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NSAC's Blog

A Closer Look at the 2018 Farm Bill: Local Agriculture Market Program

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Local Agriculture Market Program (LAMP) support on full display at Tonnemaker Family Farm in Woodinville, WA. Photo credit: Reana Kovalcik.

Editor's Note: This is the second post in a multi-part blog series digging deeper into some of the programs and policies of the 2018 Farm Bill. These posts will detail how the new farm bill is likely to impact core sustainable agriculture programs administered by the U.S. Department of Agriculture. Previous posts focused on: [working lands conservation \(https://sustainableagriculture.net/blog/a-closer-look-at-the-2018-farm-bill-working-lands-conservation-programs/\)](https://sustainableagriculture.net/blog/a-closer-look-at-the-2018-farm-bill-working-lands-conservation-programs/). Subsequent posts will focus on: [nutrition incentive and anti-hunger programs \(https://sustainableagriculture.net/blog/closer-look-2018-farm-bill-fini/\)](https://sustainableagriculture.net/blog/closer-look-2018-farm-bill-fini/), and [beginning/socially disadvantaged farmers \(https://sustainableagriculture.net/blog/closer-look-foto-2018-farmbill/\)](https://sustainableagriculture.net/blog/closer-look-foto-2018-farmbill/).

After a protracted and often contentious negotiation period, Congress finalized the 2018 Farm Bill and the President signed it into law just before the end of 2018 (nearly three months after the 2014 Farm Bill had expired). Despite the unprecedented amount of partisanship that arose during this farm bill process, the

sustainable agriculture community came away with some very significant wins – particularly when it comes to local/regional food systems (<https://sustainableagriculture.net/blog/2018-farm-bill-drilldown-local-rural/>). Now that the most visible part of the work is done (the passing of a new farm bill), farmers, local governments and community-based organizations are starting to wonder what's next.

In this deep dive post, we detail what stakeholders need to know and what they can look forward to from one of the crown jewels of the 2018 Farm Bill: the Local Agriculture Market Program (<https://sustainableagriculture.net/wp-content/uploads/2018/08/LAMP-one-pager.pdf>) (LAMP). The National Sustainable Agriculture Coalition (NSAC) was an early champion of LAMP, and outlines in this post how the program will improve resources for stakeholders, as well as what new opportunities might become available once it is implemented.

What is LAMP?

The growing demand for locally and regionally produced food has fueled a need for increased production, as well as a need for programs and policies that can support the expansion of those markets. The 2018 Farm Bill makes significant investments – in physical infrastructure as well as in training and peer-to-peer professional networks – in developing these burgeoning local and regional supply chains through LAMP.

LAMP is a new umbrella program created in the 2018 Farm Bill that partially combines and streamlines two existing, cornerstone local/regional food system programs: the Farmers Market and Local Food Promotion Program (<https://sustainableagriculture.net/publications/grassrootsguide/local-food-systems-rural-development/farmers-market-promotion-program/>) (FMLFPP) and Value-Added Producers Grant Program (<https://sustainableagriculture.net/publications/grassrootsguide/local-food-systems-rural-development/value-added-producer-grants/>) (VAPG). By moving FMLFPP and VAPG under the umbrella of LAMP, Congress was able to ensure permanent, mandatory funding for both original programs, better coordinate local and regional food systems funding across agencies, and also maintain the core mission, priorities and activities of each. LAMP also includes some new initiatives, such as a regional partnership program to facilitate “foodshed”-level approaches to developing regional food economies, and new functions to support value chain coordination, food safety infrastructure development, and food safety certification.

As part of LAMP, FMLFPP and VAPG will continue to prioritize projects that benefit small and mid-sized farm operations, as well as beginning, socially disadvantaged, and veteran farmers and ranchers. Collectively and independently the programs will focus on:

- Domestic farmers' markets, roadside stands, community-supported agriculture programs, agritourism activities, and other direct to consumer marketing practices.
- Local and regional food business enterprises (both direct-to-consumer and intermediated market channels).
- Processing, aggregation, distribution and storage of local and regional products.
- Business development and feasibility studies.
- Marketing strategies for producers of local or regional foods and value-added products in new and existing markets.
- Value-chain coordination.
- Producer food safety infrastructure and practice upgrades.
- Producer food safety audits and certification.
- Multi-stakeholder regional and foodshed planning, assessment, and coordination.
- New business opportunity and marketing strategies to reduce on-farm food waste.

The U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) and Rural Business-Cooperative Service (RBCS) will jointly administer LAMP. AMS will continue to administer the FMLFPP and new partnership program portion of LAMP, with RBCS administering VAPG.

The intention of combining FMLFPP and VAPG into LAMP is to foster synergies between AMS and RBCS that will lead to administrative efficiencies, improved outreach and technical assistance, and streamlined and simplified application processes. LAMP also includes resources to support improved evaluation of funded projects.

Regional Partnership Program

LAMP's new Regional Partnership Program, to be administered by AMS, will provide competitive grant funding to support multi-stakeholder partnerships and encourage foodshed-level approaches to planning and developing local/regional food economies. One of the goals of the partnership program is

to facilitate public-private partnerships – based off of the largely successful Regional Conservation Partnership Program (<https://sustainableagriculture.net/publications/grassrootsguide/conservation-environment/cooperative-conservation-partnership-initiative/>), (RCPP). Through this new partnership program, LAMP seeks to leverage federal investments to tap into private capital and help stakeholders enhance their collaboration. In order to accomplish this goal, priority will be given to projects that leverage significant non-federal financial and technical resources. Eligible partners include but are not limited to: food councils, farmer cooperatives, state agencies, and Farm Credit System lenders.

The statutory language for the new partnership program provides broad authority regarding the way in which a public-private partnership might facilitate the development of a regional food economy. Potential methods might include planning and feasibility assessments, supply chain coordination activities, or helping producers apply for grant funding. NSAC looks forward to working closely with the Administration to develop this new program, and urges farm and food stakeholders to be an active part of the implementation process.

Food Safety

In response to concerns about compliance with the Food and Drug Administration's (FDA) new Food Safety Modernization Act (<https://sustainableagriculture.net/fsma/>), (FSMA) rules, Congress added new authorities to both FMLFPP and VAPG to address food safety certification and practice upgrades. Specifically, LAMP will provide financial assistance for “expenses relating to costs incurred in obtaining food safety certification and making changes and upgrades to practices and equipment to improve food safety”. This language was included in LAMP as a new “eligible activity” for both FMLFPP and VAPG grant projects.

The 2018 Farm Bill also included some limitations to these new provisions. For example, there is a \$6,500 cap on the amount per grant under each program that can be used to purchase or upgrade equipment to improve food safety. Within VAPG, a maximum of 25 percent of the program's funding can be used for the aforementioned food safety certification and infrastructure upgrades. In dollars, that means that up to roughly \$4.3 million of VAPG's total \$17.5 million/year can be used for food safety financial assistance for farmers. However, it is also important to note that the exact dollar figure for VAPG could fluctuate

depending on annual appropriations. Considering that VAPG has historically received appropriated dollars (on-top of mandatory farm bill funding) there is a strong possibility that the total dollars and therefore total available for food safety certifications and upgrades will increase.

Beyond these provisions, however, LAMP does not provide many details as to how the program's new food safety authorities and funding should be implemented. Congress was clear in its intent that both RBCS and AMS should coordinate across agencies in the administration of LAMP, including each underlying program and the new food safety initiatives. Recognizing AMS's expertise in this area, NSAC encourages RBCS to work with AMS in implementing and administering this new food safety component. NSAC also urges USDA to implement LAMP's new food safety authorities in a manner that makes the funding broadly available, but targeted to those most in need of assistance – small-farm operations, beginning farmers, and socially disadvantaged producers.

Funding Structure

LAMP is funded at \$50 million per year in mandatory farm bill funding. This level of funding establishes permanent baseline for LAMP and its component programs – a historical victory for local food advocates, which sends an important signal that local and regional food economies are and will be an important part of our country's food and farm economy for many years to come. All project grants issued by any program within LAMP are capped at a total of \$500,000. VAPG grants require a non-federal funding match that is at least equal to the amount of federal funds being provided. FMLFPP and Partnership grants include a required a 25 percent match (cash or in-kind).

The distribution of funding within LAMP is as follows:

- Farmers Market and Local Food Promotion Program: \$23.5 million/year.
- Regional Partnership Program: \$5 million/year.
- Value-Added Producer Grants: \$17.5 million/year, with up to \$4.3 million for food safety infrastructure and certification assistance.

Additionally, \$4 million/year of LAMP funding is set aside for administration, outreach, and evaluation.

Lighting the LAMP: Implementation Outlook

At present, detailed timelines or plans for how USDA will implement LAMP are still unknown. Due to the ongoing government shutdown, NSAC has not been able to fully engage with the Administration regarding their planned approach to and estimated timeline for implementation of the 2018 Farm Bill – including LAMP.

We do, however, anticipate that FMLFPP and VAPG will largely be implemented and continue to operate much in the same way they did under the 2014 Farm Bill. In fact, the 2018 Farm Bill report language states that the bill's intention is that “each program's statutory authority, mission, grant priorities and activities to be retained as before.” Questions remain, however, regarding how *new* authorities or functions of the programs will be implemented – chief among them, how the new food safety financial assistance components within LAMP will be rolled out.

AMS, which administers FMLFPP, tends to address the details of program implementation through their annual request for applications (RFA) process rather than through promulgation of rules and regulations. Conversely, RBCS, which administers VAPG, tends to operate through the promulgation of rules and regulations. We can reasonably assume that both agencies will continue with their established approaches when it comes to 2018 Farm Bill implementation. And therefore, rulemaking would most likely be needed prior to any changes to VAPG coming into effect.

What to Watch for As Implementation Moves Forward

The 2014 Farm Bill did not require a match for FMPP subprogram grants while it required a match of 25 percent (cash or in-kind) of the total project cost for LFPP grants. Unfortunately, LAMP includes a 25 percent (cash or in kind) match requirement for both FMPP and LFPP with the important but small change that the 25 percent is no longer applied to the full project cost but a 25 percent match of the total Federal portion of the grant. That small change will likely clear up past confusion and make it easier for applicants to meet the matching requirement.

VAPG also includes a matching requirement, although further clarity will be needed from USDA in terms of what can count as match.

The 2014 Farm Bill statutory language for VAPG included a required non-federal funding match equal to at least the amount of federal funds being provided. However, the last farm bill was silent on whether or not that match could include in-kind, or only cash funding. In its implementation of VAPG under the 2014 Farm Bill, RBCS allowed both cash and in-kind matches, but limited the amount of in-kind match.

In the 2018 Farm Bill, LAMP includes nearly identical match requirement language for VAPG as was seen in the last farm bill. As with the FMLFPP match, NSAC urges that the implementation of VAPG's match requirement remain the same. Allowing an in-kind match for VAPG would ensure that producers can continue to count their sweat equity as part of the required match.

NSAC will also be watching closely as to how the rulemaking and implementation process for LAMP's new provisions – the Regional Partnership Program and new authorities related to food safety financial assistance – are handled by USDA. NSAC was a strong proponent of the Local FARMS Act, (<https://sustainableagriculture.net/our-work/campaigns/fbcampaign/localregional-food/local-farms-act/>), which included something similar to LAMP that proposed to combine FMLFPP and VAPG. Many of the provisions of the Local FARMS act were eventually folded into LAMP. The Local FARMS Act included a stand-alone food safety cost-share assistance program, and NSAC urges USDA to get as close to that original vision as possible when implementing LAMP's new food safety authorities.

Farmer and Stakeholder Input Needed in 2019

As AMS and RBCS move forward with implementing the 2018 Farm Bill, farmers and other food/farm system stakeholders will play a critical role in ensuring that LAMP meets their needs and expectations. As an early supporter of LAMP, NSAC plans to remain active throughout the implementation process, and will publicize all opportunities for stakeholders to submit comments and recommendations to USDA.

Once the administrative details of LAMP are hammered out and the program is ready to begin accepting applications for funding, NSAC will provide detailed program and application information via our blog and our *Grassroots Guide to Federal Food and Farm Programs* (<https://sustainableagriculture.net/publications/grassrootsguide/>).

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