



November 6, 2017

The Honorable Pat Roberts
Chairman
Committee on Agriculture, Nutrition
and Forestry
United States Senate
328A Russell Senate Office Building
Washington, D.C. 20510

The Honorable Debbie Stabenow
Ranking Member
Committee on Agriculture, Nutrition
and Forestry
United States Senate
328A Russell Senate Office Building
Washington, D.C. 20510

The Honorable K. Michael Conaway
Chairman
Committee on Agriculture
United States House of Representatives
1301 Longworth House Office Building
Washington, D.C. 20515

The Honorable Collin C. Peterson
Ranking Member
Committee on Agriculture
United States House of Representatives
1305 Longworth House Office Building
Washington, D.C. 20515

Dear Chairman Roberts and Conaway and Ranking Members Stabenow and Peterson:

As your committees begin consideration of the 2018 Farm Bill, please consider our association's priorities and suggestions so that cooperatives have the authority they need to carry out the important work they perform in the communities they serve both domestically and around the world. Specifically, we call to your attention to these key areas in the rural development and trade titles, Titles VI and III, respectively, throughout the bill:

TITLE VI – Rural Development

SUBTITLE A – Consolidated Farm and Rural Development Act

Rural Cooperative Development Grants

Locally or Regionally Produced Agricultural Food Products

SUBTITLE C – Miscellaneous

Value-added Agricultural Product Market Development Grants

TITLE III – Trade

SUBTITLE A – Food for Peace Act

Minimum Level of Nonemergency Food Assistance

John Ogonowski and Doug Bereuter Farmer-to-Farmer Program

SUBTITLE C – Other Agricultural Trade Laws

Food for Progress Act of 1985

The cooperative business model is a proven economic development tool that creates horizontal and vertical linkages that empower people to overcome barriers of isolation, lack of access to capital and markets, and low-density population in the United States and emerging markets abroad. As a matter of public policy, cooperatives should be eligible for all programs authorized in the farm bill. The bill should also prioritize cooperatives when possible to address critical and emerging policy needs such as access to in-home care and healthy foods, sustainable jobs and retention of small businesses. Cooperatives are one of the most effective strategies to help the bottom line of farmers and provide services such as electricity and credit to people who live in rural communities. They have enabled residents of our rural communities to compete and thrive in increasingly consolidated market places.

The following suggestions will strengthen cooperatives' ability to create economic opportunity:

TITLE VI – Rural Development

SUBTITLE A – Consolidated Farm and Rural Development Act

We seek investment in innovative, cooperative strategies in the rural development title for people who live in our nation's rural communities and provide services that help them thrive. Specifically, we ask that the bill provide the following:

Rural Cooperative Development Grants –

We support the continuation of existing law and the program's reservation of funds to address the needs of minority communities and ask that the program be reauthorized by keeping authorization of appropriations to no less than \$40 million annually beyond 2018.

We support enhancements to the cooperative research program whereby the Secretary shall enter into a cooperative research agreement with 1 or more qualified academic institutions in each fiscal year to conduct research on the effects of all types of cooperatives on the national economy. Suggested legislative text could include:

“Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)) is amended by adding at the end the following:

“(10) Cooperative research program.—

“, that includes research and analysis based on data from the Economic Census performed every five years by the U.S. Census Bureau”

We support the continuation of existing law as it relates to the Interagency working group which provides national and local cooperative organizations with a voice and opportunity to collaborate with federal agencies. This collaboration has been successful in linking appropriate federal resources to development and data research needed to forge unique cooperative solutions for the needs of rural people and their communities.

Locally or Regionally Produced Agricultural Food Products –

We would like to see that worker cooperatives who provide jobs and services to underserved, rural communities made eligible under the loan and loan guarantee section of this program. Suggested legislative text, with changes to current law underlined, could include:

“Section 310B(g) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)) is amended by adding the following:

“(9)(B) LOAN AND LOAN GUARANTEE PROGRAM.—

“(i) IN GENERAL.—The Secretary shall make or guarantee loans to individuals, cooperatives, cooperative organizations, businesses, worker cooperatives that provide jobs and services to underserved, rural communities, and other entities to establish and facilitate enterprises that process, distribute, aggregate, store, and market locally or regionally produced agricultural food products to support community development and farm and ranch income.”

SUBTITLE C – Miscellaneous

Value-added Agricultural Product Market Development Grants –

We support the reauthorization beyond 2018 in an amount not less than \$63 million.

TITLE III - Trade

We support the continuation of trade through Food for Peace and other laws and commend the previous 2014 Farm Bill’s objective that Title II programs be modified to focus on building resilience to mitigate and prevent food crises and reduce the future need for emergency aid. NCBA CLUSA has a long history of development activities through the cooperative model and/or principles to address the underlying causes of food insecurity in areas around the world. Assistance under this title has a tremendously powerful, multiplier effect on U.S. communities. Doing these programs overseas directly benefits U.S. businesses, jobs, the agriculture sector, and U.S. communities as a whole. They are "money in the bank domestically" investments. Specifically, we ask that the bill provide the following:

SUBTITLE A – Food for Peace Act

Minimum Level of Nonemergency Food Assistance -

We support a continued authorization beyond 2018 that authorizes \$2.5 billion and no less than \$350 million to carry out nonemergency food assistance programs.

John Ogonowski and Doug Bereuter Farmer-to-Farmer Program –

We support the reauthorization beyond 2018 in amounts not less than the greater of \$15 million or 0.6 percent of the amounts made available under the 2014 Farm Bill. Through programs like this, Americans continue to engage with the world, taking real life, small town American farm experiences to places as far-flung as Senegal, Mozambique, and Burkina Faso. Through this tremendously powerful and

successful program, we share U.S. experience and technology with people worldwide. We build partnerships --and friendships that endure for decades --with communities in every country in the developing world, whose value can never be priced in dollars alone.

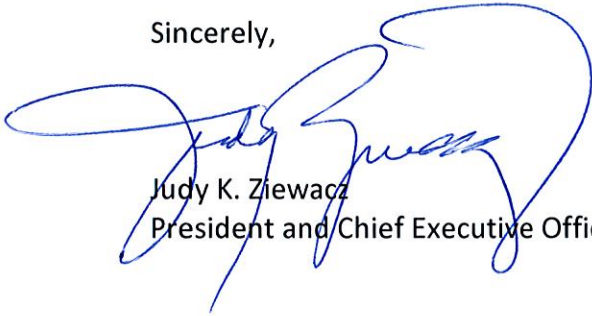
SUBTITLE C – Other Agricultural Trade Laws

Food for Progress Act of 1985 -

We support a continued authorization beyond 2018 for the Food for Progress program. The U.S.-based businesses with whom we work, such as Starbucks and McCormick spices, have enormous financial stakes in sourcing sustainable supplies from emerging markets. Our cooperatives in multiple markets are integral to U.S. multinational corporations' financial bottom line. Through the implementation of this program, we help U.S. businesses succeed, helping U.S. communities grow and strengthen, sustainably, and creating American jobs.

NCBA CLUSA understands the tremendous complexity you and your committee and staff must undertake in this Farm Bill and appreciates your consideration of these above listed priorities and suggestions.

Sincerely,



Judy K. Ziewacz
President and Chief Executive Officer