my wife left school to help us in the business. We have two beautiful daughters, Maggie and Molly, that also help when they are not in school.

When I made the decision to pursue my dream, I knew I would need guidance from the Georgia Department of Agriculture, and soon joined their marketing program, Georgia Grown. Through my involvement with Georgia Grown, I first became aware of the Value-Added Producer Grant Program, and that I might qualify for it. Then I met Al Burns with USDA Rural Development in Georgia, and he encouraged me to apply for the Value-Added Producer Grant. I did, and in 2015, Oliver Farm was awarded a matching \$250,000 working capital grant. The funds were used for processing, sales, and marketing.

The impact of the grant was phenomenal for our company. Having a trained operator allowed me time to focus on other things and led to an overall increase in our production. The money we used to enter new markets helped build awareness of our brand and a connection to the people. The money I used for marketing opened doors not only for immediate sales, but relationships to be established and a sense of community beyond our little farm began to form. The Value-Added Producer Grant money we used for advertising was not only successful in growing awareness of our brand, it has also opened doors for new opportunities, as consumers ask for new products and tourism-related ventures. For instance, increased requests for on-farm visits and direct purchasing has led Valerie and I to invest in a storefront and an event space.

Overall, the Value-Added Producer Grant gave me support and encouragement to take a leap of faith and grow my business beyond my means. Though it required getting out of my comfort zone in many ways, without a doubt, it made our business stronger.

The paperwork was daunting. Until I was familiar with the process, it was confusing. Thankfully, I had an awesome grant manager I worked with who was readily available to put me on the right track.

If I could change one thing about VAPG, it would be that the money received is not considered taxable income. I have already made it and been taxed on it once. It doesn't seem fair to be taxed on it again.

Looking forward, I hope that Oliver Farm Artisan Oils will continue to be a leader in the good food movement by producing high quality straight off the farm oils and by building a stronger sense of community through our partnerships with other makers and consumers, and to rebuild the local fresh food presence in my hometown of Pitts through our new store. Thank you for this opportunity to testify about my family's farm and the value of the Value-Added Producer Grant. Thank you for funding programs like it in the new LAMP Program.

Thank you.

[The prepared statement of Mr. Oliver follows:]

PREPARED STATEMENT OF CLAY OLIVER, OWNER, OLIVER OIL COMPANY LLC, PITTS,
GA

Good morning, Subcommittee Chair Plaskett, Ranking Member Dunn, and Members of the Subcommittee. Thank you for the opportunity to testify before you about my family's farm and the Value-Added Producer Grant (VAPG) Program. My name is Clay Oliver and I am the owner of Oliver Farm Artisan Oils.

Oliver Farm Artisan Oils is a small family business located in Pitts, Georgia. Currently we produce oils from six different seeds and nuts. Our oils are sold in retail size, 8 and 16 oz bottles, up to industrial volumes. Cold-pressed and unrefined, our oils taste like the seed or nut they are extracted from. They retain their vitamins and healthy nutrients because of the slow, gentle way they are processed and can be used in many ways, from making dressings to cooking and frying. At Oliver Farm we also mill our defatted meal after the oil pressing into finely ground flours. These seed and nut flours offer a tasty [g]luten [f]ree option to wheat and grain flours for those with grain allergies, and a tasty twist on classic desserts.

I grew up on a small family farm near Pitts in Wilcox County. My father was the fourth generation to buy and live on the same land. He worked hard to make it during the late 1970s and early 1980s as a small dryland farmer. My mother and father strived to provide and improve our way of life and instilled in me a strong work ethic and desire to learn that I am very thankful for. I worked on the farm for my daddy and at other jobs throughout my youth. After college and a brief time working in education, I found myself back on the farm working for my father and eventually with my brother Clint. Clint and I rented a 500 acre farm of our own and worked as partners for 10 years. On April 18, 2008 Daddy died of a sudden heart attack at 55. My mother, Jurice, Clint and I were thrust into roles we did not anticipate overnight.

During 2008 the great recession also began and people all over felt the effects. Our fuel prices skyrocketed and there was a lot of talk about alternative fuel sources. That sparked in me an interest in an area that I knew very little about. I began researching, visiting oil plants, and talking to individuals in this field. My initial thought was to make my own fuel to supplement what we used. However, the equipment needed to extract oil is expensive, and the savings on fuel would not pay for the equipment for many years. During my research and exploration, I was fortunate enough to meet a couple of people who influenced me to consider growing, processing, and selling food grade oil. After spending some time thinking about it and doing my research, I fell in love with the idea of growing and processing sunflower oil on our farm.

In 2012[,] I grew my first crop of sunflowers for oil production and by the end of 2012 I had pressed oil from sunflowers, pecans, and peanuts all grown in Wilcox County. From that time until now I have slowly grown our little business and awareness of the benefits of cold-pressed oils. My brother now manages our family farm for my mother along with his own farm. Our little artisan oil business has been so successful that after seventeen years of teaching school my wife left education to help with the oil business. We have two beautiful daughters Maggie and Mollie that also help when they are not in school.

When I made the decision to pursue my dream I knew I would need guidance from the Georgia Department of Agriculture and soon joined their marketing program Georgia Grown. Through my involvement with Ga Grown I first became aware of the VAPG program and that I might qualify for it. Then I met Al Burns with USDA Rural Development in Georgia and he encouraged me to apply for the VAPG. I did and in 2015 Oliver Farm was awarded a matching 250,000 working capital grant. The funds were used for:

1. Processing (hire a press operator, bottle costs).
2. Sales (new markets, set up, hire market reps, travel expenses).
3. Marketing (attend trade shows, advertising billboards and other).

The impact of the grant was phenomenal for our company. Having a trained press operator allowed me the time to focus on other things and led to an overall increase our production of oils. The money we used to enter new markets helped build awareness of our brand and a connection to the people. The money I used for marketing opened doors not only for immediate sales, but for relationships to be established and a sense of community beyond our little farm to form. The VAPG money we used for advertising was not only successful in growing awareness of our brand, it also has opened doors for new opportunities as consumers ask for other products and tourism related ventures. For instance, increased requests for on farm visits and direct purchasing has led Valerie and I to invest in a storefront and event space.

Oliver Farm Artisan Oils have since been featured in publications such as *Garden & Gun Magazine* and *The New York Times*. Our products have been winners of five Good Food Awards, an International Flavor Award, a LUXE Life Award and our products have been featured in the PBS Documentary *TasteMAKERS: Extracted*. In addition, our oils are used by great chefs and everyday cooks nationwide and can be found at many retail outlets and at www.oliverfarm.com.

Overall, VAPG gave me support and encouragement to take a leap of faith and grow my business beyond my means. Though it required getting out of my comfort zone in many ways, without a doubt it made our business stronger. The paperwork is daunting and until I was familiar with the process, it was confusing. Thankfully my awesome grant manager I worked with at RD was readily available to help and keep me on the right track. If I could change one thing about the VAPG it would be that the money received is not considered taxable income. It does not seem fair to be taxed on reimbursement of money that one has been taxed on already.

I am very appreciative of the funding we received from VAPG from 2015–2018 and also to the USDA for funding other programs that have benefited our farm. Incentives from the EQIP program helped transition our farm from conventional tillage to conservation tillage and has helped support and maintain wildlife habitat on our property. My brother and I have used the help of USDA to renovate outdated irrigation equipment and control erosion on an abused farm we purchased in 2010. The impact of these improvements will be felt for generations to come.

Looking forward, I hope that Oliver Farm Artisan Oils will continue to be a leader in the good food movement by producing high quality, straight off the farm oils and by building a stronger sense of community through our partnerships with other makers and consumers, and to rebuild the local, fresh food presence in my hometown of Pitts through our new store.

Thank you for the opportunity to testify about my family's farm and business and the importance of VAPG. I also want to thank you for reauthorizing VAPG in the 2018 Farm Bill and providing it with mandatory funding as a subprogram of the Local Agriculture Market Program.

Ms. CRAIG. Thank you so much, Mr. Oliver.

Mr. Erickson, we are ready whenever you are ready to begin.

**STATEMENT OF BRET ERICKSON, SENIOR VICE PRESIDENT
FOR BUSINESS AFFAIRS, J&D PRODUCE INC., EDINBURG, TX**

Mr. ERICKSON. Hello. Good morning, Chair Plaskett, Ranking Member Dunn, and Committee Members. My name is Bret Erickson. I am Senior Vice President for Business Affairs at J&D Produce. I have worked in agriculture my entire career. Prior to joining J&D, I was President and CEO of Texas International Produce Association, and Executive Vice President for Texas Vegetable Association for almost 6 years. I am very familiar with the challenges you are exploring here today. As a former Association executive, I spent a good amount of time developing ways to help promote and sustain local agriculture in our State of Texas.

J&D is a family-owned and operated business headquartered in Edinburg, Texas in the Rio Grande Valley. Our owners, Jimmy and Diane Bassetti, moved from Vineland, New Jersey, to McAllen, Texas in 1984, and started the business in 1986. J&D is truly an American dream that continues to thrive today. We are a grower/packer/shipper of fresh greens, sweet onions, cabbage, and melons. To give you an idea of the diversity of crops we grow, we produce almost 30 different types of greens alone, including kales, chards, collards, mustard greens, kohlrabi, beets, and herbs, to name a few.

Most of the products we offer are grown on our land and managed by our own people. However, we also work very closely with many other farmers in south Texas and handle their produce as well. Our company helps those farmers by harvesting, washing, packing, marketing, selling, and collecting on those sales. We also help with things such as food safety, financing, and regulatory compliance for our smaller growers who might not otherwise have the ability to juggle those activities. Although our company may not be the 5 or 10 acre farm, we are very much still a family operation. The Bassetti's know each and every employee by name.

We are engaged in the local community in a wide range of activities: the Rio Grande Valley Citrus and Vegetable Day which introduces young children in 4-H and FFA to the harvesting, growing, and marketing of fruits and vegetables; local donations of produce to the elementary school and high schools; providing produce for the Healthy South Texas Initiative with Texas A&M; donating and selling product to Feeding Texas food bank system; donating and participating in school gardens and salad bar initiatives in our communities. Not to mention we sell directly to local restaurants and schools, as well as hosting dieticians and chefs and children to tour our farms and packing operations to help promote and educate our local community about agriculture and fresh produce at the local level.

We also invest time and money in the local universities as they develop and refine agricultural curriculum to develop local talent to fill our future job needs. Attracting talent to the Rio Grande Valley can be challenging. We know recruiting local talent for future jobs in Texas will be most sustainable for our industry.

We work hard to support our community and to ensure that the citizens who live in Texas have access to locally grown, fresh, safe, nutritious, and healthy fruits and vegetables. We sell to numerous local restaurants and regional grocery chains in Texas such as

HEB, United, Whole Foods, and Kroger, and we work hard to promote the fresh fruits and vegetables that we grow.

Locally-grown is very meaningful to us, especially in this day where international trade agreements and labor shortages continue to pressure and push companies like ours out of business. The J&D footprint in Texas was built by Jimmy and Diane, not by a gift, not by consolidation. They built it together, one day at a time, methodically over the course of 34 years through hard work, hard times, and hard weather. They have lost and they have gained. They have been handed nothing, but have grown the business so that it now supports 180 full-time employees. That is 180 families who are part of our own J&D family. And the ability to grow their organization over these 4 decades has been in no small part because they have been focused on locally-grown. They have been focused on nutrition, health, access to affordable fruits and vegetables, and protecting the American farmer. And as a recipient of the 2019 Vegetable Grower of the Year award from *American Vegetable Grower* magazine, J&D Produce is the embodiment of the American farmer.

In Texas, we have seen double digit increases year over year for the last decade for volumes of fresh fruits and vegetables. This is a bittersweet figure. J&D has increased the volumes of our own imported products for several reasons. One, that our business is growing and demands for fresh fruits and vegetables continue to grow. Why? Simply because the population is growing and there are more mouths to feed, but we also have to import more product because we don't have the labor to harvest the volumes that are demanded by our customers. Our organization strongly believes that if this government can address our ag labor shortages now, all the farmers that are represented here today can expand their operations tomorrow. The American farmer is being attacked on all fronts, mostly by regulations and rising resource costs. But there is no bigger disservice than preventing them, us, from accessing the labor needed to pick our crops.

We have friends who farm in west and central Texas who are limiting the size of their plantings or simply closing their operations because the labor shortage has not been addressed since 1986. I realize today's hearing is focused on local, but I would be remiss as a farmer who prides themselves on a local aspect and who too is struggling to compete because of labor shortages. After all, you can't have local ag at our scale if you don't have a labor supply to sustain it.

Thank you for the opportunity to testify here today, and God bless the American farmer.

[The prepared statement of Mr. Erickson follows:]

PREPARED STATEMENT OF BRET ERICKSON, SENIOR VICE PRESIDENT FOR BUSINESS AFFAIRS, J&D PRODUCE INC., EDINBURG, TX

Hello and good morning, Chair Plaskett, Ranking Member Dunn, and Committee Members. My name is Bret Erickson and I am Senior Vice President of Business Affairs at J&D Produce Inc. I have worked in agriculture my entire career. Prior to joining J&D, I was President & CEO of the Texas International Produce Association and Executive Vice President for the Texas Vegetable Association for almost 6 years. I am quite familiar with the challenges you are exploring here today. As a

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We have friends who farm in west and central Texas who are limiting the size of their plantings or simply closing their operations because the labor shortage has not been addressed since 1986. I realize today's hearing is focused on local producers, but I would be remiss as a farming operation who prides themselves on the local aspect and who too is struggling to compete because of labor shortages. After

all, you can't have local agriculture at our scale if you don't have a labor supply to sustain it.

Regardless, we believe there should be room for many different definitions of agricultural producers in America and we believe there are many different ways to reach communities and provide locally grown agricultural products throughout the country. As a company that has dedicated 34 years to "locally-grown" campaigns and providing fresh fruits and vegetables, we also recognize that selling only local is not enough. We must be able to reach different markets in order to provide enough return to our company to continue for future seasons.

After all, if it were not for companies like J&D that grow fruits and vegetables in the winter months, where would states like Montana, the Dakotas, and most of the Midwest be looking for their fresh produce? We are their "winter salad-people." And likewise, during the summer months when south Texas has 100°+ days for 4 to 5 months in a row, we must depend on other regions to grow our fresh fruits and vegetables. We are dependent on other communities, just as they are dependent on us.

Thank you for the opportunity to testify today and God Bless the American Farmer.

Ms. PINGREE [presiding.] Thank you very much. Thank you to everyone on the panel. As you can see, we have had to change Chairs. I am Congresswoman Pingree from the State of Maine.

I just need to say that Members will be recognized for questioning in order of seniority for Members who were here at the start of the hearing. After that, Members will be recognized in order of arrival. Normally the Chair goes first, but I am going to go ahead and recognize Mr. Cox of California and allow him to go first in questioning. He has 5 minutes.

Mr. COX. Thank you so much, Chair Pingree, and thank you to all of the witnesses for being here.

Coming from the top agricultural district and the top agricultural state, California, farmers' markets are something that so many people in our communities utilize each and every day. They are fantastic to get fresh fruits and vegetables.

But, to maybe all of you, how do those local consumers impact your decisions and some of the innovations and products that you produce? Is it coming from the producers, or is that things that you decide to do yourselves, like Mr. Oliver with the oils? And just a little bit of color on that from each of you.

Mr. OLIVER. Are you asking me if I was driven to produce oil because of the consumers, or how they—

Mr. COX. Or did you decide that the consumers might want this? Was it more consumer-driven, or was it something that you came up with on your own?

Mr. OLIVER. Yes, sir. When we tasted it, we knew it couldn't be burned in a tractor motor. It was too good for use for that, so pretty quickly we went to some local events, Growing Local conference, and right there I just made connections, let people taste it. I had about 20 bottles of oil and I sold them, and I knew right then just the reaction.

Mr. COX. Ms. Sibilly-Brown, anything out of the Virgin Islands?

Ms. SIBILLY-BROWN. I would venture to say that most of the products are consumer-driven. One of our—and seasonal. It is based on the cultural practice, consumer-driven, and what is available seasonally.

Mr. COX. Mr. Erickson, you mentioned that your operation sells produce to local restaurants and regional chains, HEB and Kroger. And so, that is interesting. That is kind of another, I want to say

step up, but what is the relationship between the local direct sales to the individuals that come to farmers' markets and selling to those types of retailers?

Mr. ERICKSON. For us, working with the local community, selling to local restaurants, participating in local food fairs such as we have a south Texas 1015 onion festival that we participate in. Any time we do something local like that: first, we see it as an opportunity to invest and connect with the local community; but second, that is a consumer. That is a potential customer for us who goes to the grocery store and sees our Little Bear label and says, "Oh, I met those folks. I saw them at the onion festival," or "I saw them at the school fair when they donated the salad bar or whatever it is."

Every time we connect with somebody at the local level, that is a potential customer who we hope then goes to the store, sees our label, talks to their family, and spreads the word in that way.

Mr. COX. And then, I guess, I can imagine that you all sell to local restaurants? I would be interested, how do you cultivate those types of relationships?

Mr. ERICKSON. By going to the restaurants. We have a lot of foodies at our operation. I am one of them. We are very passionate about food, cooking, about connecting fruits and vegetables to people. Those are really personal relationships that, when you go to a restaurant and you start to visit with the manager or the chef at the restaurant, you let them know, "Hey, we are J&D Produce, we are Little Bear brand." "Oh yes, we know your product. Do you guys have shishitos in season?" "Yes, we have shishitos in season."

It is an organically-grown relationship, I would say, just because we and the people who work at our operation like to go out to eat. You talk about the company you work for, and then the next thing you know, you are selling shishitos or arugula or kale or whatever it may be, and they are proudly putting that on their menus as well, Little Bear, proudly featuring Little Bear brand locally grown.

Mr. COX. Fair enough.

It is unfortunate we are only limited 5 minutes of time, because we could have longer conversation about it, because it is just fantastic the way they have grown.

But I did want to hit on what you were talking about, which is farm labor, and the lack of labor and the labor supply out there: the Farm Worker Modernization Act, which was passed by the House this year.

Mr. ERICKSON. Yes, sir.

Mr. COX. And will that be beneficial to your operation?

Mr. ERICKSON. Yes, thank you so much for the question.

Absolutely we are, as an industry, as a business, we are now going to use H-2A for the first time in our company's history. It is incredibly expensive, incredibly burdensome. We have been waiting 34 years—this industry has been waiting 34 years for help on immigration or ag labor issues and reform. We are supportive of it. Yes, it needs a lot of work. We hope the Senate can make some changes and then it can come back. There are some changes for sure that need to be done, but we have to get this done because U.S. fruit and vegetable specialty crop growers, there is no doubt

we are being put of business and squeezed and imports are on the rise dramatically.

Mr. COX. I think we are out of time, but please talk to your local Senator.

Mr. ERICKSON. Thank you, sir.

Ms. PINGREE. Ranking Member Dunn.

Mr. DUNN. Thank you very much, Madam Chair, and thank all the witnesses for coming here today and sharing your insights of your businesses.

Mr. Erickson, I bet when most people are thinking about a local farm, they are not thinking about a 2,000 acre grower/shipper/packer operation in south Texas, but it is clear that your participation in local agriculture has solidified relationships for you at home and with your customers.

Can you walk us through some of the details about how you enter local marketing channels?

Mr. ERICKSON. As I mentioned before, that it is very organic. We sign up for a lot of local food events. We work with the local restaurants. We develop and cultivate relationships with the local restaurants. There is an event held by the livestock show. It is a fruit and vegetable judging competition. We work with the FFA kids and the 4-H kids. We open our farm to those kids to come out. They harvest certain products. All the different commodities, there has to be 50 different items at the show, and the kids harvest it and they are judged just like a livestock show would go. But the bunches of cilantro are laid out and the growers or buyers of that product will come out and judge the kids.

All those opportunities are ways to connect with local folks.

Mr. DUNN. Thank you for engaging the 4-H and FFA kids like that. I think that is a great thing to do.

I also want to ask you about, we have jurisdiction over pesticides in this Committee, and that is an issue that gets pretty overheated in discussions sometimes. But local agriculture provides a great opportunity for you to establish dialogues with customers about use. I and many of my colleagues are interested in increasing agricultural literacy among the consumers, and identifying ways to build trust between the consumers and the producers.

Have you seen that opportunity in your business?

Mr. ERICKSON. A week doesn't go by where I am answering a question or questions about our pesticide use, fertilizer usage. A lot of that comes through social media. We get questions from customers all over the country, and also out of Canada. We sell in the U.S. and we sell products in Canada. We get a lot of questions, but you know, it is about focusing on the aspects of sustainability. There is nobody else than a farmer who wants to be able to sustain the land and take care of the land, following labels, adhering to the labels that are necessary, making sure you are meeting your requirements as far as pre-harvest intervals.

I have a lot of conversations with folks. That is something I think we have a responsibility to do, to talk about the importance of pesticides, how they are a benefit, in a way, and you use less fuel by doing a better job of applying and using new technology, spot applications and GPS technology.

Yes, it is an ongoing conversation day-to-day. We have that in our local community. We get it through social media, and it is a drum you have to beat, but there is a lot of misinformation, obviously, out there.

Mr. DUNN. Thank you for that. Can you give us a sense of how much of your production goes to local *versus* wholesale commercial distribution?

Mr. ERICKSON. Local being defined as *staying in the State of Texas*?

Mr. DUNN. Local, yes, sort of stay in the region.

I guess what I would say, direct marketing to the restaurants, the farmers' markets.

Mr. ERICKSON. I would say it is a pretty small percent if you are talking about direct marketing to restaurants. Direct marketing to regional retailers like HEB who they are only in Texas, the regional retailers, they are probably 30, 40 percent of our business, I would say. Direct to local businesses in the Rio Grande Valley and local consumers who love our brand and say, "Hey, I want to come by the shed and buy a box of produce from you directly," logistically, that is a pain in the butt, to be honest, but it is a very small margin that we sell to direct locally within the—

Mr. DUNN. All right. I just wanted to get a sense of that.

On closing, I would like to reinforce your comments on the ag workers. We got to find a way to do guestworkers. It is a shame that—I didn't know it was 34 years of problems, but it certainly has been a problem ever since I have been here, and I promise you we think about it all the time. I don't think we have an answer just yet, but we will take your input.

Thank you very much. I yield back.

Ms. PINGREE. Thank you very much, Mr. Ranking Member.

Mr. Delgado of New York.

Mr. DELGADO. Thank you, Madam Chair, and thank you, to all the individual witnesses today for your very illuminating testimony.

Now, I represent upstate New York, Hudson Valley, Catskills area, the eighth most rural seat in the country. We have about 5,000 farms in the district, 97 percent of which are family-owned farms. And they are small, real small family-owned farms. We don't have big ag. We don't have corporate-based ag. We have about 163 towns that make up my district, covering 8,000² miles, and a collection of these farms on a very small scale that represent the backbone and preserve the rural quality of life. And to be frank with you, they are under siege, given some of the national trends around consolidation and the focus on big ag at times that is pushing a lot of the small farmers, particularly dairy farmers, to the brink.

And what I have tried to do, working with folks back home, is think about the ways in which we can create localized ecosystems, self-sustaining ecosystems that reinforce what these farmers do for our community at home. And that really boils down to increasing the market share. Whether that is access to schools, access to small businesses, access to hospitals, access to military bases, whatever the case might be, what are we doing through these types of fund-

ing programs that allow us to build a marketplace that is more localized and self-sustaining?

This testimony, to me, and particularly the testimony of Ms. Zeman, your testimony I thought was incredibly spot on for my thinking through this process.

And so, I am curious when you think about the different ways in which these programs have facilitated—and you are really smart in illuminating the different dynamics, but you also highlight a couple things that I want to just piggyback off of.

You said that local and regional food systems are typically carried out by smaller, and in some cases, under-resourced community organizations. These organizations know the communities in which they are embedded and should be integral to local and regional food and farm system development. I totally agree with that. You said to do their job well, they need more technical assistance than they are currently receiving, both for grant application, development, and carrying out grant requirements successfully.

My first question is on that. When you say technical assistance, are you talking about bodies-on-the-ground? Are you talking about agents from the various departments here in D.C., or specifically something else?

And then the other question is we can do more through technical assistance from USDA to help all FMPP and LAMP VAPG grant recipients to apply for grants and deliver successfully to these grants the deliverables on the ground. I guess it is kind of the same kind of question, but what specifically, when you think about the localized infrastructure, can we be building out to help facilitate these programs and get the deliverables that we desire?

Ms. ZEMAN. Thank you for the question.

I worked on a bull stud up in upper New York a few decades ago, so I know upstate New York a wee bit.

Mr. DELGADO. Excellent.

Ms. ZEMAN. And I was a judge for the Value-Added Producer Grants several years ago. And of course, we are one of those under-resourced organizations that try to get grants.

The grant application process itself is formidable. I mentor a fair number of young farmers organizations even in upstate Minnesota, upper northern Minnesota. All college grads, wonderfully talented people, and they are struggling just to figure out how to get the DUNS number, how to get the SAM, all of that. And then if you don't renew your password every month, then the system blows up on you and it takes you a few more months to get back in the system. The process itself to get the money is formidable.

Think about people that do not have access to it. Think of people that don't have good rural internet access. It works good for people who have resources, but what about the people who don't, right? And sometimes we often say everybody has a seat at the table. Not if you don't know where the table is, right, so that is where I think that we need to do much better outreach.

I am guessing in New York, in rural New York as in rural Minnesota, our infrastructure that used to exist to do good local food no longer exists, and so we are trying to rebuild that. We need more meat processing plants.

Mr. DELGADO. Yes.

Ms. ZEMAN. We need more community food hubs. We need more community commercial kitchens. If we could have a community commercial kitchen in every town so that it allows the people that are indigenous to those communities bring up their cultural foods and grow those and serve those.

The one question about does the consumer lead the products in farmers' markets or does the—a lot of times, our vendors are the consumers. They have a product that they love and they then sell it at the market.

It is, for us, what I have seen in my experience, it takes a savvy person in order to get these applications through the door, and then to get all of their evaluations done correctly, and that is not always easy, right, for people that don't have access.

Mr. DELGADO. I mean, I wish that I could keep going, but I really appreciate that and the rural broadband piece is critically important as well.

So, thank you very much.

Ms. ZEMAN. Thank you.

Ms. PINGREE. Thank you very much.

Mr. LaMalfa from California.

Mr. LAMALFA. Thank you, Ms. Pingree. I just appreciate the panelists being here. Obviously, the local markets and the ability to touch your consumers as close to home as possible has great value and certainly is something very loved by the communities.

I am a farmer myself. I grow rice in California, which doesn't quite have the same interface since it is a milled product and little more remote in that sense, but we sure get that. We have our own California Grown Program. You have a Georgia Grown.

I also want to touch on a couple things here. Mr. Dunn and Mr. Erickson talking about ag labor, and well, do we have a bill for you. H.R. 5038 passed the House, and it is over in the Senate, so talk to your Senators, please, on that. It was kind of bipartisan in the process there. We worked really hard on that legislation in order to have a legal workforce in the country, one that has certified ag workers, and kind of get beyond this mess where we are in this gray area. And it is going to be better for the growers, it is going to be better for the workers. But I digress on that.

Let me get into a couple questions here quickly, and expound upon what you have been able to speak of here.

First, Mr. Oliver, the work you are doing in those oils is pretty great stuff, there are a lot of essential oils working on in my area in California, so it is an exciting area and I like to see how you have taken the bull by the horns on that. Especially since you lost your father in 2008, that is a tough year. Got to be extremely tough. I lost my dad that year, too, so a hard deal. But I am glad to see you are doing so well, and we want to be a good—through the farm bill and through the opportunities in that, how folks like you continue to do what you are, and the vision you have.

Would you talk a little bit more about the VAPG and its components of kind of shifting somewhat from the farm bill from the local farmers' markets, two different aspects and being consolidated into that? You feel like that has worked pretty well for you, then, in its broadness, is that fair?

Mr. OLIVER. The Value-Added Producer Grant worked for me, and it is really easy to get bogged down and get lost in what belongs where, and the acronyms for things are confusing. I was very fortunate to partner with someone who is in the mix with the legalese and explained things for me much better than I was able to understand on my own.

Mr. LAMALFA. You did mention that, that the paperwork stream and the acronyms and all that has been a pretty big turn off. Do you think you lost opportunities, or others have maybe lost opportunities, because of being bound up by that and the legal aspects?

Mr. OLIVER. Absolutely. I mean, I almost felt like it was to weed people out because it is so daunting.

Mr. LAMALFA. Yes, and so we in Washington have been trying to get less Washington in things and more local here in some of our efforts at the Interior and Agriculture to push some of the people that work out of D.C. into the more local areas. We hope this has a positive effect on accessibility to people, and having people live where the work is and learn firsthand instead of 3,000 miles away in a marble wonderland here.

You would like us to continue to streamline that for you, and you have gone through it, but for others, and I see a lot of heads nodding on that. That is something we need to take care of to get out there.

Mr. OLIVER. Yes, sir. Thank you.

Mr. LAMALFA. Okay. Mr. Erickson, again, you talked about local labor, local food. You talked about H-2A visas. Do you want to expand on that a little bit, since we are pushing the ag labor thing pretty hard here?

Mr. ERICKSON. We need help. We need help.

Mr. LAMALFA. Yes.

Mr. ERICKSON. We are getting beat up. I mentioned it has been 34 years since any immigration reform has passed. We need an ag labor solution. I appreciate what has come out of the House. We have been talking to our Senators. We are pressing hard with our groups. We just had a fly-in last week with producers from across the country of specialty crops working on the Senators.

If you look at the import volumes coming into this country through our Texas ports-of-entry, they have increased by almost 120 percent in the last 6 to 7 years. That is displacing American agriculture, and American agriculture is having to turn towards imports to rely on filling those gaps, and a lot of it is because of the labor challenge.

Mr. LAMALFA. Which is ridiculous, because we can grow it here better, more responsibly.

Mr. ERICKSON. Absolutely.

Mr. LAMALFA. When we look at the stuff going on in China right now, I mean, who wants that lack of confidence?

Mr. ERICKSON. Absolutely. Honestly, sir, I look at it as a national security issue because at some point, so much of our product is going to be out-sourced and imported that we are not going to be able to feed ourselves healthy and nutritious fruits and vegetables, and this is self-inflicted, in my opinion.

Mr. LAMALFA. Do you want to remain in H-2As, or do you want to expand it into another style of ag labor?

Mr. ERICKSON. H-2A is awful. I would like to—I mean, it is what we have. It is what we have. They are making some changes to it. I would like to see a more streamlined program, absolutely, something that is more affordable and easier to use. It is a nightmare of regulatory work and requirements, and the cost is exorbitant. It is not a sustainable situation with the current H-2A situation. It is not sustainable.

Mr. LAMALFA. In our work in the bill, we had people that wanted us to just not screw it up more.

Mr. ERICKSON. We need to improve it.

Mr. LAMALFA. The devil they know, see if we can refine it a little bit.

Mr. ERICKSON. We need to refine it.

Mr. LAMALFA. But a lot more refining.

Mr. ERICKSON. We will refine it in the Senate. We will bring it back to you guys, and we are going to come up with something great. This has to be it. This has got to be it.

Mr. LAMALFA. I appreciate your optimism, and please keep hanging in there or keep telling us and those guys over there what you need. Thank you.

Mr. ERICKSON. Yes, sir. Thank you.

Mr. LAMALFA. Thank you. I yield back.

**OPENING STATEMENT OF HON. STACEY E. PLASKETT, A
DELEGATE IN CONGRESS FROM VIRGIN ISLANDS**

The CHAIR [presiding.] Thank you, and thank you to my colleague, Ms. Pingree, for taking over for me while I was absent. When the White House calls you—I was telling Mr. Dunn, you can't tell them I got to go. I got a hearing right now. I thank you all for taking this up.

VOICE. I like your hat.

The CHAIR. You like my hat? Thank you. These kinds of things are important.

And thank you, Sommer, for being here. I am really appreciative of you making your way up and being a part of this hearing.

At this time, I recognize Congresswoman Pingree for 5 minutes.

Ms. PINGREE. Thank you very much, Madam Chair. Thank you for allowing me the privilege of sitting in the Chair for a little while and take over, and really thank you so much. You have been a wonderful group and you can see the Committee, each person has said they wish they had a little more time to talk to you. Thank you for that.

I am particularly excited to have this hearing, and I thank the Chairwoman for hosting it. I was able to lead a bill called the Local Farms Act during the reauthorization of the last farm bill, which contained the provision that consolidated the few local programs at the USDA, and that is where we got LAMP. For me to hear all of you talk about the Local Agriculture Market Program and how it has come together is very exciting. These are all programs that are really near and dear to my heart. Unfortunately, the President's budget just came out and it provided no funding for LAMP programs, but I am also on Agriculture Appropriations Subcommittee and I feel confident that we will, in a very bipartisan way, make sure that these are funded again. They have \$50 million in manda-

tory funding. Last year, we were able to add an extra \$20 million, so I hope we can keep it at the \$70 million level. And you are all wonderful at speaking to how important this is.

I know these programs very well. I come from the State of Maine where we have an awful lot of small farmers and we have seen a lot of growth in value-added farming operations. So much of what you are talking about has really built back our agriculture operations in Maine. Huge interest in local foods and organically grown foods, and everything. These programs, as you said, really help people to support in that. And I take to heart some of the things that you are speaking about. Unfortunately, I have heard them many times about how complicated the forms are. You shouldn't need extra assistance, and I take your point about the taxable income, and we will certainly get to work on some of the things that you have said.

I just want to make a couple comments about all of you, because you are so great, and thank you. Ms. Sibilly-Brown, I have had the good fortune to visit the Virgin Islands, and I know how challenging it is not to have more sources of local foods, and I would love to work with the Chair on something that really makes it more equitable for the territories. It is ridiculously unfair, given the challenges that you have there, and in the other territories. I wish we could restructure some of that.

Thank you to Ms. Zeman. I mentioned to her that my family farmed for decades in Kenyon, Minnesota, so we are right next door to your wonderful town, and consider you a former neighbor of my family, and it is really great to hear your stories. And again, of how some of these value-added products come about from your dryer balls to soap.

And of course, your story, Mr. Oliver. I can't wait to try the oils. I am really excited to hear how enthusiastic you are about it and how your family turned such a sad challenge into a really productive industry. I think we should see a lot more of what you are doing with cold-pressed oils.

And to Mr. Erickson, I thought it was wonderful to hear a Texas farmer talk about shishitos and arugula, because that just doesn't happen.

Mr. ERICKSON. Two of my favorites.

Ms. PINGREE. Yes, and I run a small vegetable operation, and so I know very well about the customers' interests in these things, and also some of the challenges that you spoke about. My two friends from California here will talk more about agricultural labor, because that is something that we hear about from farmers everywhere.

But, the one thing I wanted to mention, not only is your pride in your local industry and really emphatically reminding us how important it is to support American farmers, and how imbalanced we have gotten with imports and with our trade agreements, and just not understanding how important it is to have that capacity here in the United States.

But, I also think a business like yours, talking about being able to aggregate the produce of other farmers is really important, because as one of my colleagues mentioned, not everybody can market directly to a consumer or do they want to. And so, having some-

one like you who can help to aggregate some of that with other farmers seems really important.

I just wanted to, I have used up most of my time, of course; but, again, I wanted to thank you, and if anyone else wants to talk about any of the other challenges that haven't come up, we are ready to go to work for you and really continue to enhance and increase the funding for these programs.

So, go ahead.

Mr. ERICKSON. If I may, ma'am, thank you for the comments, and it is so important that we are able to work with other local producers. We have been fortunate and a lot of it is luck, and it is hard work, and it is timing. But we are so passionate about our local community and the growers in our region. It is in our interest to see them succeed, and those relationships that we have are incredible, and they are an important part of our business operation, and we can provide them with assistance.

I hear the challenges from my fellow testimony folks up here, but I am familiar with those, and from the private side, we are able to help with local producers as well, helping them navigate the food safety law. We have a staff of 15 food safety food people now. It is crazy: a couple of managers, a director, techs, sanitation people. But, they are able to go out and help consult with the producers that we are picking up that are helping us grow our own operation. We farm a lot of our own, but we also bring in products from other growers, and we can help with a lot of different aspects, regulatory, financing, marketing, harvesting, and from that respect as well.

We are from a private-sector side, we are a form of helping grow local agriculture. That is really important to us.

Ms. PINGREE. Well, thank you. I have completely run out of time, so I disingenuously asked you others for comments, but you have done a great job today speaking to all of the concerns that you have, and that was one topic that didn't come up, but I know firsthand from my own operation that complying with the new rules of FSMA and being ahead of that is really hard for a small farmer, so that is a great service that you are providing to others.

Mr. ERICKSON. Thank you.

Ms. PINGREE. Thank you for that. Thank you to everybody who testified. We look forward to trying to solve some of the problems that you brought up.

The CHAIR. Thank you, and at this time, we will hear from the Ranking Member, Mr. Conaway.

**OPENING STATEMENT OF HON. K. MICHAEL CONAWAY, A
REPRESENTATIVE IN CONGRESS FROM TEXAS**

Mr. CONAWAY. Thank you, Madam Chair. I apologize, and I want to thank the panel for being here. Somebody covered this in your opening remarks, but one of the issues facing particularly fruits and vegetables is with respect to food waste. Bret, I suspect that not everything you grow is suitable for HEB shelves, and what is going on in the valley to take advantage of getting food and fruits and vegetables that aren't ready for HEB to not be wasted and put back into—

Mr. ERICKSON. Well, first thing I would like to say on that subject is retailers should do a better job of helping to market imper-

fect produce, because it tastes the same. It is just as healthy and nutritious. But those things that don't meet the eye test to sit on a grocery retail shelf, we work with local food banks, we work with an organization called Brighter Bites, which they source product to get to underprivileged kids. We work with local schools and different programs locally to source that product out to those folks as much as we possibly can. Those would be the primary outlets.

Mr. CONAWAY. My daughter lives in Fort Worth, and they have a program where she can buy ugly fruits and vegetables. It is actually an internet-based thing where they deliver it to her house and it comes in a sack. It just comes up as what is available for the day. She picks whatever she wants, and they show up and it is eight carrots and one guava, whatever. But do you have that access to those kinds of programs in the valley?

Mr. ERICKSON. We have something similar. We work with a company called—I think it is called Imperfect Produce, but I could be mistaken. But that is their whole business model. It could be the company that your daughter is getting product from, but they specialize—they are signed up and as a buyer just like HEB or something, they would be a customer of ours and they are looking for those imperfect items, and that is their business model. We do sell to companies like that, and it is at a discount, it is a discounted price. But God bless them for what they are trying to do.

But you see in the retail community, there is more and more programs where big retailers are also trying to capture this food waste movement and sell imperfect produce.

Mr. CONAWAY. Based on your efforts, how much of it is left to be done in terms of getting things that are grown and all the inputs that you have and all the money invested in an imperfect apple or whatever, what percentage of your production is still not making into stomachs?

Mr. ERICKSON. Oh, ten percent maybe.

Mr. CONAWAY. And how much further we need to do—how much more effort is necessary, because you got to—

Mr. ERICKSON. Well, I would say an educated guess, maybe ten percent of our product is going—10 to 15 percent, perhaps. That is quite a bit.

Mr. CONAWAY. Right.

Mr. ERICKSON. I would say that there should be a lot more focus on imperfect produce and I think that the private-sector is capturing on that. It is definitely growing in popularity. I see it in the trade press and I see it in the retail aisles. But it does need to continue to grow because it—whether it is ugly or whether it is beautiful, it takes the same amount of effort and cost and input to grow that product, and there is absolutely zero things wrong with it, other than the way it may look on the exterior. But the nutritional benefits and the taste and the flavor, it is all there, sir.

Mr. CONAWAY. Sure. Thank you for the efforts, and Madam Chair, thank you for the hearing. I yield back.

The CHAIR. Thank you. Mr. Panetta, you are next. I was told to give you a hard time, but I am not going to do that.

Mr. PANETTA. What else is new? Thank you, Chair Plaskett.

Mr. CONAWAY. I will, Madam Chair, if you would to pass that over to—

The CHAIR. Oh.

Mr. CONAWAY. If he says Salad Bowl of the Nation, I am going to—

Mr. PANETTA. Salad Bowl—

The CHAIR. That is his tag line.

Mr. PANETTA. You are close.

Good morning. I am Jimmy Panetta. I am from the Salad Bowl of the World. I mean, let's get that straight. One of these days they will learn.

Chair Plaskett, Ranking Member Dunn, Ranking Member, thank you very much for this opportunity to have this type of hearing on something that is important, not just to my community on the Central Coast of California, but clearly to the United States and our agriculture industry. Thank you very much.

In my district on the Central Coast of California, because we have so many fruits and vegetables, we have about 15 farmers' markets that participate in the Supplemental Nutrition Assistance Program, as well as WIC, the Women, Infants, and Children Supplemental Program. And obviously, these types of programs are very, very beneficial for all people, but mostly for the food-insecure families that exist in my district. I mean, we have a lot of people who work in the fields who are around fruits and vegetables every day, but unfortunately, they go home and they don't necessarily—those aren't on—the products that they are picking are not necessarily on their table for them to eat, and neither for their children to eat as well.

But fortunately, we do have a lot of programs—this is one of them—and we have programs in our schools as well to get their children involved in it, too.

But obviously, when it comes to farmers' markets and providing the type of assistance necessary to help food-insecure families access and have these types of fruits and vegetables, the technical assistance and the resources are necessary. And so, I had the great opportunity to have dinner with Gus Schumacher back in 2016 when I was running for this position. I went to his house here in Georgetown, and we had a nice dinner with a couple of our other agriculture advocates. And I will never forget how important it was to him that—and I told him, obviously, I had been to farmers' markets—but I remember. I will never forget his words of advice of get out to farmers' markets as much as you can. Just walk through them. "Just be there, be present. It means a lot to the people who are working there, and a lot to the customers as well."

Obviously, I do believe in farmers' markets. I believe in the words of Gus, but obviously, there are other things that can go into helping the farmers' markets get to our food-insecure families. The Electronic Benefit Transfer, the EBTs.

Now, I know, Ms. Zeman, you talked about that. Can you elaborate a little bit more on the challenges that people have in dealing at farmers' markets with some of these benefits that help provide these types of resources, especially when it comes to the EBT?

Ms. ZEMAN. In Minnesota, we know that—thank you for the question. In Minnesota, we know that about $\frac{2}{3}$ of our markets have volunteer market managers. The market itself does not make enough money to pay a manager, and yet, great local community

development, right? When you bring SNAP in, then it costs the market on average about \$1,500. Now, we are gathering money, resources out of the community that could be going to other places just to get the machine in, get all the swiping in.

We have some markets that have seven different colored tokens. There is an app for everything, right, so could we get an app that if I am the farmer and I have SNAP-eligible products, can't you just come up and swipe just with me? Otherwise right now, we have the information, we have the machines, we got all the color-coded tokens. And then people come up and now that there are a lot of different tokens, it is not such—sometimes it was embarrassing if you were the only one getting SNAP, but now there is SNAP and there is power produce and there are debit cards and there are credit cards, and then there is the medical industries coming in with some benefits, too. It gets to be a big management, and then you have to manage all of that so you can measure, right what you are doing. It is a financial burden on the markets. It is wonderful for the SNAP participants. It is wonderful for our produce farmers, right, and all of the farmers that produce those products. But it is a huge burden for the market itself. If we could remove that burden, if we could just come in with that support, those resources, then you would have that all.

And I agree with you, the first time that we did the good food access in Minnesota, the American Heart Association found us, and I am like how did you find farmers' markets, and she responded, "Because your farmers are on SNAP." And how sad is that, right, that we produce the food and yet we have farmers on SNAP? That is not fair and it is not right.

Mr. PANETTA. Understood, understood.

And I guess also in regards to Mr. Schumacher, obviously he has a Nutrition Incentive Program. Can you walk us through how that works real quick, in the 14 seconds that I left you to do that?

Ms. ZEMAN. Well, in Minnesota, we have our own Market Bucks, so it is just a dollar for dollar match, and I am guessing that is what Gus Schumacher—that was for the FINI program, right, so I am not as knowledgeable on that program as what we do in Minnesota.

Mr. PANETTA. Fair enough. Great. Thank you again to all of you for being here. Thank you, Madam Chair.

The CHAIR. Thank you. Ma'am, if you could just elaborate, the Ranking Member and I had a question with regard to the small farmers and utilization. Do those same cards allow you to use Square or some of the other mechanisms with food stamps?

Ms. ZEMAN. We can—sorry, thank you. We can use Square for our debit and credit card, but we can't for SNAP, because you have to have—

The CHAIR. The SNAP cards cannot be used for that?

Ms. ZEMAN. Correct.

The CHAIR. Okay, because we were wondering if that is something that we could take up with the Department of Agriculture.

Ms. ZEMAN. And additionally, Sommer is going to have a comment there, too. Additionally, when WIC goes to EBT, EBT just means electronic benefit transfer. When WIC does, we just heard in Minnesota that they are going to be two non-compatible systems.

We would have to literally now have two machines instead, as food programs become EBT, if they could all use the same software and the same machines, the card reader machines, that would be wonderful.

The CHAIR. Okay. We are having the staff write that down right now, so we will look into it.

Ms. ZEMAN. Oh, thank you.

The CHAIR. Thank you. Mr. Carbajal, Salud.

Mr. CARBAJAL. Thank you, Madam Chair, and these hearings are always amazing, because you hear about things that should work, but they don't work. And I appreciate all that we are hearing about, the EBT as it relates to SNAP and WIC.

This isn't so technical that we shouldn't be able to fix it, this is my second term in Congress, and when I hear these things, I think how often does it need to be said for it to be fixed? I am really hopeful that this example today is one that we could work on to show how Congress or the Administration can work on small things, but that impact a lot of people. I appreciate my colleague raising these issues.

I represent the Central Coast, the real Central Coast of California, which produces a wide range of specialty crops, from the fruits and vegetables Americans eat every day, including wine grapes and cut flowers. A significant percentage of farmers in my district participate in farmers' markets and other types of direct-to-consumer sales. In fact, in the three counties that I represent, there are 36 different certified farmers' markets. The creation of the Local Agriculture Market Program, LAMP, in 2018 Farm Bill was an important step forward in supporting this growing sector of ag industry. I am looking forward to continue to support this growth, despite the President zeroing out this program from \$20 million to \$0.

Ms. Zeman, our testimony includes interesting statistics from markets you observed last year. Specifically, your data shows that 24 percent of vendors were under the age of 35; 74 percent of businesses were women-owned; and 35 percent of vendors were people of color. What drivers are influencing the strong diversity of vendors at your farmers' markets, and how can we continue to support young farmers, women, and people of color through agricultural markets?

Ms. ZEMAN. Thank you. If we could get more grants, we would be able to get better data on the background on that, but our observation would be that if you think about farmers' markets, it is a really low entry cost, right? You don't need to have 2,000 acres. You don't need to inherit a bunch of land from your ancestors. You can get in relatively quickly. You can have a raised garden bed, 2' by 4', right? One acre of land can produce enough produce for 25 families in a CSA model.

So, the reason that you are seeing our young people, our people of color, all of us that are not part of the commodity ag world, we get in because it is easy. It is really cheap to get in, and then you use your own skills and your own talents, right? When you are working for yourself—in farmers' market world, we do not worry about trade wars or tariffs. We are impervious to them. They don't touch us. We are hyper-local. We buy from each other. We grow it

ourselves. You don't mind working 24 hours a day because it is something you love. It is your passion, and it is food, and it is your culture. And that is what farmers' markets do.

Mr. CARBAJAL. Thank you. To all witnesses, many of you have pointed to the struggles that smaller agriculture production face. I have heard from farmers in my district that meeting the Food Safety Modernization Act compliance deadline have proven to be a challenge for smaller operations. The purpose of these requirements are to create a preventative food safety system that is, itself, sustaining. How are these rules impacting small farmers who sell directly to the public, such as at farmers' markets? To all of you, or any of you?

Ms. SIBILLY-BROWN. Hello, morning. Sommer Sibilly-Brown.

In the Virgin Islands where we have a large forage production population, so we have a lot of fruit trees, we have a lot of organic, and people would go and forage from their yards or neighboring land spaces, it presents an issue for—like one of the Food Safety Modernization Act rules is that it cannot be touched by a bird, right? In forage production, that means iguanas, birds, lizards, all these things climb trees, so that would make nothing that our farmers forage eligible to be sold or eligible for the criteria in the Food Safety Modernization Act. When farmers were trained in the Virgin Islands, that alone, because they trained 25 farmers, was a barrier in terms of what would enter the market.

Mr. CARBAJAL. Thank you. Anyone else?

Ms. ZEMAN. In Minnesota, we have the University of Minnesota extension and the Minnesota Department of Agriculture pursued really quite aggressive education program, so we have about 1,800—USDA thinks we have 3,400 produce farmers—we think we have 1,800 or 1,900 on record right now. We made the 8 day fire hose of training for the FSMA PSR. We made it very—\$35 gets all of our produce farmers in. We have trained a lot of produce farmers. To date, it is just food safety. For those of us who have sold meat and milk, we have dealt with regulations for centuries or decades maybe, not centuries. It is new for produce. I am not sure how much it is. When the water rules hit, that I am a little bit concerned about. In fact, I have been floating the idea in Minnesota that we might need to fund some—put some money out there for some of those water tests, because for farmers that are using surface water, that is going to be expensive to do those tests year-round.

Mr. CARBAJAL. Thank you. Madam Chair, if you will allow me, since I seem to be the last one speaking, I would love to ask Mr. Erickson, if allowed, if he could touch on the Farm Workforce Modernization Act, something that attempts to address some of the concerns that have existed with the H-2A program, and some legislation that myself and many other Members here, Representative LaMalfa, Representative Panetta, have been a great part of, and I am wondering what your take is on that legislation that passed the House?

The CHAIR. Please answer the question, but always remember, I always have the last word.

Mr. CARBAJAL. Thank you, Madam Chair, absolutely.

Mr. ERICKSON. I feel like this is a last shot for us, for a lot of us. That sounds maybe dramatic, but when you look at the numbers, walk through your retail grocery store and look at the shelves, look at what is on the shelves. For specialty crop producers in the United States, I fear that the horse is already out of the barn because we should have done something 20 years ago or 15 years ago, 10 years ago, 5 years ago. This is it. What came out of the House, thank you to all of you who supported it, and yes, it is not perfect. We are not going to get perfect. We know we are not going to get perfect, because all the sides want different things. But we have to have compromise on this. We have to have compromise. We are working hard on our folks in the Senate. We know it can be improved. There are areas for improvement. Let's get it out of the Senate. We are telling them get it out of the Senate, and we know it won't be perfect coming out of the Senate. Let's bring it back and conference it. But we, as—

Mr. CARBAJAL. You support it?

Mr. ERICKSON. Absolutely.

Mr. CARBAJAL. Thank you.

Mr. ERICKSON. Let me make that—yes, absolutely. Over 250 organizations, fruit and vegetable organizations and producer organizations in the United States supported it. The vast, vast majority of producers—the mushroom folks, the dairy folks, we have to get this done. We have to get this done, because we are—as an industry, we are being squeezed out. No doubt about it, we are being squeezed out and it has been happening, and it is happening faster. As the U.S. demand increases, it is more opportunity for imports, and for them to gain traction there, and we are being stifled. Our business, for the last 5 or 6 years, we can't grow as much as we want to in terms of the business because we don't have the people to harvest the product. We don't have enough. That is a bottleneck.

Mr. CARBAJAL. Thank you, Mr. Erickson. I don't want to be chastised by our Chair, but thank you for your thorough answer.

Mr. ERICKSON. Thank you.

Mr. CARBAJAL. And thank you, Madam Chair, for allowing me to ask that last question.

The CHAIR. Sure, definitely. It was needed information.

I have my 5 minutes now of questions, and the first question I actually have is to you, Mr. Oliver. I wanted to know if you could talk about value-added food processing. In the Virgin Islands, this is something we have been looking at for our smaller farmers to work as a cooperative together to implement value-added food processing to support some of the things that Sommer Sibilly-Brown talked about so that we can move to exporting rather than just having internal food production.

Mr. OLIVER. Yes, the value of the Value-Added Producer Grant coupled with cooperatives, it is exponential what it could do. We recently joined a cooperative and it has allowed us access to markets I wouldn't normally attend, couldn't physically be there, and access to new groups of people that, again, wouldn't be there. The grant definitely can allow the entrepreneurial spirit to flourish. It can give you those means to take the chances or processing or equipment. You can't buy equipment with it. Now let me back up there. You can't buy the equipment, but for labor or training, it will defi-

nitely give you the funds to support that. And you know, my mind was racing like wow, what kind of oil could I press from things down there in the Virgin Islands?

The CHAIR. A lot.

Ms. SIBILLY-BROWN. We will talk.

Mr. OLIVER. And that is an opportunity, maybe oil processing from native plants and seeds down there.

The CHAIR. Thank you. That is really interesting.

Ms. Zeman, I wanted to ask you, some of your work has been involved—although you are working in a rural area, working with urban areas. I think about the fact that my home here in D.C., I can be in this area here on Capitol Hill where there is a wealth of food, and then as soon as I cross the Anacostia Bridge to where my home is, I enter a food desert. And the same way even on a small island like on the island that I live on, St. Croix, with so much food around, housing communities like Aureo Diaz Heights, and others are in food deserts.

Can you talk to me a little bit about how your work with farmers plays in serving these under-served minority communities or other communities?

Ms. ZEMAN. We do. Interestingly, a lot of those folks in those are doing a lot of their work themselves. Like Appetite for Change, I just recently figured out that we were only doing education on youth produce. It used to be in 4-H and FFA. No longer. Appetite for Change, Urban Minneapolis Ag is doing it for their kids, right, and they just did this wonderful rap song. It is all over Facebook. It has been viral.

It is education. It is also figuring out how to get them resources to do that value-added. To the point about the imperfect produce, not everything is perfect, right, but what if we could get commercial kitchens in that people could access, and then take up the dinged up tomato and pepper and make it into salsa?

In Minnesota we have a fairly progressive Cottage Food Law that allows people to do only food safety, so only the non-potentially hazardous foods, but you can make it in your home kitchen as long as you follow certain food safety requirements, and then you can—so, you can grow your—all your own. You can sell the good stuff at your farmers' markets or locally, take the imperfect, and make those into a value-added product. The same person, all of that. And it can be youth. It doesn't have to be just adults.

It takes a village to get all of that done. There is a lot of pieces, but we have some pretty smart people in Minneapolis and St. Paul pursuing that.

The CHAIR. Thank you.

Ms. ZEMAN. We are actually coming in under. They are taking the lead.

The CHAIR. Thank you, and I say that also in the Virgin Islands, like we cannot compete with Guatemala for mangos, but we could compete on mango chutneys or jams or preserves or things like that.

Sommer, I wanted to ask you, you mentioned the possibility of farmers working with local hotels and cruise lines. I know that my colleague, Mr. Cox, talked a little about it. What is the current re-

lationship between agriculture industry and tourism, and how can we strengthen that relationship?

Ms. SIBILLY-BROWN. The current relationship between ag and tourism in the Virgin Islands is actually broken. At one point they were under the same umbrella. It used to be the Department of Tourism and Agriculture, and they were working to increase that as agritourism is now a reality.

I have had the benefit of speaking to, like, cruise lines and what they are looking for is increased production, but also a barrier is crop insurance. There is an entry point that the Department of Tourism could actually make happen if we could get over the hurdle of aggregation and crop insurance. Having farmers produce cooperatively, store that food, and then consistently provide it for the cruise ships.

That relationship can build if we have some investments in the infrastructure.

The CHAIR. And then one of the things we always talk about back home is the expensive imports, and how does that impact local farmers dealing with the cost of importing things?

Ms. SIBILLY-BROWN. That impacts us tremendously because everything we need to grow food has to be imported. We are talking about—we don't have any seed banks, so we are talking from the seed to the packaging boxes. Farmers have to import those because we don't have packaging plants. Heavy equipment services like organic certification or audits are all imported, so it dramatically—food that could be cheaper becomes more expensive because the level of individual input the farmer has to put in, that will only level up if we can get our production to meet a certain scale. Right now, farmers are doing these things together.

We are in the perpetual chicken and egg where farmers trying to produce food locally have to exert so much without enough inputs, then the product becomes more expensive. We are a socially disadvantaged area, so then we don't have many people who can afford to buy that product, and the SNAP and EBT benefits become a challenge because our farmers don't have the individual infrastructure to actually benefit from it.

Where there are all these answers that are available, our true issue is how do we build a unique place-based infrastructure for a small territory like the Virgin Islands, and I would venture to say, American Samoa, Guam, and the Northern Mariana are sharing the same issues, as many rural places might be as well.

The CHAIR. Thank you.

I want to give some time to my good friend, Mr. Davis.

Mr. DAVIS. Thank you, Madam Chair, Mr. Ranking Member. I apologize for being late. I had a hearing right down the hall on the Voting Rights Act Reauthorization, so that is another committee I am on, but it is very important what many of you testified on today. And during the 2018 Farm Bill negotiations and that entire process, I was able to meet with many of my local groups to really discuss their priorities. And back home, I sat down with several local farmers and producers in conjunction with the Illinois Stewardship Alliance. I met them at Green Top Grocery in Bloomington, Illinois. It is a co-op grocery store where we discussed the benefits

of the LAMP Program. And I was glad to see the program was ultimately included in the bill that we passed in a bipartisan basis.

Ms. Zeman, I appreciate your constructive feedback regarding the ways in which the LAMP Program can be improved, especially for these local producers who may not have all the tools to be successful in their applications. You proposed in your testimony waiving some or part of the matching requirement for certain organizations. Can you please describe specific ways in which the USDA and Congress, as we look towards the next farm bill, may be able to help prospective applicants be successful outside of waiving the matching requirement?

Ms. ZEMAN. Mr. Oliver used a grant person to help. If you can't waive, because I would understand that might be a fairness and how would you figure out how to do that fairly and justly, if there would be money available so you could always pay an expert grant writer, that would help immensely. If a grant writer could be the one that has the numbers and the accounts, and then just let all of our young farmers on the Value-Added Producer Grant—that is a formidable process. I review those grants. They are 100 pages long. I can't imagine some farmers trying to get that done, right? If there would be a system where we would have expert grant writers to help just get the process to go through, the idea and the work is still on the farmer, farmers' market, or the farm side, but that process we could offshoot it to that. Unless you could waive the fee for some. That 25 percent, that is a lot of money. Like my association, 70 percent of our budget is grants. Only 30 percent can we raise off membership dues, right, so we are very grant heavy, and we can't use other grants to be the matching grant, otherwise that is magic math, and a lot of that isn't allowed. It is really hard to come up with that, unless you are already a heavily-resourced agency.

That then leaves out a lot of people, because a lot of us aren't heavily-resourced. And then there are the people that don't even know any of that, right, in other words, we are giving money to people that already have money, and we are leaving the rest of them outside.

Mr. DAVIS. Well, I appreciate your responses. Instead of maybe waiving a matching requirement at the Federal level, maybe we allow for state partnerships, state programs to be considered in ability to match that program.

At some point, we want to build out the prioritization of the Federal Government leads. We would like to see the states get engaged in this process, too.

I look forward to working with you and your association, other associations as we move into the next farm bill.

Mr. Oliver, you use this program, right?

Mr. OLIVER. Yes, sir.

Mr. DAVIS. Do you have any comments?

Mr. OLIVER. As we have been saying, the paperwork is very daunting. The—being taxed on—

Mr. DAVIS. The government paperwork is not just—its problem is not just limited to the LAMP Program.

Mr. OLIVER. Understood. Yes, sir. The fact that you get taxed on this, though you have made the money, and I spend my money for

whatever I am to be reimbursed on, and then at the end of the year I get a paper saying there is taxable income, and in my case, \$250,000 I spread over 3 years, but some people do it in a year. That is a wallop to be added to your income there, which just doesn't seem fair there. I would definitely say that could be changed.

Mr. DAVIS. Okay. Well, thank you. Thank you.

And real quick, Mr. Erickson. I am pleased to see that your company works with 4-H and FFA. I think they are two indispensable programs that help create some of our nation's leaders, not just in agriculture, but in government and all throughout our great economy.

There are some challenges that lie ahead for both those organizations, and I am sure you are giving them a fantastic learning opportunity working with you. Can you actually tell us a bit more about how you are making sure these folks that belong to the FFA and 4-H are engaged in what you do?

Mr. ERICKSON. Absolutely. Mostly it is bringing these kids out to the farm. We have an open-door policy with these organizations. We host a lot of tours with them. I mentioned earlier that there is a big fruit and vegetable and citrus show that happens down in the valley. We invite all these kids to come out. Our farmers teach the kids about how the product grows, about how to select a product in the field, how to make bunches, about the harvesting, about the marketing aspects. We recognize that these kids—these are the future leaders that are going to hopefully, they will be up here in Washington, D.C. They will be in our state legislature. They will be working for J&D Produce, hopefully, one of these days, doing director of marketing or working on accounting or sales or as a farm manager or whatever it may be. These kids are our future, and we definitely understand the need, and allocate a lot of time and tours, donations and training and education to these kids as a private organization.

Mr. DAVIS. Thank you. I yield back.

The CHAIR. Thank you. The Ranking Member for your closing remarks?

Mr. DUNN. Thank you very much, Madam Chair.

I just want to say that after hearing our testimony here today, we had a hopeful note. We may be able to help customers who have EBT cards or the SNAP cards. If we could connect them with the farmers' markets, I think that is good for them as well as for the farmers' market. Maybe we can find a simple solution there, I pray.

I also heard again how important it is to everybody, farmers, foresters, and ranchers, to have a good working guestworker program in the ag field, and we just have to tackle this. We have to get this done. We can't lard it up with a whole bunch of things that people wish for. We just have to get it done for the farmers, and I hope we do.

Thank you very much, Madam Chair. I yield back.

The CHAIR. Thank you. I am reminded in that a hearing last year, the Subcommittee talked about some of these issues as well. At that time, one of the witnesses was a representative from the Virgin Islands, Ridge to Reef Farm on the Island of St. Croix. That farm, despite being impacted by multiple natural disasters, the ter-

territory's only organic farm has been able to, through local market opportunities such as Community-Supported Agriculture Program, a farm stand, multiple farmers' markets, and agritourism experiences. Other farming operations in the Virgin Islands, if they follow suit, I believe the territory's farmers and ranchers can work to meet the demands of their communities, decrease our overall dependency on expensive imports, and foster innovative partnerships with local restaurants in our thriving tourism industry. The economic potential exists, but my producers need resources and technical assistance to successfully make these business decisions.

Because of our geographic location, as you have heard from the USVI witness today, farmers in the Virgin Islands, similar to those in rural areas, struggle to receive competent and competitive grants for food processing. These are the many challenges we face every day, and I am glad we had an opportunity to speak on those things. The growth in value-added programs is a great step in the right direction. We must look for an equitable way to assist our farmers in growth and production. In our islands, the Virgin Islands, we import 90 percent of our food. We would love to come to a place where we are much more sustainable and reliant on ourselves. We encourage farmers' markets, such as the annual Agricultural Fair coming up in a week, where farmers have an opportunity to showcase their best products. Programs like LAMP contribute to the growing markets.

This is personal for me. Farmers in the Virgin Islands want to compete, and I thank you, our witness, Sommer Sibilly-Brown, for highlighting their challenges.

I want to thank all of our witnesses for their valuable testimony. Mr. Erickson, Mr. Oliver, Ms. Zeman, your testimony is really advancing, and we have identified some areas where we think we can work and support you all and the work that you are doing. I hope that we as a Subcommittee can continue to support local agricultural markets, moving forward.

At this time, this hearing stands adjourned. Members have 10 business days to supplement or add to the record.

[Whereupon, at 11:37 a.m., the Subcommittee was adjourned.]