



# Agriculture & Rural Development

Native peoples were this land's first farmers, long before the first American colony. To this day, agriculture remains a major economic force in Indian Country, especially as a job creator for rural, tribal communities. The 2012 U.S. Department of Agriculture Census of Agriculture counted at least 71,947 American Indian-operated farms and ranches on more than 57 million acres of land. These farms and ranches sold \$3.3 billion of agricultural products, including more than \$1.4 billion of crops and \$1.8 billion of livestock and poultry.<sup>86</sup> Additionally, the 2007 Census of Agriculture Fact Sheet notes that, "American Indian farm operators are more likely than their counterparts nationwide to report farming as their primary occupation... to derive a larger portion of their overall income from farming...[and] to own all of the land that they operate."<sup>87</sup> Tribal governments and farmers look to active partnerships throughout the US Department of Agriculture (USDA) to sustain and advance common interests across the broad array of services that this federal agency provides for tribal governments.

Programs at USDA span a wide range of areas that have an impact on Indian Country, including food safety, housing, business development, telecommunications and broadband, water systems, crop insurance, nutrition, land conservation, forestry, research, and of course the programs designed to assist farmers. In FY 2012, Rural Development and the Rural Utility Service together funded investments totaling more than \$190 million in Indian Country, with approximately half of that in the form of loans and loan guarantees. As such, tribal governments look to the multitude of services, programs, and resources available from the USDA to ensure sustained prosperity and economic security to American Indians and Alaska Natives—not only through its programs to farmers and ranchers, but also through programs that serve tribal governments, natural resource managers, Native youth, colleges, water infrastructure providers, tribal utilities and housing providers, and tribal communities.

The 2018 Farm Bill contains a historic number of new tribal provisions, several of which need additional funding and support to ensure implementation.

## *Key Recommendations*

### **DEPARTMENT OF AGRICULTURE Agriculture Appropriations Bill Office of Tribal Relations**

- *Fund the USDA's Office of Tribal Relations at a minimum of \$1.5 million.*

The Office of Tribal Relations (OTR), located within the Office of the Secretary, is a critical voice for agriculture in Indian Country within the USDA, especially since a vast majority of USDA's services and programs affect and touch tribal lands and communities. Many times, when decisions are being made, there is a need to open lines of communication between the agency and within Indian Country. OTR serves a linchpin role in expanding all USDA program support throughout Indian Country, as well as ensuring that relevant programs and policies are efficient, easy to understand, accessible, and developed in consultation with the impacted American Indians and Alaskan Native constituents. The OTR is also responsible for coordinating policies affecting American Indians and Alaska Natives across other federal agencies.

OTR has increased its responsibilities in these major areas:

- Pursuant to Memorandums of Understanding (MOUs) between the USDA and the BIA, OTR is critical to the development of inter-agency strategic plans involving data sharing, land consolidation, and credit deployment.
- OTR is the lead for implementation of the intra- and inter-agency implementation of the USDA's 2012 Sacred Sites Report and corresponding MOUs between USDA and DOI, Energy, and Defense, as well as the Advisory Council on Historic Preservation.
- OTR supports USDA Rural Development (RD) and Rural Utility Service on implementation and administration of the 2012 Substantially Underserved Trust Areas initiative under section 306F of the Rural Electrification Act of 1936, as amended (7 U.S.C. 906f). This initiative will allow RD to provide greater flexibility and more favorable loan terms around much-needed electricity, water and waste disposal, telecommunications, distance learning and broadband infrastructure in trust areas.

The OTR's initial funding level of \$1 million in FY 2010 was slashed in FY 2011 and FY 2012 and continues to remain around \$500,000 in FY 2017. This leaves OTR with insufficient personnel and resources to support its vast mission within the Department, in partnership with other federal departments, and throughout the many Native communities in the United States. With the added responsibilities for OTR initiated in 2012, it is clear that OTR requires additional resources to function in accordance with US law and policy.

With the new 2018 Farm Bill tribal programs, many of which require direct engagement of OTR, a continued lack of sufficient funding presents a barrier to OTR expanding their work to provide the programs, technical assistance, content or even the basic communications to ensure that non-Internet education and training are available to tribes for all USDA programs. Active tribal participation in USDA funding opportunities is required to assist the build-out of broadband infrastructure, and support the workforce development required to fully utilize Internet capabilities, business programs, and financing necessary to bring Native goods and services to market.

## DEPARTMENT OF AGRICULTURE

### Agriculture Appropriations Bill

#### Rural Development, Rural Housing and Community Facilities Programs

- ***Designate \$50 million of program allocation from the Rural Development 502 Direct Loan Program to establish a home loan relending program for Indian Country.***

Rural Development has limited staff resources to provide Single Family Housing direct loans on tribal land. In FY 2017, of the 7,187 direct loans made nationally by Rural Development, only 23 of them were to American Indians or Alaska Natives on tribal land. Native community development financial institutions (CDFIs) have experience operating on tribal land. In addition, they provide extensive financial and homebuyer education to help low-income families navigate the homebuyer process to become self-sufficient, private homeowners. The proposed relending program, which is being piloted in South Dakota, would increase the flow of mortgage capital to Indian Country by allowing Native CDFIs to be eligible borrowers under the 502 Direct Loan Program, enabling them to relend to eligible families for the construction, acquisition, and rehabilitation of affordable housing.

## DEPARTMENT OF AGRICULTURE

### Agriculture Appropriations Bill

#### Rural Development, Rural Utilities Programs, and Rural Housing and Community Facilities Programs

- ***Provide a minimum of \$2.772 billion to USDA Rural Development.***

As tribes seek to build sustained prosperity and economic security, it is imperative that tribal citizens and businesses on tribal lands have access to environments that are stable, conducive to economic and community development and supportive of schools, health facilities, first responders and businesses.

USDA's Rural Development (USDA-RD) programs support a broad array of utility needs and business activities in Indian Country by providing loans, grants, and other assistance for community facilities, housing financing, preservation and repair, electric utilities, high cost energy, telecom infrastructure and distance learning, broadband infrastructure, water/waste systems and other infrastructure deployment. USDA-RD manages programs across three mission areas—the Rural Business and Cooperative Programs (see Economic Development section above), Rural Housing and Community Facilities Programs, and Rural Utilities Programs. Through its Rural Development mission area, USDA administers and manages housing, business, and community infrastructure and facility programs through a national network of state and local offices. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers, and ranchers and improve the quality of life in rural America.

- **Provide \$9.375 billion to Rural Utility Services.**

The FY 2017 budget for Rural Utility Services (RUS) saw a slight increase, but continues to be below FY 2012 and 2013 levels by nearly \$2 billion dollars, and is down almost \$100 million from FY 2014. USDA-RD began implementing changes in 2012 designed to improve access to RUS funding for individuals living in Substantially Underserved Trust Areas (SUTA—including Indian lands and lands owned by Alaska Native Regional Corporations and Village Corporations—to improve basic services, including: water and waste disposal, rural electrification and high-cost energy, telecommunications and broadband infrastructure, and distance learning and telemedicine. The SUTA changes, authorized by the 2008 Farm Bill (but not appropriated), still require additional funding for administration as well as for programs and loan authority within RUS. It is important that more funding is available to provide the infrastructure development and upgrades necessary in Indian Country.

Of special concern is the need to maintain funding for tribal set-asides for water, wastewater, and solid waste management for Indian country and Alaska Native villages. USDA's Water and Environmental Program (WEP) provides a combination of loans, grants, and loan guarantees for drinking water, sanitary sewer, solid waste, and storm drainage facilities in tribal and rural areas and cities and towns of 10,000 or less. WEP also makes grants to non-profit organizations to provide technical assistance and training to assist rural communities with water, wastewater, and solid waste management. Since FY 2013, funding for WEP was substantially cut and only provided tribal-specific grants and loans of \$22 million for tribes in the lower 48 states and \$23 million for Alaska Native villages, equaling cuts of \$26 million and \$61 million respectively. The FY 2017 budget allocation of \$64 million remains static as it must be split amongst tribes in the contiguous United States, Alaska Native tribes, and Native Hawaiians.

More than 12 percent of tribal homes lack access to safe drinking water and basic sanitation, which is a rate more than 20 times the national average.<sup>88</sup> For example, many Alaska Native villages must transport human waste in large containers to open pit sewage lagoons. The federal government's failure to address this situation is unacceptable, especially in light of its trust obligation to tribal nations. The existing federal budget does not make a significant dent in addressing this fundamental deficit in quality of life for Native peoples, and recent cuts to this budget makes it worse, exposing Native peoples and youth to unhealthy water and its subsequent detrimental impacts to human health, economic development, and community morale.

- **Include \$1.5 million for USDA Rural Development Tribal Technical Assistance Program.**

Lastly, the 2018 Farm Bill mandated the establishment of a Tribal Technical Assistance Program within USDA-RD, designed to address the unique challenges Indian Country faces when seeking infrastructure, cooperative development, housing, and other development opportunities funded by USDA-RD. Funding for this newly established area is especially critical due to the

unique circumstances surrounding lending and infrastructure establishment in tribal communities, which often leads to either misinformation provided to tribes or misinterpretation of tribal applications. Appropriating \$1.5 million to establish this program will help eliminate these unnecessary barriers to development in Indian Country.

## DEPARTMENT OF AGRICULTURE

### Agriculture Appropriations Bill

#### Rural Development, Rural Housing and Community Facilities Programs

- ***Provide a minimum of \$28 billion in loan authority for the Rural Housing and Community Facilities Programs.***

In FY 2013, the Rural Housing Service (RHS) programs provided \$177 million in economic support to American Indian and Alaska Native enterprises and communities as well as tribal colleges. RD provided 56 Single Family Housing direct loans, equaling \$119 million, and 1,100 Single Family Housing loan guarantees at \$155 million. Tribal colleges received \$3 million for 24 grants under the Tribal College Community Facilities Initiative, and tribal communities received more than \$114.7 million in loan and grant financing under the Community Facilities Program.

Access to housing, community and home repair financing provides Native individuals, families and communities with security, credit facilities, and repair and weatherization needs. This financing also supports community and educational facilities and provides employment in construction and related industries that flows from access to capital in Indian Country.

## DEPARTMENT OF AGRICULTURE

### Agriculture Appropriations Bill

#### USDA Natural Resources Conservation Service (NRCS)

- ***Fund the Environmental Quality Incentives Program (EQIP) at least \$1.75 billion as required by the 2018 Farm Bill.***
- ***Fund the Conservation Stewardship Program (CSP) at a minimum of \$725 million.<sup>89</sup>***

Between FY 2010 and FY 2011, the Natural Resources Conservation Service (NRCS) saw an 85 percent increase in tribal participation in their programs, which could be attributed to USDA's outreach to tribal governments. Specifically, NRCS has assisted with the establishment of 33 Tribal Conservation Districts by working with the Intertribal Agricultural Council (IAC) and Indian Nations Conservation Alliance (INCA). In 2016, NRCS's Regional Conservation Partnership Program provided over \$27 million for conservation programs where tribes were the lead, which have led to dozens of partnerships between tribal, state, local, and private entities in mostly rural areas.

American Indians and Alaska Natives hold their natural resources as sacred and depend heavily upon them for economic, cultural, and spiritual sustenance. Historically, federal natural resources funding for tribes has been limited, as tribes are ineligible for dozens of federal natural resource programs. Other funding for tribal natural resource programs under BIA appropriations consistently experiences the smallest budget increases of all the DOI bureaus. While working to sustain essential efforts amidst the harsh budget climate and potential cuts to funding, tribes should have access to new opportunities afforded by USDA's NRCS programs. The 2008 Farm Bill authorizes the Secretary of Agriculture to provide up to 90 percent of the costs associated with planning and implementing conservation practices for tribes. In addition, up to 30 percent of such payments may be provided in a short-term advance for purchasing materials or contracting. Tribes are also included in the five percent set-aside of Environmental Quality Incentives Program (EQIP) funds and the five percent set-aside of Conservation Stewardship Program acres for socially disadvantaged farmers or ranchers. Since the Wildlife Habitat Incentives Program was rolled into EQIP in the 2014 Farm Bill, NCAI requests that the funding levels continue to steadily increase for EQIP, which provides financial and technical support to tribes and others to install or implement structural and management conservation practices on eligible agricultural land.

The Conservation Stewardship Program (CSP) is another vital program in the NRCS. The CSP provides crucial help in reducing soil



erosion, enhancing water supplies, improving water quality, increasing wildlife habitat, and reducing the damage caused by floods and other natural disasters. The CSP program is an important resource for tribes as tribal participation has been increasing over the years with a 172 percent increase from FY 2010 through FY 2011, with 246 contracts to tribes totaling \$10.4 million.

## DEPARTMENT OF AGRICULTURE

### Agriculture Appropriations Bill

#### National Institute of Food and Agriculture, Federally Recognized Tribal Extension Program

- ***Increase the Federally-Recognized Tribal Extension Program (FRTEP) to \$15 million.***

Congress mandates research and extension services in every county in the nation. These services support farmers, natural resources managers, youth (via 4-H youth programs), and communities by providing an FRTEP agent to liaise with other USDA programs, provide training in farm and ranch business management, supervise 4-H and youth development activities, and coordinate special training programs, including application of new agriculture technologies. While there are more than 3,100 extension offices available to farmers nationwide, fewer than 30 extension agents serve Indian reservations, with current funding of only \$3 million available to 1862 and 1890 Land-Grant Institutions and the University of the District of Columbia. With the 2018 Farm Bill adding 1994 Tribal Colleges and Universities as eligible for the program, essentially doubling the pool of institutions, increased funding is essential to ensure that FRTEP programs will continue to serve tribal farmers and ranchers, but that those services can be expanded to new institutions. An increase to \$15 million would begin to address this persistent inequity and allow for additional service by more than doubling the FRTEP staff and the number of Native youth served by the program.

## DEPARTMENT OF AGRICULTURE

### Agriculture Appropriations Bill

#### Food Distribution Program on Indian Reservations

- ***Appropriate \$153 million for the Food Distribution Program on Indian Reservations (FDPIR).***
- ***Appropriate \$5 million to develop a traditional foods market for FDPIR.***
- ***Appropriate \$5 million for the 638 Tribal Self-Governance Demonstration Program for Tribal Organizations.***

The Food Distribution Program on Indian Reservations (FDPIR) is currently serving approximately 276 tribes and is a critical food assistance program, particularly in areas that do not have easy access to Supplemental Nutrition Assistance Program (SNAP) offices or authorized food stores. Through over 100 Indian Tribal Organizations (ITOs) and three State Agencies, FDPIR provides USDA foods to low-income households and the elderly living on Indian reservations and to American Indian and Alaska Native households residing in eligible areas near reservations or in Oklahoma. The ITOs also provide employment to local and tribal personnel who administer the program. Since FY 2013, FDPIR participation has risen over 17 percent. Between FY 2015 and FY 2017 alone, monthly participants rose from 88,000 to 100,000. Additional funding is needed to address the new demands on the programs, rising food cost—especially the increasing price of meat-based proteins—and to improve program operations at ITO sites, many of which have lacked the administrative funds necessary to update critical equipment like refrigerators and freezers. In the 2018 Farm Bill, Congress authorized funds for USDA to purchase more traditional and locally grown foods for the program's food package. The purchase of traditional and locally grown foods improves both the health of the food package and can stimulate the local and regional economy through agricultural production, especially when those foods are sourced from Native food businesses. Lastly, in the 2018 Farm Bill, Congress authorized a demonstration program wherein USDA can enter into 638 self-determination contracts with one or more tribal organizations for the food procurement of FDPIR foods, which would promote tribal sovereignty and allow tailoring of this vital program to meet specific tribal cultural and local needs for the foods in their food packages and help support tribal food producers grow and expand production.

**DEPARTMENT OF AGRICULTURE****Agriculture Appropriations Bill****Industrial Hemp Production, Regulation, and Research**

The 2014 Farm Bill authorized pilot programs for hemp research at higher education institutions when done in accordance with state law. The lack of parity for tribal law and higher education institutions in Indian Country created ambiguity as to whether tribes could directly benefit from this program without authorization from the state law. However, the 2018 Farm Bill legalizes industrial hemp production when done in accordance with enacted federal criteria and allows states and tribal governments to assume primary regulatory authority over such production after obtaining approval from the USDA. In order for Indian Country to realize the full economic benefit of this innovative development, a robust appropriation will be necessary to assist USDA in working with and consulting with tribal governments to develop the tribal plan process necessary for tribes and tribal producers to begin industrial hemp production in Indian Country.