



Alcorn

SOCIALLY DISADVANTAGED FARMERS AND RANCHERS POLICY RESEARCH CENTER

Barriers to Racial Equity in USDA Programs by Socially Disadvantaged Farmers and Ranchers (SDFRs)

June 29, 2021

In response to the *Executive Order 13985—Advancing Racial Equity and Support for Underserved Communities Through the Federal Government*, the Socially Disadvantaged Farmers and Ranchers Policy Research Center (Policy Center) located at Alcorn State University held or participated in listening sessions attended by socially disadvantaged farmers and ranchers (SDFR), Community Based-Organizations (CBOs) representing SDFR, and agricultural professionals from the 1890 and other land-grant universities to collect input. Additionally, the Policy Center formed a team of Policy Center staff, retired USDA employees and SDFR to document systemic barriers faced by SDFR in participating in USDA programs and practices. The barriers are documented in the attached documents; however, several items are highlighted here. Highlighted areas include organizational changes made during the previous administration, concerns related to the Office of Civil Rights in the processing and documenting of claims of discrimination, transparency in data collection and reporting, and justice for Black Farmers.

1) *Organizational Changes at USDA Made During Previous Administration*

During the previous administration, there were several organizational changes made that pose challenges to socially disadvantaged farmers and ranchers' (SDFR) participation in USDA programs and practices.

a. **Farm Production and Conservation (FPAC) Mission Area Reorganization and Business Center Establishment**

The Farm Production and Conservation (FPAC) Mission Area was established in 2018 and includes the *Farm Service Agency (FSA)*, the *Natural Resources Conservation Service (NRCS)* and the *Risk Management Agency (RMA)*—*Figure 1.*

According to previous Secretary of Agriculture, Sonny Perdue, “It’s my goal to make USDA the most effective, most efficient, most customer-focused department in the entire federal government.” His plan was to bring together all of the customer-facing components of USDA, focusing on domestic ag issues. Farm Production and Conservation (FPAC) was to be the Department’s focal point for the nation’s farmers and ranchers and other stewards of private agricultural lands and non-industrial private forest lands. The plan was for FPAC agencies to implement programs designed to mitigate the significant risks of farming through crop insurance services, conservation programs and technical assistance, and commodity, lending, and disaster programs. Perdue’s stated objective was for USDA to be the most effective, most efficient, and most customer focused department in the entire federal government, the Amazon.com of the federal government.

Mission Area Realignment Structural Changes

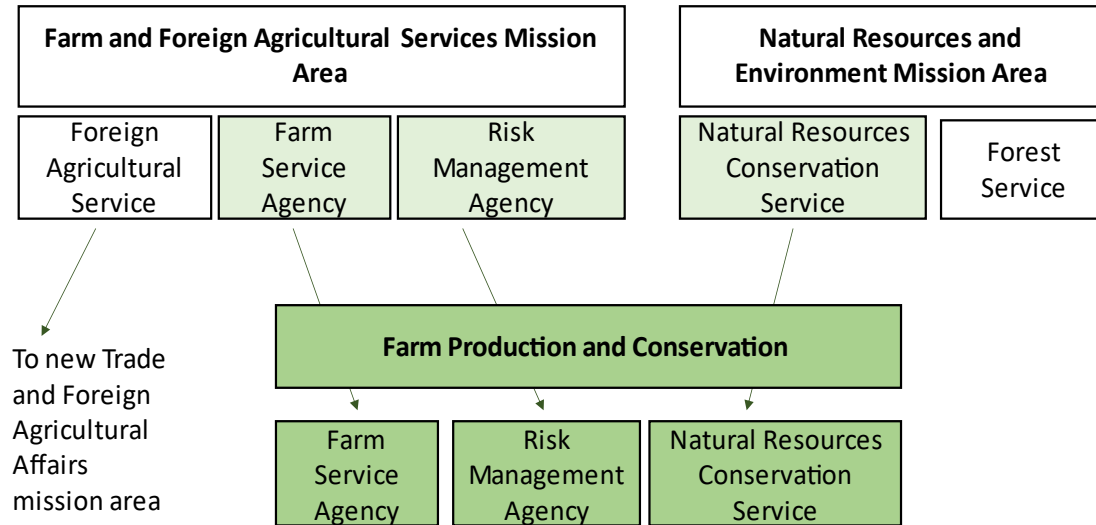


Figure 1: FPAC Mission Area

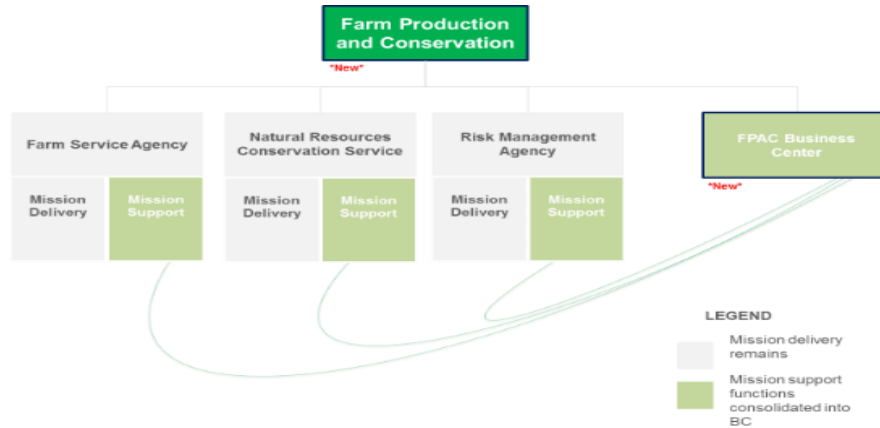
A new undersecretary was selected to head the Farm Production and Conservation mission area, which focuses on domestic agricultural issues. The goal was to provide a simplified one-stop shop for USDA’s primary customers, the men and women farming, ranching, and foresting across America.

The second stage of the FPAC Realignment was the establishment of the FPAC Business Center, proposed to Congress in September 2017, designed to consolidate mission support and enterprise-wide functions for the three agencies. The goal was to maximize collaboration between RMA, NRCS and FSA and to provide the kind of support that field staff need to improve customer service, and ultimately help producers (Figures 2 and 3).

The Chief Operating Officer of the FPAC Business Center is a former FSA employee, who still owns the farm he was raised on and participates in FSA, RMA and NRCS programs.

FPAC Realignment – Business Center

Bringing together FSA, NRCS, and RMA under the new FPAC Mission Area and consolidating Mission support and Enterprise -wide functions into the FPAC Business Center.



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Figure 2: FPAC Business Center

Draft List of Functions Moving to the Business Center

- Business Services
 - Acquisition/Procurement
 - Information Technology
 - Financial Management
 - Human Resources
 - Management Services
 - Budget
 - Grants and Agreements
 - Other Related Mission Support Functions
- Enterprise Services
 - Accountability & Performances
 - Economic & Policy Analysis
 - External Affairs
 - Customer Experience
 - Emergency Preparedness/Continuity of Operations
 - Appeals
 - Environmental activities
- Also under consideration
 - Civil rights

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Figure 3: Functions Included in Business Center

Improved service to customers – internal and external--at the field or county office level up through DC was the desired goal of the realignment. The stated benefits were to leverage best practices in mission and program delivery to meet customer needs more easily, to increase collaboration across the FPAC agencies, to provide comprehensive and integrated support services to FPAC agencies and employees, and to eliminate redundancies and remove silos from operations through a team-centered approach.



Benefits of the FPAC Realignment

- Leverage best practices in mission and program delivery to more easily meet customer needs
- Increased collaboration across the FPAC agencies
- Provide comprehensive and integrated support services to FPAC agencies and employees
- Eliminate redundancies and remove silos from operations through a team-centered approach



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Figure 4: Stated Benefits of Realignment

The actual results of the realignment fell far short of the stated goals. Prior to the decision to execute the realignment, a Civil rights impact analysis (CRIAs) was not conducted for the FPAC reorganization to evaluate potential civil rights and environmental impacts. The group most harmed by the realignment are SDFR.

An organization’s leaders set the tone for an Agency’s culture, norms, priorities, and accountabilities. The largest number of Senior Executive Service (SES) positions within

the FPAC Business Center are from FSA. Between the three agencies that make up FPAC—FSA, NRCS, and RMA, the Farm Service Agency has the poorest track record with Civil Rights and customer service. The Farm Service Agency has a long-documented history of discrimination against Black and other minority farmers. NRCS and Forest Service (FS) shared a mission of conservation while FSA has a production mission.

The procurement, financial management, strategic planning, accountability, and human resources functions now reside with the FPAC Business Center. NRCS no longer controls the agency performance management process, cooperative agreements with partners or fund management procedures. This change has hampered the Agency's ability to make civil rights a priority in performance appraisals, target SDFR organizations for agreement funding or ensure that civil rights reviews are conducted according to Agency priorities.

The FPAC Business Center staff have not demonstrated a responsiveness to FPAC leadership. Their accountability is to their chain of command. As opposed to the stated goals of improved efficiencies and effectiveness in administrative processes, the operations, and efficiencies of the FPAC agencies have regressed. The Business Center has contributed to significant delays in the human resources, financial, and grants and agreement administrative processes resulting in delays in hiring staff, processing contracts and agreements. These delays have directly impacted services to SDFR. Cooperative and contribution agreements are key procurement vehicles used in particular by NRCS to carry out its conservation mission, to provide technical assistance, and to reach SDFR groups.

In addition to the decline in normal business operations, areas such as civil rights compliance, grant administration, and personnel actions have also worsened. During the term of the previous administration, civil rights and diversity issues moved declined considerably. Thus, barriers faced by SDFR were increased rather than addressed.

b. Relocation of Economic Research Service (ERS) and National Institute of Food and Agriculture (NIFA) employees to Kansas

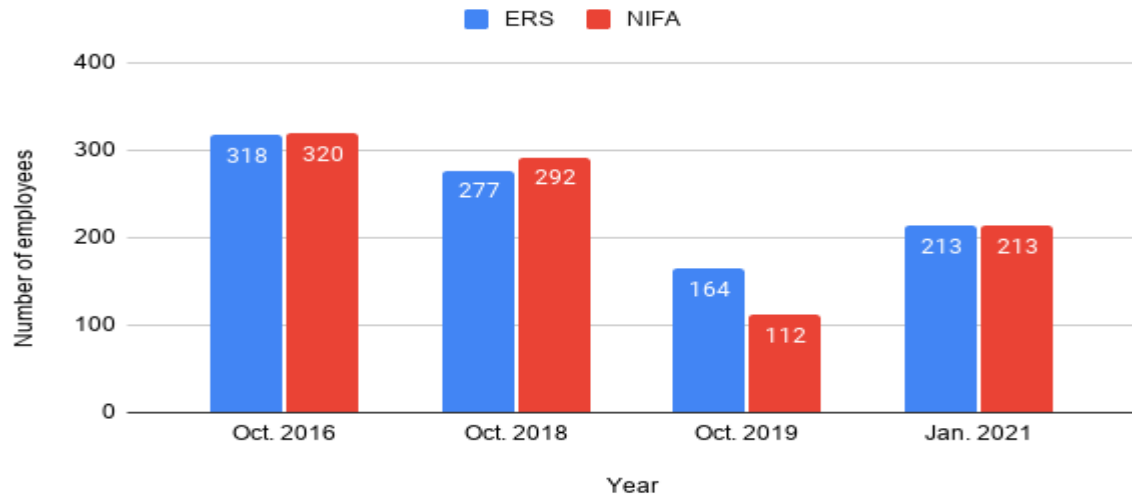
During the summer of 2019, former USDA Secretary Sonny Perdue, announced his decision to relocate the Economic Research Service (ERS) and the National Institute of Food and Agriculture (NIFA) outside the greater Washington, D.C. area to Kansas City, Missouri. One of the stated reasons for the move was to improve the Department's ability to attract and retain highly qualified staff. The reality is that the opposite is true.

At the time of the relocation announcement, both ERS and NIFA each had close to 300 employees. Today, the total number of employees for each agency is still below 75 percent of total capacity. The loss of institutional knowledge each agency has suffered

will take years to overcome. According to *Federal News Network*, between 40% of ERS and 60% of NIFA employees left the agencies and both agencies have struggled to rebuild their workforces and hire new people in the days since. Both agencies are operating with roughly 30% fewer employees today than they were before the USDA relocation, according to recent data from the department.

As of Jan. 16, 2021, ERS had a total of 213 permanent employees on board, including 67 employees stationed in Washington. The agency had 115 vacant positions. NIFA had 213 permanent employees on board, including 16 stationed in Washington. A total of 130 NIFA positions were vacant.

Total Permanent Workforce at ERS and NIFA (2016-2021)



Matt Herrick, a USDA spokesman said in a statement to Federal News Network. “It will take time for the new administration to rebuild USDA’s scientific and research agencies and restore their confidence and morale.” Of NIFA’s Kansas City workforce of approximately 200 people, just 20% are employees who made the move from Washington. At ERS, just 13% of the Kansas City workforce are employees from Washington, USDA said.

A lot of employees are struggling with overwork and overburdening and the ability to finish projects from employees who no longer work for the agencies. The number of new hires (inexperienced) has created stress for more seasoned employees.

2) Office of Civil Rights

The Office of the Assistant Secretary of Civils Rights (OASCR) has found very few Findings of Discriminations in the past 20 years. Most elected and appointed officials agree that USDA has discriminated against Black farmers and employees. Time and time again, the only office that fails to acknowledge a Finding of Discrimination is the ASCR. Until this is changed the USDA will continue to be known as the “Last Plantation. If you do not acknowledge that there is a problem, you cannot fix said problem.

The relationship that exists between the Office of General Council (OGC) and The Office of the Assistant Secretary of Civils Rights (OASCR) is a barrier to racial equity in the civil rights complaint processing at USDA. The Harvard Law School Food and Policy Clinic documented the problems in an article *Supporting Civil Rights at USDA: Opportunities to Reform the USDA Office of the Assistant Secretary for Civil Rights* in April 2021. We concur with these findings. Whether than repeat what has already been documented, we incorporate the findings by including the link to the article. Article link: [https://urldefense.com/v3/https://www.chlpi.org/wp-content/uploads/2013/12/FLPC_OASCR-Issue-Brief.pdf_!!Fnk_VKP-sWj72ig!-nCnVmDrK_B5qyfc8w4sJCgilFgBZgXPh5AYo15ZcZ-V9XZ2B7mQ-aVkufSm5TfbKQ\\$](https://urldefense.com/v3/https://www.chlpi.org/wp-content/uploads/2013/12/FLPC_OASCR-Issue-Brief.pdf_!!Fnk_VKP-sWj72ig!-nCnVmDrK_B5qyfc8w4sJCgilFgBZgXPh5AYo15ZcZ-V9XZ2B7mQ-aVkufSm5TfbKQ$)

3) Transparency and Accountability

There are data collection and reporting requirements for USDA in the 2002, 2008, 2014 and 2018 Farm Bills. If this information is not collected, USDA and the general public does not know the extent to which services are provided. The lack of this information is one of the reasons it is taking so long to implement the Debt Relief provisions in Section 1005 of the *American Rescue Plan (ARP)*.

Section 14006 of the 2008 Farm Bill added the following provision to USDA policy:
(c) Compilation of Program Participation Data:

(1) **Annual Requirements.** For each county and state in the United States, the Secretary of Agriculture shall annually compile program application and participation rate data regarding socially disadvantaged farmers and ranchers by computing for each program of the Department of Agriculture that serves agricultural producers and landowners-

(A) raw numbers of applicants and participants by race, ethnicity, and gender, subject to appropriate privacy protections, as determined by the Secretary; and

(B) the application and participant rate, by race, ethnicity, and gender, as a percentage of the total participation rate of all agricultural producers and landowners.

(2) **Authority To Collect Data.** -The head of the agencies of the Department of Agriculture shall collect and transmit to the Secretary any data, including data on race, gender, and ethnicity, that the Secretary determines to be necessary to carry out paragraph (1).

(3) **Report.** Using the technologies and systems of the National Agricultural Statistics Service, the Secretary shall compile and present the data compiled under paragraph (1) for each program described in that paragraph in a manner that includes the raw numbers and participation rates for-

- (A) the entire United States
- (B) each State; and
- (C) each county in each State.

(4) **Public Availability of Report.** The Secretary shall maintain and make readily available to the public, via website and otherwise in electronic and paper form, the report described in paragraph (3).

Section 14007. OVERSIGHT AND COMPLIANCE.

The Secretary, acting through the Assistant Secretary for Civil Rights (ASCR) of the Department of Agriculture, shall use the reports described in subsection (c) of section 2501A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279-1), as amended by section 14006, in the conduct of oversight and evaluation of civil rights compliance.”

USDA is not producing these annual reports, and the required information is not available to the public. The ASCR is not using the information to conduct civil rights compliance reviews.

4) Justice for Black Farmers

a. According to [Section 2501\(e\)\(2\)](#) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 USC 2279(e)(2)), a Socially disadvantaged farmer or rancher (SDA) is defined as a farmer or rancher who is a member of a “Socially Disadvantaged Group”. Therefore a "Socially Disadvantaged Farmer or Rancher" is defined as:

- i. Socially disadvantaged group-** a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. The definition that applies to Titles I, V, and VI includes members of a group subject to gender prejudice, while the definition that applies to Titles II, IX, XII, and XV does not. Title XIV and the Education and Risk Management Assistance provision in Title XII do not make specific reference to the statutory definition of socially disadvantaged farmer or rancher.
- ii. Socially disadvantaged Farmer or Rancher-** a farmer or rancher who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities. This

term means a farmer or rancher who is a member of a socially disadvantaged group. Specifically, a group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. Those groups include African Americans, American Indians or Alaskan natives, Hispanics, and Asians or Pacific Islanders.

- b.* The American Relief Act includes debt relief for Farmers of Color. Although the debt relief provided in Section 1005 of the American Relief Act will be helpful to the SDFR or forest landowners who receive the relief, **8 percent of Black farmers** will receive debt relief. It is estimated that about **3,100 Black farmers** will receive debt relief out of a total of **38,447 Black farmers which is 8 percent**. The other **94.8 percent of Black farmers** are not scheduled to receive relief under this provision.
- c.* Whereas the long-term documented history of discrimination against Black farmers by USDA which has led to a **decline of Black farmers from 925,701 in 1920 to 38,447 Black farmers in 2017**, and the fact that Black farmers did not receive most of the prior agreed-to relief funding, is used to support this relief in the ARP, only 3,100 Black farmers of the 17,000 SDFR or forest landowners will receive debt relief in section 1005 or **18.24 percent of the debt relief** will go to Black farmers. Since USDA loans to Black farmers are usually less than the amount of the loans provided to any other group, Black farmers might receive as **little as 10 percent of the dollars provided for debt relief under Section 1005**.
- d.* Whereas USDA provided funds to support farmers over the past four years, **97 percent of the funds were provided to white farmers**.
- e.* Black farmers are the only SDFR or forest landowners that is declining. Black farmers have declined by 96 percent.