



*Farm and Food Policy  
Diversity Initiative*

**Farm and Food Policy Diversity Initiative**

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**Restore Reductions in the Risk Management Agency  
Community Outreach Partnership Program**

**Background:** The popular and productive **Risk Management Agency Community Outreach Partnership Program** faces a severe cut that threatens the funding not only of this year's (FY 09) partnership grants currently under review at the Department, but also future grants for the life of the 2008 Farm Bill. RMA community outreach activities provide information and training to women, limited resource, socially disadvantaged and other traditionally under served producers, and have proven highly effective in reaching traditionally underserved communities with the program information and technical assistance necessary to fully access and participate in all RMA programs and activities.

RMA has indicated that it will transfer the bulk of the funds allocated previously for this program to information technology. The deep cuts in the Community Outreach and Partnership Program began with grants made at the end of FY 08. The funds available were reduced from the \$8.3 million committed last year to about \$2.5 million. Similar reductions are being made in FY 09 funding.

**Action: Instruct the Secretary to fully restore funds to the RMA Community Outreach and Partnership Program instead of reallocating these funds to computer and technology programs that have failed in the past.**

**This proposed funding cut is being proposed at this time because:**

- The USDA Risk Management Agency (RMA) is moving rapidly to implement Farm Bill provisions in Section 12024 (see appendix).
- The section requires some reductions (from \$20 million to \$12.5 million) in risk management research, education and outreach programs and provides discretion, but does not require, RMA to use a portion of the funds for information technology and compliance.
- The President's budget for 2009 specified that the \$5 million for information technology should come from the portion of the overall funding pool that funds insurance companies.
- Section 12021 also provides authority for the Secretary to use \$15 million from insurance company fees for the same purpose.
- The language included in the farm bill leaves more discretion to the agency to move funds as it sees fit. A portion of report language that expressed a preference from Congress that funding for the Community Outreach and Partnership Program be maintained was removed on the last day the Farm Bill was open to changes.

**The RMA Community Outreach Partnership Program, which awarded 57 grants in 36 states in 2007, is important because it:**

- Targets assistance to the many socially disadvantaged specialty crop producers - who comprise some 12% of all specialty crop producers – that are not well-supported by other USDA programs
- Has been a critical and consistent provider of outreach on risk management to the socially disadvantaged community when other USDA program agencies fail to deliver services or reach these producers
- Supports a wide range of activities aimed to provide technical assistance, capacity-building, and risk reduction to individual producers who lack access to other forms of risk protection
- Partners with community-based organizations, helping to build capacity of local organizations to provide technical assistance and increasing local knowledge of USDA programs
- Builds trust between socially disadvantaged farmers and ranchers and the USDA
- Is essential to implementing the gains for socially disadvantaged producers authorized in the 2008 Food, Conservation, and Energy Act

**Statistics gathered by a Rural Coalition survey of 1,142 diverse RMA Outreach Program participants in 19 states indicate how desperately the program is needed. Prior to program participation:**

- Only 4.7 percent of producers had a risk management plan for their farming enterprise.
- 42.7 percent of producers indicated that they use a tax preparer, but only 18.6 percent filed an IRS Schedule F, which is necessary to become eligible for USDA farm program participation and for crop insurance.
- 28 percent of participants had applied for a USDA loan. Of those, 91.3 percent had been denied a loan from USDA.
- Most of the respondents (84.6 percent) had never purchased crop insurance

*The Farm and Food Policy Diversity Initiative was formed in 2006 by diverse organizations committed to assuring the issues affecting socially disadvantaged farmers and ranchers, farmworkers and rural communities were addressed in the 2007 Farm Bill debate. For more information go to [www.ruralco.org](http://www.ruralco.org).*

**Section 12024**

*Within the following \$7.5 million and \$12.5 million accounts for research and development grants and risk management partnership programs, discretionary authority is also provided to use not more the \$5 million between the two line items for compliance tools and training and information technology.*

**Mandatory funding for crop insurance product research and development grants**

| Previous Year | Current year  | Amount (%) cut |
|---------------|---------------|----------------|
| \$15 million  | \$7.5 million | \$7.5 (50%)    |

**Mandatory funding for research and development contracting authority and for risk management partnership programs**

|                       | Previous Year | Current year    | Amount (%) cut                |
|-----------------------|---------------|-----------------|-------------------------------|
| Outreach Partnerships | \$8.3         | \$2.25          | \$6.05 (73%)                  |
| Targeted States       | \$5           | \$5.0           | 0 (0)                         |
| <b>IT</b>             | <b>0</b>      | <b>\$5.0</b>    | <b>(\$5 million increase)</b> |
| Research              |               | 0               |                               |
| Total                 | \$25 million  | \$12.25 million | \$12.5 (50%)                  |

**Section 12021**

The new farm bill also provides \$4 million a year in mandatory funding for data mining and \$15 million a year in mandatory funding for information technology from Section 516 J.

**Total new IT AUTHORITY:**

\$20 million, in addition to appropriated funds.