

2023 FARM BILL PRIORITIES

RECOMMENDATIONS TO DRIVE A ROBUST, PROSPEROUS RURAL ECONOMY THROUGH COOPERATIVES

WHY PRIORITIZE CO-OPS?

For more than a century, cooperatives have played a crucial role in the rural economy. Co-ops make it possible for people to own and control their businesses and ensure people have access to critical markets and services.

People turn to cooperatives for three primary reasons: to address market failures where neither the private sector nor the government provide a needed service; to help small players gain parity with large, investor-owned competitors; and to give consumers a deliberate choice of enterprise to better meet their common needs and aspirations.

Cooperatives are businesses that are owned and controlled by members. Compared to other business models, cooperatives across sectors:

- Reinvest back into the local economy at higher rates
- Create and maintain more local jobs
- Source more goods locally
- Empower member-owners to be more civically engaged
- Have greater business survival rates
- Feature higher worker productivity and lower workforce turnover

NCBA CLUSA urges Congress to prioritize cooperative businesses in the 2023 Farm Bill to equip rural people and communities with the tools to drive a robust, prosperous rural economy.



The National Cooperative Business Association CLUSA International (NCBA CLUSA) is the primary voice in the United States for people who use cooperatives to build a better world. As a trusted, proven way to do business and build communities, cooperatives play a vital role in creating economic opportunities that empower people in the United States and around the world to improve their lives and the lives of future generations. On behalf of our members, NCBA CLUSA speaks with a united voice before elected officials, advocating for federal policies that enable people to use cooperative enterprise.

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TITLE VI

RURAL DEVELOPMENT

MODERNIZE THE RURAL COOPERATIVE DEVELOPMENT GRANT PROGRAM

The Rural Cooperative Development Grant (RCDG) program is the only federal program that exclusively invests in the startup, innovation and growth of cooperative businesses.

PRINCIPLES

We believe the following principles should guide the reauthorization and administration of the RCDG program:

- Cooperative development includes outreach, education, training and delivery of technical assistance
- The focus of program participants is to support the startup, expansion or ongoing sustainability of cooperatives in all rural areas of the country and in all sectors of the rural economy
- Program grantees should give priority to cooperatively and mutually owned businesses; support to other rural businesses is permitted but is not a primary focus of the program.
- USDA should have the resources and authority to support a 50-state strategy, ensuring that all

rural communities have meaningful access to cooperative development technical assistance.

- Collaboration among program grantees to support cooperative development more effectively are encouraged.

POLICY

- 1) To reduce regulatory burden and to increase the effectiveness of program delivery, the Secretary should use all existing authorities to implement multi-year grants for applicants with a demonstrated track record of success in delivering the RCDG program, as authorized through the 2008 Farm Bill (P.L. 110-234). This may require:
 - An initial influx of funding (mandatory Farm Bill funding or appropriations) to finance multi-year obligations of federal funds, and/or
 - Authority to award multi-year grants on a basis “subject to further appropriations.”
- 2) To ensure equitable interpretation of current program match requirements, all applicants that fully meet match requirements should receive maximum points in application scoring. The current approach of “scoring on a curve” disadvantages under-resourced organizations.



REPORT LANGUAGE

We seek committee report language to:

- Establish consistency for both when RCDG Notice of Funding Availability are published and when applications are due.
- Reduce the regulatory burden by eliminating redundancies in the application process.
- Ease reporting requirements for tenured partners. USDA should make better use of performance data (co-ops established, groups served, jobs saved or created, etc.) that is already submitted to state offices as part of the grant administration process and increase coordination between the Rural Business-Cooperative Service and Economic Research Service to better advance data on the economic impact of cooperatives in rural America.

LEVEL THE PLAYING FIELD FOR COOPERATIVES IN BUSINESS AND AGRICULTURE PROGRAMS

- Ensure that USDA programs recognize the unique and time-tested model of cooperatives by maintaining and expanding co-ops' eligibility to participate in USDA programs

STRENGTHEN THE INTERAGENCY WORKING GROUP ON COOPERATIVE DEVELOPMENT

- The Interagency Working Group on Cooperative Development (IWGCD), authorized through the 2014 Farm Bill, is charged with fostering cooperative development through interagency coordination with national and local co-op organizations. With new data available and passage of new legislation to promote cooperative business, the Working Group should be required to submit an annual report to Congress on the progress of this work.

STREAMLINE USDA BROADBAND PROGRAMS AND ENSURE COOPERATIVES HAVE EQUITABLE ACCESS TO THE RECONNECT PROGRAM

- Every American deserves access to reliable, affordable broadband. Because Rural Electric Cooperatives serve 42 million households—including 92% of persistent poverty counties—they are well positioned to bridge the digital divide.

TITLE II CONSERVATION

SUPPORT INCREASED ACCESS TO VOLUNTARY CONSERVATION PROGRAMS FOR COOPERATIVES

Ensure that conservation programs recognize and include a preference for cooperatives to fully participate as a way for producers, particularly small and underserved farmers, to compete within industry by aggregating resources at scale.

TITLE III TRADE

REAUTHORIZE CRITICAL INTERNATIONAL FOOD AID PROGRAMS FOR COOPERATIVE DEVELOPMENT

- Reauthorize the Food for Progress Act to strengthen markets of emerging international agricultural sectors and promote trade opportunities for domestic agricultural producers.
- Reauthorize the McGovern-Dole International Food for Education and Child Nutrition Program and preserve its emphasis on cooperatives as a tool to strengthen food security and eradicate hunger.
- Reauthorize the John Ogonowski and Doug Bereuter Farmer-to-Farmer Program within the Food for Peace Act and ensure that cooperatives remain an integral part of education programs.

TITLE IV NUTRITION

ENSURE COOPERATIVE GROCERY STORES CAN FULLY PARTICIPATE IN ALL SNAP PROGRAMS AND ADMINISTER ALL SNAP BENEFITS

- The SNAP audit should properly recognize the cooperative ownership model to prevent the incorrect disqualification of grocery and food co-ops and inability to accept benefits.
- The Supplemental Nutrition Assistance Program (SNAP) provides over 41 million low-income individuals with monthly grocery benefits. As SNAP retailers, grocery and food co-ops can support

members of their community and provide individuals with access to food that is often produced locally.

TITLE V CREDIT

SUPPORT THE FARM CREDIT SYSTEM

- Strengthen crop insurance, expanding the Farm Service Administration guaranteed loan program to better serve young and historically underserved farmers and ranchers, and investing in rural infrastructure including broadband, energy, water and community facilities.



TITLE IX ENERGY

ENSURE POLICY THAT ALLOWS PEOPLE TO CONTINUE TO USE RURAL ELECTRIC COOPERATIVES TO ACCESS AFFORDABLE, RELIABLE ELECTRICITY

- Provide affordable energy investments to rural families through the Rural Energy Savings Program; extend the repayment window of the Rural Energy Savings Program and codify the expansion of the energy efficiency measures to manufactured housing to reduce the energy burden on rural households and our most vulnerable residents.

TITLE X HORTICULTURE

REAUTHORIZE THE VALUE-ADDED PRODUCER GRANT PROGRAM

- Maintain scoring preference for cooperatives so more farmers and ranchers can benefit from investments to increase and expand market opportunities.

OVERARCHING USDA

- Create new opportunities for capacity building in rural communities so small towns can equitably access federal funding and resources.
- Modernize USDA technology to enable offices to implement agency programs most efficiently, particularly technical assistance programs, in service of cooperatives and rural communities.
- Invest in USDA staffing to reduce existing staff shortages and prevent future shortages due to an aging workforce.

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