



New England Food Policy: *Building a Sustainable Food System*

March 2014

**American Farmland Trust
Conservation Law Foundation
Northeast Sustainable Agriculture Working Group**

New England Food Policy: Building a Sustainable Food System

PROJECT AND REPORT BACKGROUND

This report contributes to efforts across New England to promote a more regionally focused, healthier, economically vibrant, resilient, just and environmentally sustainable food system for New England. It reflects the collaborative work of three partners: American Farmland Trust (AFT); Conservation Law Foundation (CLF); and Northeast Sustainable Agriculture Working Group (NESAWG). As co-leaders of a two-year New England regional food system policy project, AFT, CLF and NESAWG analyzed policy barriers and gaps around increasing production and consumption of New England-sourced food consistent with the New England Food Vision. This analysis, along with policy suggestions, is presented here. It constitutes the first phase of the project. Its purpose is to provide groups and advocates with information, support and inspiration to promote local, state, regional and federal policy changes that could have the most significant impact on expanding production, strengthening food supply chains and enhancing multistate cooperation toward a more robust and resilient regional food system.

The report is intended as a tool to guide citizens, organizations, coalitions, agencies and policymakers to pursue supportive public policies and remove policy barriers. It focuses on public policy issues in five areas:

- » Land: Reducing Conversion, Increasing Permanent Protection and Expanding Access
- » Food Production
- » Food Safety, Processing, Aggregation and Distribution
- » Markets
- » Waste Streams

Our analysis is based on research conducted by AFT and CLF staff, with input from interviews with regional leaders and numerous stakeholders. In each area, the authors present a scan of the policy landscape. Each section identifies key public policy barriers and gaps at the state level, with reference to federal policy obstacles that affect our region. Sections also highlight supportive state and federal programs and policies. We note that this report was researched, written and finalized before the 2014 Farm Bill was passed; references in our analysis to the “next farm bill” should be read with the understanding that the 2014 Farm Bill was passed while this report was in final production. Similarly, the 2012 Census of Agriculture was released while this report was in final production.

We also conducted a scan of regional models for states working together to achieve shared goals. Some examples are drawn from within food systems. Some models come from other regions of the United States. Each model is potentially useful depending on the problem being addressed. The purpose of this unique research is to suggest additional ways that New England states could most effectively cooperate on strengthening our region’s food system.

This report provides an unprecedented examination of policy challenges and opportunities in the six New England states. That said, the five areas we investigated do not cover every possible food system topic, and do not address many private sector efforts that are important to the region's food system. Nor does the report substantively address fundamental food system issues such as equity and food access. Policy actions at all levels will need to integrate these and other elements and considerations.

Action: A Summary of Policy Suggestions

In each of the five sections, the authors present policy suggestions to address the identified barriers and gaps. We focus on state-level policy but also draw attention to federal policy challenges where these surfaced. This discussion is broken into three areas, though not every subsection contains suggestions in each area:

1. Support for existing programs;
2. Needed research and analysis; and
3. Policy options.

These policy suggestions are summarized below.

I. LAND: REDUCING CONVERSION, INCREASING PERMANENT PROTECTION AND EXPANDING ACCESS

1.1 REDUCING FARMLAND CONVERSION

CURRENT USE PROPERTY TAX VALUATION

Research and Analysis

- Analyze current use enrollment data at the state level to help policymakers evaluate program effectiveness.
- Gather and analyze feedback from landowners, assessors and municipal planning officials to assess the impact of current use programs on development patterns.
- Examine the impact of Massachusetts' right of first refusal policy to determine its effectiveness in helping towns protect farmland.
- Explore current use programs as a potential policy vehicle to expand farmland access.

Policy Options

- Allow municipalities to retain recapture penalties and direct them toward municipal farmland protection projects.
- Incorporate a right of first refusal into the program, allowing a town to purchase a farm parcel or assign the purchase to a land trust in the event the parcel is being developed.
- Through current use programs, encourage farming in urban and suburban areas and encourage more secure tenure for farmers leasing land.
- To incentivize conservation stewardship practices, adjust valuation guidelines to provide greater tax relief on land being farmed using key conservation practices or in conformance with a conservation plan.

- Provide towns with additional property tax tools to protect farmland, as Maine's Voluntary Municipal Farm Support Program does.
- Consider changes to current use statutes to incentivize additional leasing to farmers and longer lease terms.

STATE AND FEDERAL ESTATE TAXES

Research and Analysis

- Analyze how changes proposed in the Family Farm Estate Tax Relief Act of 2010 (H.R. 5475) would impact New England farms.
- Explore the connection between and opportunities for synchronizing state current use provisions for property taxes and federal and state estate tax provisions relating to special use valuation assessment.

Policy Options

Federal

- Revise the special use valuation assessment to incentivize keeping agricultural land in production.

State

- Consider special provisions for farms under the state estate tax, including provisions to exempt agricultural assets from estate taxes.

PLANNING AND LAND USE

Support for Existing Programs

- Maintain support for the federal Partnership for Sustainable Communities program, which provides funding for regional planning around food systems, including agricultural land use.
- Continue providing communities with financial and technical assistance to help them develop plans and zoning regulations that encourage smart growth, support farming and protect farmland.

Policy Options

- Require all local and regional plans to incorporate smart growth techniques, and require that local zoning conform to state and local comprehensive plans.
- Use technology such as GIS mapping and extrapolation software to demonstrate the effects on agriculture of current and past planning strategies, and to show the impacts of potential future policies.
- Amend state zoning laws to permit plant agriculture in all zoning districts, in order to encourage better use of agricultural land.
- Incentivize municipalities to designate growth areas that can support increased development density.
- Explore creation of sub-state regional transfer of development rights programs, and needed state-level enabling legislation, or possible incentives to promote such programs.

FARMLAND MITIGATION

Policy Options

Federal

- Strengthen the federal Farmland Protection Policy Act by:
 - » Requiring federal agencies to alter projects to avoid or minimize farmland conversion where possible; projects could be held to a “no feasible alternative” test.
 - » Covering agricultural farm parcels that are in urbanized areas or consist of fewer than 10 acres of land.
 - » Mitigating conversion when farmland is developed with funding from federal agencies.
 - » Creating additional opportunities for the public and key stakeholders to review and challenge decisions.
- Strengthen the role of U.S. Department of Agriculture’s Natural Resources Conservation Service (NRCS) by:
 - » Granting that agency the authority to determine whether a site contains farmland and is therefore subject to the Farmland Protection Policy Act.
 - » Providing NRCS with greater authority in the final review process and decision.
 - » Mandating reporting by agencies to NRCS and the public; create measures to evaluate effectiveness of the Farmland Protection Policy Act.

State

- States that have not done so should consider implementing a strong farmland mitigation policy that achieves the following:
 - » State funds and federal funds administered by state agencies should not be used for the conversion of agricultural land to other uses when feasible alternatives are available.
 - » Where farmland must be converted, mitigation should be required.
 - » Any project proposed by a municipality, nonprofit or private party that requires state approval, permit or assistance should be reviewed by the state to determine if agricultural land will be converted to nonagricultural use.
 - ~ The conversion of agricultural land to other uses should not be allowed when feasible alternatives are available.
 - ~ If the avoidance of farmland loss is not possible, mitigation should be required.
 - » Options for mitigating the loss of farmland to nonagricultural uses include:
 - ~ The permanent protection of farmland on-site;
 - ~ The permanent protection of agricultural land off-site; or
 - ~ Financial contributions to a state, municipal or nonprofit farmland protection program.

1.2 INCREASING PERMANENT PROTECTION

Support for Existing Programs

- Continue and expand funding for the federal Farm and Ranch Lands Protection Program, which is an important source of matching funds for state and local farmland protection efforts.

- Increase funding for the region's state Purchase of Agricultural Conservation Easements (PACE) programs, several of which are not meeting demand.
- Reauthorize the enhanced federal tax incentive for conservation easement donations.

Research and Analysis

- Model future land use trends and land use needs for agriculture, especially in light of climate change.
- Analyze how effective the Massachusetts refundable conservation tax credit is in protecting farmland.

Policy Options

Federal

- Funding for federal farmland protection should be significantly expanded and used to leverage additional state funding.
- Administer the Farm and Ranch Lands Protection Program in a way that recognizes the long-standing expertise of state PACE programs in protecting farmland, and defers to state programs on easement terms and conditions.
- Find ways to permanently protect productive farmland now in sod and turf production, as well as currently forested land on prime farmland soils.

State

- Adopt mechanisms like Massachusetts's Community Preservation Act that enable and incentivize communities to help finance farmland protection efforts.
- Provide additional funding for the long-term monitoring and enforcement of agricultural conservation easements; consider creating a dedicated trust fund for this purpose.
- Consider adopting an Option to Purchase at Agricultural Value (OPAV) in PACE programs to keep farmland affordable for both established and new farmers.
- Encourage greater communication among state land conservation agencies, farmers and land trusts to foster better understanding of easement terms and conditions, as well as how they affect farm viability.

1.3 EXPANDING LAND ACCESS

URBAN AGRICULTURE: ZONING

Policy Options

- Examine whether state laws can be amended to prohibit local zoning regulations from unnecessarily hampering the expansion of urban agriculture.
- Update comprehensive plans to explicitly include goals supporting urban agriculture.
- Reduce local regulatory barriers by making zoning ordinances less restrictive or ambiguous toward urban agriculture:
 - » Reduce special permitting obligations for agricultural land uses.
 - » Use interim zoning if immediate zoning relief is necessary while a more comprehensive reform effort is underway.

- » When comprehensive zoning reform is not possible, more localized or temporary efforts, such as urban agriculture overlay districts, provide an opportunity to carve out large or small areas where urban agriculture is allowed regardless of underlying zoning restrictions.
- Provide frequent opportunity during policy development processes for community input and education around public health concerns related to urban soil contamination.

URBAN AGRICULTURE: SOIL CONTAMINATION

Research and Analysis

- Encourage and make routine the implementation of best management practices for growing in soils that are not contaminated by legal standards, but may still have background levels of contaminants that pose public health threats.

Policy Options

- Update soil contamination laws and programs to anticipate agriculture as a future land use for remediated properties.

FARM LINKING PROGRAMS

Support for Existing Programs

- Reauthorize and fully fund the federal Beginning Farmer and Rancher Development Program in the next farm bill, as the program has provided important resources for organizations and agencies providing services to new and beginning farmers in New England.
- Help support farm linking services with resources directed to state or private sector programs.

LAND LEASING

Research and Analysis

- Analyze a state-level beginning farmer tax credit linked to property taxes to understand its potential impact and benefits.
- As urban land may not be enrolled in or be eligible for a state's current use property tax program, states should consider a per-acre and per-credit cap to enable all eligible landowners to participate, regardless of the amount of property tax they pay.
- States that have not yet done so should inventory state-owned lands to determine their suitability for agricultural production.
- Encourage dialogue between state and federal natural resources agencies, state agriculture agencies and farmers to address management concerns around leasing public land for agriculture.
- Analyze the potential for using state-owned forestland for silvopasture and the cultivation of agricultural products.

Policy Options

- Permanently protect productive state-owned farmland.
- Encourage state conservation agencies to incorporate agricultural production into their land management strategies, where feasible and appropriate to do so.
- Consider strategies to improve tenure security, such as longer or rolling lease terms and ground leases.

FINANCING LAND ACQUISITIONS

Research and Analysis

- Survey new and beginning farmers in the region to determine their interest in and ability to invest in individual development accounts.
- Research the region's Farm Service Agency (FSA) loan and land portfolios to determine the amount of land currently in the agency's inventory and the amount of land the agency has foreclosed on within the past five years.

Policy Options

Federal

- Appropriate funding for the Beginning Farmer and Rancher Individual Development Accounts and include at least one New England state in the pilot program.
- Lift the restriction on future subdivisions of protected farms from the Farm and Ranch Lands Protection Program to allow appropriate subdivision of large farms into smaller farm parcels in order to provide access to land for new and beginning farmers.
- Require the Farm Service Agency to permanently protect farmland on which it forecloses, and to sell the land with an OPAV provision attached.

State

- Fund state PACE programs to meet demand.
- The Land Access Project has a series of recommendations aimed at making farmland more affordable for new and beginning farmers, including:
 - » Include the Option to Purchase at Agricultural Value in all state PACE programs to keep farmland affordable.
 - » Lift the restriction on future subdivisions of protected farms to allow appropriate subdivision of large farms into smaller farm parcels in order to provide access to land for new and beginning farmers.
 - » Develop entirely new offerings within existing PACE programs and gear them specifically to new and beginning farmers.
- Consider expanding existing state individual development account programs, or establish new programs in those states without one, to specifically include the purchase of farmland as an authorized use; increase the annual cap on participant savings that can be matched.

1.4 INCREASING AVAILABLE FARMLAND

Research and Analysis

- Conduct more research on the potential carbon impacts of conversion of forestland to agriculture, and on ways to minimize those impacts.
- Create a regional inventory of land that was once in agriculture and is now inactive or under forest cover.
- Conduct an analysis of the Connecticut Farmland Restoration Program to assess its effectiveness in increasing agricultural production and its impact on the environment.

- Encourage expansion of conservation tillage and no-till agricultural practices to improve soil health and carbon sequestration.
- Encourage federal cost-share assistance for silvopasture practices through the Environmental Quality Incentives Program and Conservation Stewardship Program, and analyze effectiveness of practices for food production.
- At the state level, consider the priorities of current forestland protection programs to see if they might be expanded or modified to focus on the protection of prime and important agricultural soils.

II. FOOD PRODUCTION

2.1 HUMAN RESOURCES

FARM LABOR AND WORKFORCE DEVELOPMENT

Research and Analysis

- Investigate the Fair Labor Standard Act's definition of agriculture and whether it allows the type of collaborative processing and marketing practices that are increasingly common in New England. (Harvard Law School's Food Law and Policy Clinic is currently analyzing this issue, and will have recommendations in 2014 that may prove valuable to federal lawmakers.)
- Where states have not done so already, undertake a comprehensive assessment of state food system workforce needs.
- Consider convening a regional conference around food and agriculture workforce development to encourage cross-state collaborations such as multistate training programs.

Policy Options

- Enact a new federal agricultural guest-worker program such as was included in S. 744, the Senate-passed immigration reform legislation.

BEGINNING FARMERS AND NEW FARM AND FOOD ENTERPRISES

Support for Existing Programs

Federal

- Renew and increase funding for the USDA Beginning Farmer and Rancher Development Program in the next farm bill.
- Support the Farm Service Agency's new microloan program.

State

- Promote state-supported business planning programs, including state farm viability programs, which are fostering new farm and food enterprises.

Research and Analysis

- Develop more rigorous data and evaluation on the impact and effectiveness for beginning farmers of state business planning and farm viability programs, to build broader and deeper support for these programs from state lawmakers.

- Research the need for and potential cost of a state Aggie Bond beginning farmer loan program or program similar to the Maine Agricultural Marketing Loan Fund for new and beginning farmers.

Policy Options

Federal

- Reduce the experience requirement for the Farm Service Agency's direct farm-ownership loans to two years, and give FSA authority to increase the loan limits for direct farm-ownership loans in areas of the country with higher real estate prices.
- Employ specially trained FSA agents to assist young and beginning farmers in each county office, or specialists serving multiple offices in a region.
- Make loan pre-approval available to beginning farmers.

State

- Consider creating an Aggie Bond program in each state to support new and beginning farmers, or a broader Aggie Bond program in which beginning farmers could participate.

2.2 NATURAL RESOURCES AND ENVIRONMENTAL COMPLIANCE

MAXIMIZING ENVIRONMENTAL BENEFITS AND MINIMIZING ENVIRONMENTAL IMPACTS FROM AGRICULTURE

Support for Existing Programs

Federal

- Maintain or increase funding for federal conservation programs that help the region's farmers comply with federal and state environmental regulations and encourage farmers, as well as farm and forest landowners, to adopt conservation practices.
- Maintain or increase funding for federal Conservation Technical Assistance and farm bill program technical assistance to enable the Natural Resources Conservation Service to meet demand from farmers and landowners for conservation planning.
- Retain the regional equity provision of the farm bill.

State

- Continue state conservation cost-share programs that are helping farmers leverage federal dollars.
- Support soil and water conservation districts, which play an important role in educating and providing technical support to farmers and farmland owners about conservation programs and practices.

Research and Analysis

- Analyze conservation cost-share programs' effectiveness in meeting state and federal environmental objectives and the degree to which these programs have leveraged federal and private resources.

Policy Options

- Encourage state environmental regulatory agencies to work closely with state agriculture agencies, NRCS, conservation districts and state farm organizations on agricultural environmental impact concerns.

FARM ENERGY NEEDS AND OPPORTUNITIES

Support for Existing Programs

Federal

- Maintain funding at levels adequate to meet demand for the Rural Energy Assistance and Environmental Quality Incentives programs, both of which provide support for energy efficiency and renewable energy projects.

State

- Maintain funding for state farm energy programs at levels adequate to meet demand.
- Consider convening state-based working groups to guide state farm energy programs and improve coordination with USDA, state utilities and clean energy industry.

Research and Analysis

- Investigate policy mechanisms to align utility energy audit and efficiency programs, interconnection requirements and net metering regulations with farm needs.

Policy Options

- Encourage creating state-level farm energy programs in states without such programs.
- Consider funding state-level farm energy programs through systems benefit charges billed to ratepayers or through state renewable energy funds.
- Consider creating an ombudsman in each state to help farm businesses identify and develop applications for sources of grant funding.
- Consider further legislative and regulatory efforts to expand incentives for energy efficiency and renewable energy projects that are specifically tailored to farm and food business applications, and support deploying innovative technologies such as high-efficiency processing equipment and anaerobic digesters.

ACCESS TO WATER

Research and Analysis

- States that have not done so already may want to undertake a comprehensive planning process to better understand their water resources.
- States should perform a baseline assessment of wetlands permitting programs, and convene panels of farmers, environmentalists, agency officials and researchers for recommendations related to the permitting process.

Policy Options

- States may want to consider enacting policies to allow for sustainable inter-basin water transfers.

2.3 BUSINESS DEVELOPMENT AND CHALLENGES

RESEARCH, DEVELOPMENT AND EXTENSION

Support for Existing Programs

- Continue federal and state investments in agricultural research and extension, which will prove even more important in a changing and more volatile climate, and as growers are required to comply with new production practices, record-keeping and tests through the Food Safety Modernization Act.
- A number of smaller federal farm bill research programs, including the Specialty Crop Research Initiative, the Organic Research and Education Initiative, and the Beginning Farmer and Rancher Development Program, are valuable to the region but not mandatory programs. They need to be reauthorized in a new farm bill or they will have no working budget.

Policy Options

- Put new emphasis on federal and state research around controlled-environment agriculture and opportunities for year-round food production.

BUSINESS PLANNING AND ASSISTANCE

Support for Existing Programs

- Continue support for state farm viability and other business development programs, which have been effective in fostering new agriculture business models and opportunities, and in leveraging significant private investments in on-farm agricultural infrastructure.

Research and Analysis

- Measure indicators such as net farm profits and farm operator investments in expansion through state farm business development program evaluations.

Policy Options

- The Vermont Working Lands Enterprise Fund offers an interesting model of state investment in agricultural business and job creation, funding both individual farm operations and statewide high-impact projects.
- The Massachusetts Agricultural Investment Program provides business planning and implementation grants to permanently protected farms that are not eligible for the state's Farm Viability program. Other states might consider similar investments in permanently protected farms.

RISK MANAGEMENT

Support for Existing Programs

- Continue support for state-level programs providing income support for dairy farmers.

Research and Analysis

- Analyze the impact of state dairy programs on farm profitability in Connecticut and Massachusetts.
- Analyze the insurance needs of New England farmers, to inform the development of a workable whole-farm-revenue insurance product for the region.

Policy Options

Federal

- Include the Dairy Market Stabilization Program in the final version of the next farm bill, as it is an important component to the suite of federal dairy programs.
- Consider crop insurance provisions that encourage more coverage of specialty crops, including funds allocated for education efforts in underserved regions and for specialty crop agents serving specialty crops.
- Simplify the Adjusted Gross Revenue and Adjusted Gross Revenue-Lite revenue insurance products to encourage more participation among Northeast farmers.
- The National Sustainable Agriculture Coalition recommends establishing a new whole-farm-revenue insurance product for specialty crop producers and dairy operators, offered at the same coverage levels and with the same options as other revenue products. The new insurance product should work for farmers engaged in value-added agriculture and direct-to-consumer marketing.

III. FOOD SAFETY, PROCESSING, AGGREGATION AND DISTRIBUTION

3.1 PRODUCE

Support for Existing Programs

- At the federal level, support the following programs:
 - » Rural Business Enterprise Grants;
 - » Rural Business Opportunity Grants;
 - » Business and Industry Guaranteed Loan Program;
 - » Value-Added Producer Grants Program; and
 - » Specialty Crop Block Grant Program.
- At the state level, support the following programs:
 - » Farm viability and reinvestment programs in Connecticut, Maine, Massachusetts, Rhode Island and Vermont; and
 - » Working Lands Enterprise Fund in Vermont.

Research and Analysis

- Analyze the cost of compliance with the Food Safety Modernization Act's proposed Produce Safety and Preventive Controls rules for various types of farm operations in the region.
- Determine the costs to New England states for implementing the Food Safety Modernization Act.
- Analyze private and philanthropic resources and the economic impact of federal and state investments in food aggregation, processing and distribution infrastructure.
- Continue to research food hub business models, especially those that can be self-supporting and provide a fair return to farmers.
- Research whether the scale and management system of a produce operation affects the risk of contaminating its product.

Policy Options

- Continue to advocate for modifications to the proposed Food Safety Modernization Act's Produce Safety and Preventive Controls rules.
- Support the development of food aggregation centers for small- and medium-sized producers, coordinated with an appropriately scaled distribution plan and network.

3.2 DAIRY

Support for Existing Programs

- Continue to provide business planning and grants for dairy farms to develop additional on- and off-farm processing capacity.

Research and Analysis

- Analyze the economic impact of federal and state investments in dairy processing infrastructure.

Policy Options

- Build support for the federal and state programs that are investing in dairy processing infrastructure and technical assistance.
- Raise the cap on the dairy producer-handler exemption under the federal milk marketing order to allow dairy producers to process more of their milk outside the federal milk market pool.
- Establish workforce development programs for dairy processing, or expand current state workforce development efforts to include dairy processing.
- Improve access to information regarding the requirements for Hazard Analysis and Critical Control Points (HACCP) so that farmers and food entrepreneurs have the tools they need to make informed decisions regarding expanded marketing opportunities and value-added processing while promoting food safety.

3.3 MEAT AND POULTRY

Support for Existing Programs

- At the federal level, support the following:
 - » Rural Business Enterprise Grant Program; and
 - » Rural Energy for America Program.
- At the state level, support the following:
 - » Farm viability programs in Connecticut, Maine, Massachusetts and Vermont; and
 - » Vermont Working Lands Enterprise Fund.

Research and Analysis

- Analyze the success of state farm viability programs in leveraging state and federal investments and improving the profit margins of slaughter and processing facilities.
- Explore the feasibility of on-farm slaughter facilities to process livestock from other farms.

Policy Options

- Develop a more workable plan than the Cooperative Interstate Shipment program to allow shipment of meat across state lines.
- Develop state-funded, low-interest loan programs for capital improvements to new and existing slaughterhouses. Such improvements could include the development of satellite processing sites and additional on-site storage to maximize the facility's kill-floor capacity.
- Provide business assistance to slaughter and processing plants, allowing them to improve their services and overall profitability.
- Decrease the costs of slaughterhouse and processing operations; provide access to technical assistance and funding to address energy efficiency opportunities; develop risk management training to reduce insurance premiums; and explore the potential for pooled liability insurance.
- Continue to provide regulatory support and training on standard operating procedures and HACCP plans for small-scale slaughter and processing facility operators.
- Encourage the development of livestock cooperatives that are able to address holistically the slaughter, processing and marketing needs for a given commodity or region.
- Streamline the regulatory structure for mobile poultry processing units and the Modular Harvest System.
- Provide educational opportunities and incentives for training skilled workers to meet increased processing demands.

3.4 SEAFOOD

Research and Analysis

- Determine the viability of smaller-scale and regionally distributed multi-species processing of harvested finfish, as identified by the breakout session on seafood supply chain at the 2013 New England Food Solutions Summit.
- Examine different types of processing facilities from technical, regulatory and economic perspectives.
- Support efforts to research and find actions to countermand the impacts of ocean acidification, the green crab invasion, stormwater runoff and other human-induced changes to the ocean environment.

Policy Options

- Expand efforts to educate consumers about other species of locally sourced fish available for consumption, and continue policy efforts to market sustainably harvested fish or environmentally sensitive aquaculture seafood.
- Foster innovative approaches to processing, distributing and marketing under-utilized fish species.
- Create a campaign that parallels the success of farm-to-table and farmers' markets programs.

- Advocate for a simplified, streamlined and comprehensive regulatory structure for the aquaculture industry that capitalizes on opportunities, adequately addresses environmental challenges and provides aquaculture businesses sufficient flexibility to grow.

IV. MARKETS

4.1 BRANDING AND MARKET PROMOTION AND DEVELOPMENT PROGRAMS

Support for Existing Programs

Federal

- Maintain or increase funding for USDA'S Rural Business Enterprise Grant and Specialty Crop Block Grant programs.

State

- Continue state investments in targeted market promotion that are helping consumers find local farms, local food and farm products, as well as businesses that source products locally.

Research and Analysis

- Additional market research is needed on consumer willingness to pay for local and regional food, especially in large retail and institutional markets. Baseline market research surveys coupled with periodic updates could help state agencies and nonprofit organizations measure the effectiveness of local and regional branding programs.
- Analyze how combining state brand identification with environmental and food safety standards through the Massachusetts Commonwealth Quality Program has affected consumer demand.
- Market research could help determine the value of an expanded Harvest New England or other regional branding program.

Policy Options

State Branding Programs

- Consider using public-private partnerships to create, promote and police brand standards.
- Track the effectiveness of state branding campaigns through market research.
- Sustain local, state and/or federal support for branding programs at multiple levels. Require more robust marketing and brand promotion strategies for recipients of federal or state micro-financing programs or business planning assistance.
- Consider increasing consumer exposure and recognition of brands through targeted local advertising that capitalizes on messaging that is persuasive at the local or regional level, and that clarifies what the brand stands for.

Regional Branding and Promotion

- Consider ways, through Harvest New England or other branding efforts, that regional foods can be better identified through regional wholesale and institutional food distribution channels.
- Improve recognition of the regional nature of New England's milk supply.

4.2 PURCHASING AND PROCUREMENT PREFERENCES

Research and Analysis

- Evaluate whether state procurement preferences for environmentally preferable products can and/or should be used to support procurement of in-state or New England-sourced food.
- Develop a tiered regional procurement preference that could be adopted by each New England state, where in-state food products receive the highest preference, regional food products receive a lesser preference, and out-of-region food products receive no preference. Further research is needed on the constitutionality of such preference tiers.
- Explore the use of rebate or so-called volume discount practices, which are widespread in the food management industry and appear to be a barrier to institutions sourcing more local and regional food.

Policy Options

- Consider implementing the Harvard Food Law and Policy Clinic tiers of procurement policy types:
 - » Policies that give in-state products what is essentially a “tie goes to local” preference: If all other factors — including quality, quantity and cost — are equal, the state entity will purchase the local product.
 - » Policies that go one step further than the “tie goes to local” laws, requiring a comparison of the bid price when in-state bidders compete against out-of-state vendors. These policies either provide a differential cost preference to in-state bidders by a set percentage and/or increase the bid price of out-of-state bidders by a set percentage.
 - » The Harvard clinic also suggests an alternative procurement mechanism: a statutory target, requiring state agencies, colleges and universities to purchase a certain percentage of their food from local sources and to include language to such effect in their contracts with food management companies.
- Consider strengthening state procurement statutes and policies to:
 - » Go beyond “tie goes to local” to include a differential cost preference for in-state foods or to create a statutory local food target;
 - » Include state colleges and universities specifically, where they are not already included;
 - » Clarify that, where not included now, preference applies to any entity procuring food for a state institution, including distributors and food management companies;
 - » Create a method to track purchases of local food in order to measure the impact of and track compliance with state regulations; and
 - » Allow the purchase of local agricultural products directly from farm businesses without seeking quotes through the normal bidding process, as long as the purchases are worth less than \$25,000 each, for example.
- Encourage state agencies, colleges and universities to split contracts between local, regional and nonlocal foods to accommodate local growers.
- Consider adopting a regional procurement preference by all six New England states.
- Consider what role state government can play in educating students about diet and nutrition, including climate implications of current diets.
- Urge the U.S. Trade Representative and Members of Congress to reject procurement commitments in international trade agreements that would limit the ability of state and local governments to institute local and regional food procurement preferences.

4.3 RETAIL MARKETS

Support for Existing Programs

Federal

- Maintain funding for USDA's Farmers Market Promotion Program, which helps communities support local food systems through direct marketing ventures such as farmers' markets, roadside stands, community supported agriculture, agritourism and other direct-to-consumer marketing opportunities.

State

- Continue support for the promotion and development of farmers' markets and mobile markets, with a special eye on enhancing consumer convenience through longer hours of operation, better locations and greater diversity of products.
- Continue support for state programs that are helping farmers with the business plans and infrastructure needed to develop retail opportunities.
- Where they are not now doing so, states should consider additional funding for Double Value Coupon Programs.

Research and Analysis

- Explore using forward contracting and supply agreements, which offer growers greater price certainty, with retail and institutional buyers to see if these instruments spur additional production, especially of fruits and vegetables.

Policy Options

- Consider whether uniform food safety and health regulations around farm retail opportunities are feasible in states that historically have left these issues to local control.
- Consider standardizing state zoning regulation of farm stands and farm stores, or creating model regulations for towns that do not have the capacity to pay professional planners.
- Give priority in the federal Healthy Food Financing Initiative and similar state financing programs to projects that offer a double bottom line of expanding access to healthy food in underserved communities and expanding market opportunities to farmers in the state or the region. Consider the relevance of benefit corporation legislation as well.
- Support expanding federal nutrition incentives in the next farm bill.
- Encourage states that currently are not participating in the Farmers' Market Nutrition Program to participate, as they are leaving federal funding on the table.

4.4 INSTITUTIONAL MARKETS

Support for Existing Programs

- Continue state investments in farm to school programming, which is helping to leverage private resources, expand economic opportunities for farmers, and educate children about local food and farming.
- Continue support of USDA's Farm to School Program, as it is fostering innovative approaches and collaborations in the region.

- Continue support for the USDA Foods Program, which provides needed foods, especially proteins, at low costs to budget-sensitive school districts.
- Continue support for the Department of Defense Fresh and USDA Fresh Fruits and Vegetable Program, which are improving nutritional health while providing expanded market opportunities for the region's produce growers.
- Maintain funding for the USDA's Specialty Crop Block Grant Program, which provides critical food safety training for producers, and is helping to break down barriers for many growers selling to institutions.

Research and Analysis

- Analyze the USDA Foods Program including:
 - » State administrative costs associated with the program;
 - » State utilization rates of entitlement dollars;
 - » Opportunities for state-level agreements with processors in the region;
 - » Opportunities for additional collaboration among school districts to attract regional processors; and
 - » The potential regional economic impact of a voluntary cash-in-lieu-of-commodities option for school districts with annual commodity entitlement value less than \$50,000.
- Analyze whether changes to the DoD Fresh Program over the past 18 months have resulted in additional procurement of local and regional fruits and vegetables by New England schools.
- Research the use of forward contracting between farmers and institutions, to encourage farmers to plant specifically for an institutional customer.

Policy Options

- Consider limiting the rebate practices of large food vendors and distributors.
- In states that do so, repeal limits on the number of schools and the percentage of USDA Foods Program entitlement dollars that can be spent on DoD Fresh.
- Consider tasking a state food policy council or state agency with monitoring implementation and impact of a state procurement policy.

V. WASTE STREAMS

5.1 BENEFICIAL REUSE OF ORGANICS

Policy Options

- Early success in Massachusetts and Vermont has followed careful planning, regulatory changes and phasing in organics bans. These states' models suggest that in order to create a robust state-wide infrastructure for the beneficial reuse of organics, states should take several steps:
 - » Analyze their existing legal and physical infrastructure and plan for organics diversion.
 - ~ Identify regulatory barriers to a robust composting infrastructure.
 - ~ Take stock of capacity for on-farm and commercial composting and capacity for feeding organic material to anaerobic digesters to produce heat and energy.

- Amend regulations as necessary to prepare for a phased-in organics ban that will eliminate barriers to composting infrastructure, ensure quality and protect human health.
- Take active steps to implement organics diversion and phase out landfilling, including phasing in bans and incentivizing municipal participation in organics phase-outs.

VI. FRAMEWORKS FOR REGIONAL FOOD SYSTEM COORDINATION

REGIONAL STRUCTURES AND PROCESSES

- Analyze and apply appropriate models for states to work together toward shared food system goals. Develop networks and relationships that promote trust and collaborative action.
- Explore a regional food system planning entity to chart a course for greater regional coordination and collaboration. It could be organized as, for example, a regional food policy council or an ad hoc task force. The body could address specific regional-scale issues identified in state food system plans, or develop a strategic regional plan to achieve jointly identified goals. Such an entity could be initiated by formal government action or as an outgrowth of the New England Food Vision and efforts of the New England Farm and Food Security Initiative and/or Food Solutions New England.

AREAS FOR GREATER REGIONAL COORDINATION AND COLLABORATION

- **Farm Bill:** A frequent refrain of stakeholders is the need to strengthen New England's voice in establishing and implementing the provisions of the federal farm bill through regionally based coordination and advocacy.
- **Federal Food Safety Modernization Act:** Implementation of the new requirements of the federal Food Safety Modernization Act is a clear potential focus for regional coordination, information-sharing and advocacy at the federal level for needed regulatory changes, as well as evaluation of the impacts across states of the act's implementation.
- **Cooperative Extension Programs:** Stakeholders identified a need for further efforts to promote regional resource sharing, coordination and communication among the states' cooperative extension programs above and beyond the New England Extension Consortium.
- **Food System Workforce Coordination:** Stakeholders addressing fair labor and workforce development in the food system suggested a regional repository of model state policies and legislation, coordination of university and other training programs, and educational and licensing reciprocity agreements among the New England states.
- **Institutional and Nutrition Program Procurement:** Stakeholders pointed to regional sourcing and branding of food products as a strategy that could be coordinated with institutional and federal nutrition program purchasing.
- **Meat Processing:** Stakeholders discussed meat processing and related federal and state regulatory requirements as a potential area for regional agreements, regulatory harmonization and better coordination to improve market opportunities and slaughterhouse capacity.

- **Federal Programs and Funding:** A potential focus of regional coordination is the use of federal programs and funds, so that underused resources could be shifted to other states in the region where demand and program use are higher. Likewise, in those cases where a large number of New England farms fail to qualify for certain federal programs or funding, the states could explore regionally oriented approaches and consider pooling financial resources to provide similar grants and incentives to a broader group of New England farms.
- **Assessment of Regional Branding:** Stakeholders noted that the role of state and regional branding efforts is an important and evolving issue, suggesting that such efforts may require additional market research, clearer standards and ongoing monitoring and assessment to ensure that these efforts provide value and contribute to successful marketing.
- **Soil Contamination Issues:** Given divergent state regulatory approaches, urban agriculture efforts throughout New England could benefit from a common set of regional best practices for due diligence, environmental liability protection and soil remediation where urban land or brownfields are being converted to agricultural uses.
- **Regulatory Harmonization, Reciprocity and Cross-Pollination:** There appear to be a number of promising areas where state laws and regulations could be better harmonized to facilitate regional markets, such as food safety and processing, and where best practices should be shared among states, including current-use taxation, access to state lands for farming, and water resources management.
- **Coordinated Research:** It could prove beneficial to coordinate research on topics of shared interest, including land access mechanisms, food transportation options, supply network options, and water and marine ecosystem protection and restoration.
- **Greater Food Access, Justice and Equity:** Rates of food insecurity have escalated throughout New England during the past 10 years. Many people of color and people living in poverty continue to have unequal access to healthy foods. Federal food programs are not keeping pace with demand. Purposefully addressing race and economic disparity among the structural causes of food system inequities should be a cornerstone of a regional food system vision.



www.newenglandfoodpolicy.org

THIS REPORT IS SUPPORTED BY A GRANT FROM
THE HENRY P. KENDALL FOUNDATION