

Regionalist Approaches to Farm and Food System Policy:

A Focus on the Northeast



The Northeast Ag Works! Project

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The Northeast Ag Works! Project is a region-wide project to propose, promote and support public policies that sustain and foster our region's food and farming system. Northeast Ag works! is a place-based collaboration to give greater voice to our region's policy priorities. Project partners are: American Farmland Trust, Conservation Law Foundation, Northeast Midwest Institute, Northeast States Association for Agricultural Stewardship and the Northeast Sustainable Agriculture Working Group. Visit www.northeastagworks.org.

The Northeast Midwest Institute is a Washington-based private, nonprofit and non-partisan research organization dedicated to economic vitality, environmental quality and regional equity for Northeast and Midwest states. Formed in the 1970's, it conducts research and analysis, develops and advances innovative policy, evaluates programs and disseminates information. Visit www.nemw.org.

The Northeast Sustainable Agriculture Working Group (NESAWG) is a network of member groups in the twelve Northeast states working together to promote a more sustainable and secure farm and food system for our region. Founded in 1992, NESAWG focuses on public policy at the state, region and federal levels, food system development, and public education. Visit www.nesawg.org.

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I. Introduction

This paper explores why agriculture and food system policy needs to pay more attention to regions. Regionalism, which urges a move from sector-based to place-based policymaking, has emerged as a powerful principle in public policy. Applied to agriculture and food policy, it acknowledges the regional diversity of the U.S. farm and food system and enables important differences between regions to be articulated and addressed more explicitly in the policy making process.

We define regionalism *as a framework for policy analysis and development that: 1) responds to regional differences and needs; and 2) encourages regional approaches and solutions.* A regionalist approach to public policy is based on the assumption that *regions are different.* Good public policies must reflect and respond to regional differences. They should not unfairly disadvantage some regions in favor of others or — whether through lack of understanding or concentration of political power — fail to address the needs of significant sectors or interests within those regions.

Our goal is to promote the integration of regionalism into farm and food policy deliberations at all levels, from local to national. The focus of this paper is on federal policy. For purpose of this discussion, our region of focus is the Northeast U.S. defined to include the twelve states of Maine, Vermont, New Hampshire, Massachusetts, Connecticut, Rhode Island, New York, New Jersey, Pennsylvania, Maryland, Delaware and West Virginia, and the District of Columbia.

II. Regionalism and Farm and Food Policy

Regions can be described in many ways; their boundaries are fluid, not rigid. A region may be defined by political or administrative boundaries (e.g., county or counties, New England states, EPA Region I), watersheds or bioregions (e.g., Chesapeake Bay watershed, Mid-Atlantic Highlands, Hudson Valley) or culture (e.g., Cape Cod, Down East Maine, the Big Apple). Regions may be composed of sub-regions; they overlap; they “nest” in larger regions. For example, the Berkshires and Cape Cod are regions of Massachusetts, which is part of New England which is part of the Northeast. The Chesapeake Bay is a part of the Mid-Atlantic which is often (but not always) considered part of the Northeast.

All regions can be characterized in terms of basic structural features that highlight both commonalities and differences among them. These include physical characteristics, socio-economic factors, political dynamics, and socio-cultural features. These ways of understanding regions provide a basis for developing policies that are more responsive to regional needs, leverage regional economic and institutional strengths, and allocate resources in ways that are more efficient, effective, and politically acceptable. A one-size-fits-all approach to public policy that is not responsive to regional differences can result in inefficiencies and inequities.

Regionalism is particularly relevant to farm and food policy. Unlike in the manufacturing and services sectors, which are less dependent on the natural capital and resource bases of particular regions, agri-food systems are characterized by “the geographic fixity of primary factors in

production, including suitable farmland, regional climate conditions, natural resource base, and proximity to primary upstream industry.”^{1,2} Topography, water availability, land and other input costs, farm scale, and crop options play out at the regional level. These factors invariably influence and reflect regional cuisines, and consumer food preferences.³ A practice, technology or market strategy that works in one region may not work in another. Likewise, regional differences in transportation, processing and distribution infrastructure, local, domestic and international market access, as well as food insecurity and access, for example, shape a region’s comparative advantages challenges. If “all politics is local,” all farm and food systems are regional.

A regionalist approach to farm and food policy also looks to develop *regionally based food systems*. It argues that regions offer opportunities for economic development that are distinct from those operating at larger scales (the national or global). . Strategies aimed at fostering regionally based food systems focus on developing the development of production systems and supply chains that serve markets on local and regional scales. They seek to capitalize on competitive advantages derived from potentially reduced input and transportation costs; increased and more refined information flows between producers and purchasers/consumers; and market development based on product differentiation and branding products in terms of place or locale, freshness, or other characteristics distinctive to a region.

While the production base of farm and food systems is fundamentally place-based and regional, agricultural and food policies, at least on the federal level, have been less responsive to regions’ characteristics and their differing needs. For a complex set of historical, political, and production-based reasons, federal farm policy has focused primarily on certain crops in certain regions. A federal policy structure has evolved which, while not monolithic, very much centers on commodity crop programs. These programs—and the producers they serve—are in turn buttressed by risk management, marketing, conservation, and research programs that also focus primarily on program crops. The net result is that the benefits of this policy structure are unevenly distributed among producers, sectors, and regions.

The regionalist approach to farm and food policy advocated for here assumes that federal policy should serve agriculture in all regions of the country and that the goals of food production and distribution are to ensure access to adequate, appropriate and healthy food to all people within each region.. That assumption is based in turn on another: namely, that there are important values—economic, security-related, environmental, and cultural—implicit with a strong agricultural base in all regions and with assuring access to adequate, appropriate and healthy food to all people within each region. Consequently, prime farmland should be conserved and a viable farm sector supported in order to ensure that regions—even within an increasingly globalized agri-food system or perhaps precisely for that reason—have some basic capacity to produce a share of their food, fiber, and energy needs. A strong farm sector also provides a

¹ Patrick Canning and Marinos Tsigas, Regionalism, Federalism, and Taxation A Food and Farm Perspective <http://www.ers.usda.gov/publications/Tb1882/tb1882a.pdf>

² The USDA Economic Research Service maps various commodity production regions based upon similar production practices and natural resources. <http://www.ers.usda.gov/data/CostsAndReturns/oldregions.htm>

³ For a good example of a regional Northeast cuisine based upon available natural resources, see “Cuisine of New England” in Wikipedia. http://en.wikipedia.org/wiki/New_England_cuisine

broader land base that, if actively supported by sound and sustained stewardship, produces public goods in the form of open space, clean water and air, wildlife habitat, and cultural connection to a region's farming heritage. There are consumer preferences—related to product freshness, the demand for traceability, to cultural or ethnic heritage, to some a desire to support the local economy—that are best or even uniquely met by a regional agricultural system. These factors represent important opportunities for local agriculture to play a greater role in addressing food access and hunger issues in low-income communities and in helping all Americans improve the quality of the food they consume. Such measures hold promise as a means of building place-based partnerships with new, non-agricultural stakeholders, all of which will be necessary to ensure a future base of consumers, citizens, and taxpayers willing to support the region's agriculture and food system.

The outlook sketched above suggests that a regionalist approach to farm and food policy depends, above all, on a new and wider assessment of the comparative advantages and competitive potentials of specific regions relative to their farm and food sectors.⁴

Making the Case for Regional Policy Approach

Several principles underlie a regionalist policy approach. Regionally responsive public policies are: (1) flexible; (2) appropriate; (3) equitable; and (4) fair. They should also (5) foster solutions that cater to each region's strengths and challenges.

- (1) Policies should be *flexible* in their application across regions. They should reflect an appreciation for regional differences such as production costs and climate. Rules should not be “cookie cutter”. What works in one region won't necessarily work the same way in another.
- (2) Policies should be *appropriate* in policy focus and implementation. An appropriate policy addresses a region's specific needs *and* strengths. Policies can be applied at the proper “unit” of implementation, such as a watershed for water quality issues. Policies should be appropriately targeted to solve specific problems which may be unique to a specific region.
- (3) Policies should be *equitable* — free from bias or favoritism. Equitable does not mean equal; it does not imply that all farmers, for example, should receive equal support payments or all states should receive identical allocations. Rather, policies must assure equitable access to and distribution of resources. Factors include program access and participation, eligibility criteria, funding formulas, and the distribution of benefits.
- (4) *Fair* policies do not advantage one region over another. To achieve broad public policy goals, fair policies at minimum, do no harm to certain sectors or regions while disproportionately benefiting others.

⁴ See Michael E. Porter, Presentation, “The Competitive Advantage of Regions.” The Columbus Partnership Retreat, John F. Kennedy School of Government, February 27, 2004.
http://www.isc.hbs.edu/pdf/Columbus_Partnership_Retreat_2004.02.27.pdf

(5) Public policies should also encourage *regional approaches to addressing regional problems*. Issues that occur in multiple states, among states, or across portions of states often require regional solutions. Regionalism does not necessarily pit one region against another (although inter-regional tensions are inevitable). In fact, regions can — and should — work together toward shared goals and inter-regional cooperation, under policies that accommodate regional specifics.

While a regional approach can refine national policy to address regional differences and needs, it can also highlight the value of organizing by region or within regions. There are problems that require a regional response. These can be environmental problems, many of which cross state boundaries. They can be related to research and extension: few land grant universities have the funds and staff required to address the full range of research and technical assistance needs of farmers within their states. Moreover, it is often inefficient in a region as geographically concentrated as the Northeast for each and every state to take on these responsibilities. It makes more sense to develop regional collaborations or consortiums that allow for the transfer of research and technologies and the sharing of resources.

We promote a regionalist approach as a framework for policy analysis, development and implementation, and for organizing to solve problems. We believe this will lead to more effective and efficient farm and food policies through greater responsiveness to the needs of farmers and communities in all regions. Instead of asking whether *we are getting “enough” from existing policies*, a regionalist framework assures that *policies are responsive to our particular needs*.

III. The Northeast Farm and Food System

Agri-food regions can be defined in terms of the interplay between various factors including:

- **Landscape characteristics** such as soils, water resources, and climate;
- **Agricultural land uses** and production systems that develop on the natural resource base;
- **Broader socio-economic factors** such as demographics, development patterns, infrastructure, and markets; and
- **Political relations and identities** established through congressional delegations, federal administrative offices, interstate commissions, associations of state legislators and administrative officials, and various regional non-governmental associations.

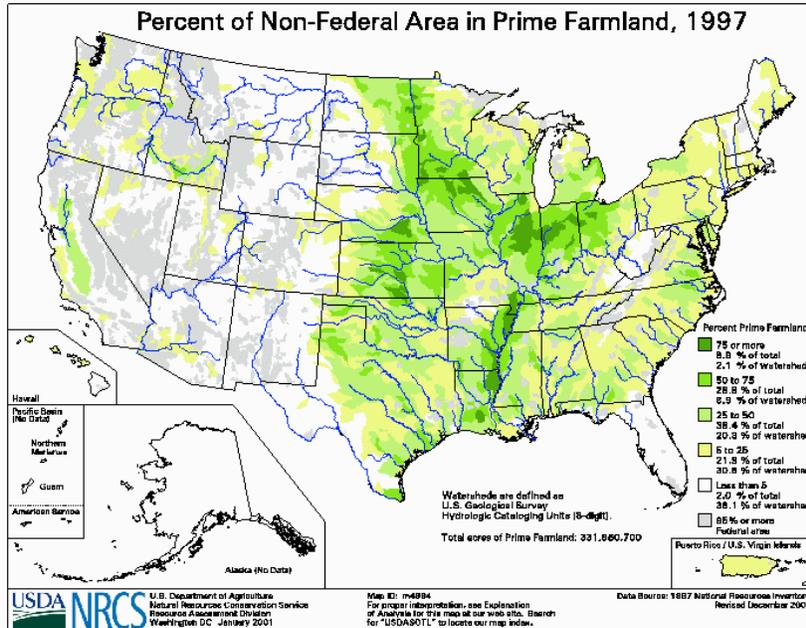
Landscape Characteristics

In a natural resource-dependent sector such as agriculture (also forestry and fisheries), physical characteristics such as soils, water resources, climate, and topography are the key determining factors of productivity. They influence land use patterns, cropping and livestock systems,

production costs, and marketing opportunities. To a great extent, natural factors shape regional identities and are reflected in broader economic, social, and cultural patterns.⁵

In general, the Northeast has a moderate amount of prime farmland, generally ranging from five to twenty five percent of the available agricultural land.⁶ While land of suitable quality for cultivation (minimal field obstructions, minimal slopes) is fairly limited, approximately half the soils in Northeast states are suited for pastures or orchards. In the past fifty years, much of the

prime farmland has reverted from fallow fields and pastures to forest cover.⁷ The result is that three-fifths of the Northeast is now covered by forest.⁸



The Northeast has abundant water resources, including widely accessible surface water and relatively high annual precipitation. The extensive coastlines of the Atlantic Ocean and the Great Lakes create micro-climates that affect agricultural productivity and provide transportation access points.

Agricultural activities have significant impacts on the landscape. Runoff from farm fields and livestock operations frequently contains high concentrations of nutrients (nitrogen and phosphorus) and chemical residues from pesticides and herbicides that can impair water quality. While urban and other uses far exceed agriculture as a source of water pollution in the Northeast, impacts from farming are evident in the region's estuaries — such as the Chesapeake Bay — and fresh water bodies such as Lake Champlain.

⁵ For an overview of the Northeast's historic cultural settlement patterns and their relation to natural resources see: Northeastern United States in Wikipedia. http://en.wikipedia.org/wiki/Northeastern_United_States

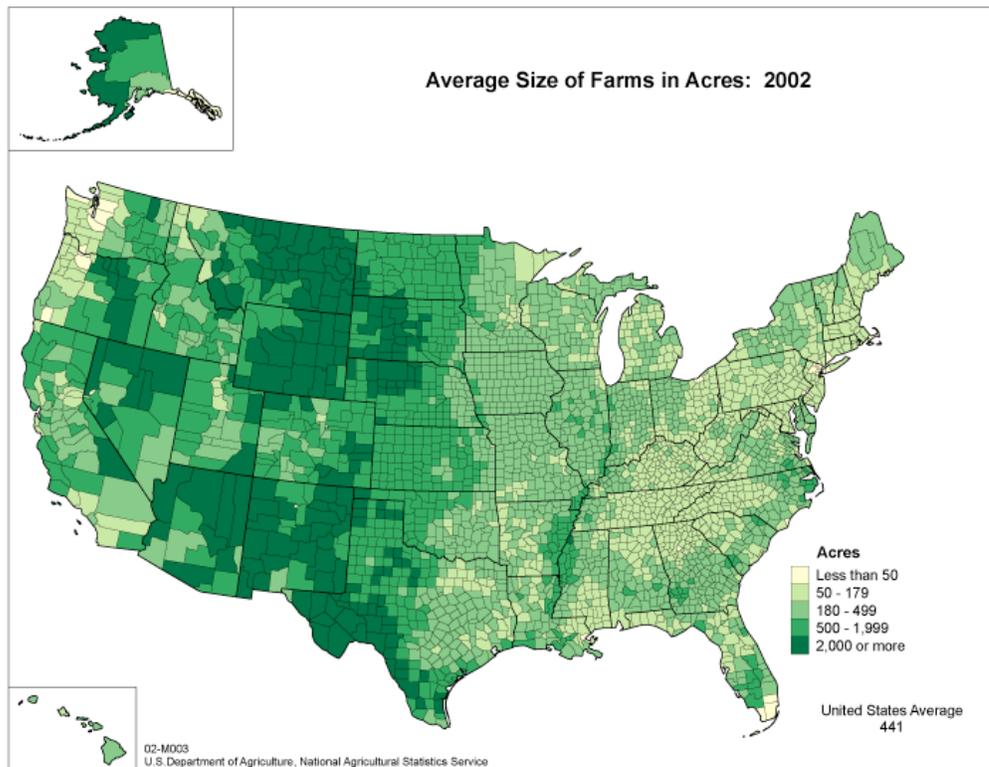
⁶ Prime farmland is land that has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops and is also available for these uses. It has the soil quality, growing season, and moisture supply needed to produce economically sustained high yields of crops when treated and managed according to acceptable farming methods, including water management. [SSM, USDA Handbook No. 18, October 1993]

⁷ Area Changes for Forest Cover Types in the United States, 1952 to 1997, With Projections to 2050. A Technical Document Supporting the 2000 USDA Forest Service RPA Assessment USDA Forest Service. Ralph J. Alig and Brett J. Butler.

⁸ National Resources Inventory 1997. Revised December 2000. USDA Natural Resources Conservation Service.

Agricultural Land Uses

According to USDA's Economic Research Service, the Northeast region has experienced an almost 50 percent decline in cropland used for crops over the last half century. In 1945, the Northeast used approximately 21 million acres — 6 percent of the nation's total land area (outside of Alaska and Hawaii) — for growing crops. By 2002, cropland in the Northeast had declined to 11 million acres, or 3 percent of the national total. In the five-year period between 1997 and 2002, however, the region experienced a modest increase of roughly 1 million acres.⁹



Farms in the Northeast are on average 153 acres, smaller than the national average of 441 acres U.S. The average age of farmers in the Northeast is 54.6 — close to the national average of 55.3. The Northeast has a significantly higher than average number of women in farming than the rest of the country—32.5% compared to 27% nationally. .

Much of the Northeast region's agricultural production value is located near urban areas. In fact, 55% of Northeast farms and 45% of its farmland are in metro areas, while nationally, only 8% of federal agriculture and natural resource dollars go to metro areas. Proximity to markets and consumer demand for fresh, regionally produced goods are important factors in sustaining agriculture in the Northeast and are a major factor, for example, for continued dairy production

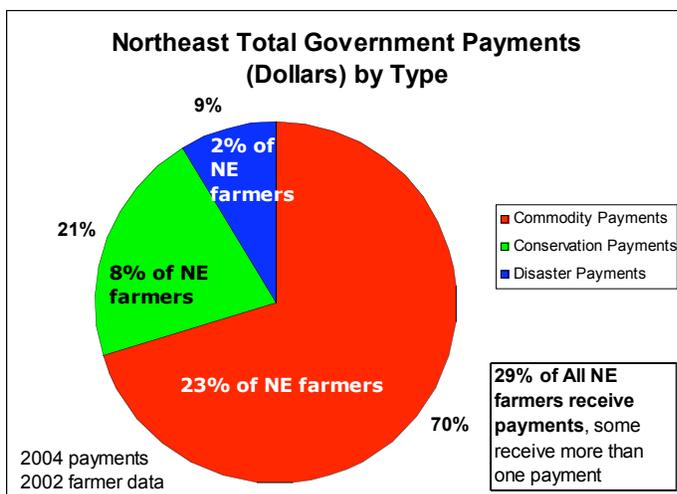
⁹ USDA-ERS, Major Land Uses in the United States, 2002. <http://www.ers.usda.gov/publications/EIB14/eib14d.pdf>

in the region despite higher production costs.¹⁰ The Northeast region leads the nation in direct from farmer to consumer sales. Over 12% of Northeast farms sell directly to consumers, with that figure closer to 20% in most states in New England.

Proximity to urban populations has also created competition for land use. As a result, the Northeast has—on average—far higher land values than the rest of the US. The average value per acre of farmland in the US is \$1,510. In DE and MD, an acre of farmland averages over \$7,500; in NJ, MA, CT, and RI it is over \$10,000/acre. These high land costs are the products of development pressures as evidenced by the Northeast having the highest rate of conversion of lands from agriculture to non-agricultural uses in the country. These high land costs create serious challenges for the long-term economic viability of individual farms, for farm entrants, and the farm sector as a whole.

A greater diversity of products are grown and raised in the Northeast. Nearly three quarters of the value of agricultural products in the Northeast come from dairy, floriculture, and poultry products (which includes eggs). Sales for these products totaled over \$7.9 billion in 2002.¹¹ Sales of the top agricultural products overall amounted to approximately \$11.7 billion.

Northeast farm counties generally do not rely on federal payments as heavily as farms in the Midwest and South. Only three percent of all farm payments are distributed to the Northeast, with Pennsylvania and New York being the largest recipients. The largest share of these payments derives from the Milk Income Loss Contract program (MILC). New York and Pennsylvania are the largest recipients of MILC payments in the Northeast, with the Northeast receiving about 24% of the payments nationally for approximately 18% of the nation’s milk production.¹² Disaster and conservation program make up the next largest sets of payments and are more widely distributed across producers.



With its many metropolitan areas, urban agriculture is emerging as a way not only to produce food but as a stimulus for creative urban economic development and a vehicle for community empowerment, public awareness and social change. There is an increasingly large network of community gardens in cities across the Northeast along with over 1,000 farmers’ markets and hundreds of Community Supported Agriculture farms supported by thousands of urban families.

¹⁰ 2005. Rodney Carlson. Presentation “Northeast Dairy Outlook Forum 2005.” September 19, 2005. Harrisburg, Pennsylvania.

¹¹ Agricultural Census, 2002.

¹² 2002. The Changing Shape of U.S. Milk Production. Don P Blaney. USDA, Economic Research Service. June, 2002. Statistical Report 978. <http://usda.mannlib.cornell.edu/usda/nass/SB978/sb978.pdf>

Socio-Economic Characteristics

The population of the Northeast region in 2004 was just over 68 million people, with a population density four times the national average. The Northeast has income levels above the national average and food expenditures, by value, are also higher in the Northeast than in any other region. Northeasterners spent a total of \$132 billion in food (\$6,300 per household) in 2004.¹³ Just over two-fifths of this total was spent away from home, consistent with the rest of the U.S.

The incidence of food insecurity in the Northeast region is lower than average, 8.9% as compared with 11.4% nationally. Nevertheless, 7.7 million residents of the Northeast live in poverty. Moreover, because of its large population and large number of individuals eligible for federal nutrition programs, it receives a significant share of the federal dollars allocated to food stamp, WIC, school breakfast and lunch, and other food assistance and nutrition programs. In 2005, these expenditures totaled nearly \$9 billion.¹⁴

Food insecure, with hunger average incidence (2002-04)	
Connecticut	8.6%
Delaware	6.8%
Maine	7.1%
Maryland	8.6%
Massachusetts	9.8%
New Hampshire	6.4%
New Jersey	8.5%
New York	10.5%
Pennsylvania	10.2%
Rhode Island	12.1%
Vermont	9.0%
West Virginia	8.8%
Northeast	8.9%
US Total	11.4%
<i>Source: Household Food Security in the United States, 2004/ERR-11 Economic Research Service/USDA. Appendix D.</i>	

Most of the Northeast’s population lives in metropolitan areas. The region’s non-metropolitan—rural—population, however, is the most stable in the U.S. On the whole, the Northeast has not experienced the out-migration prevalent in the Great Plains and other rural regions of the US. However, some areas within upstate and western New York, western Pennsylvania, and northern Maine and New Hampshire did lose residents between both 1980 and 1990 and 1990 and 2000 (Figure 13).¹⁵ More typically, however, Northeastern non-metro areas have experienced in-migration. Most of these new residents are from other regions in the US, though international immigration is responsible for about a fifth of the population change.¹⁶ Recreation in rural areas is an important reason for population growth in the Northeast, with 21 of its counties defined as “recreation counties.” These counties had an average population growth rate of 90% between 1990 and 2000.¹⁷

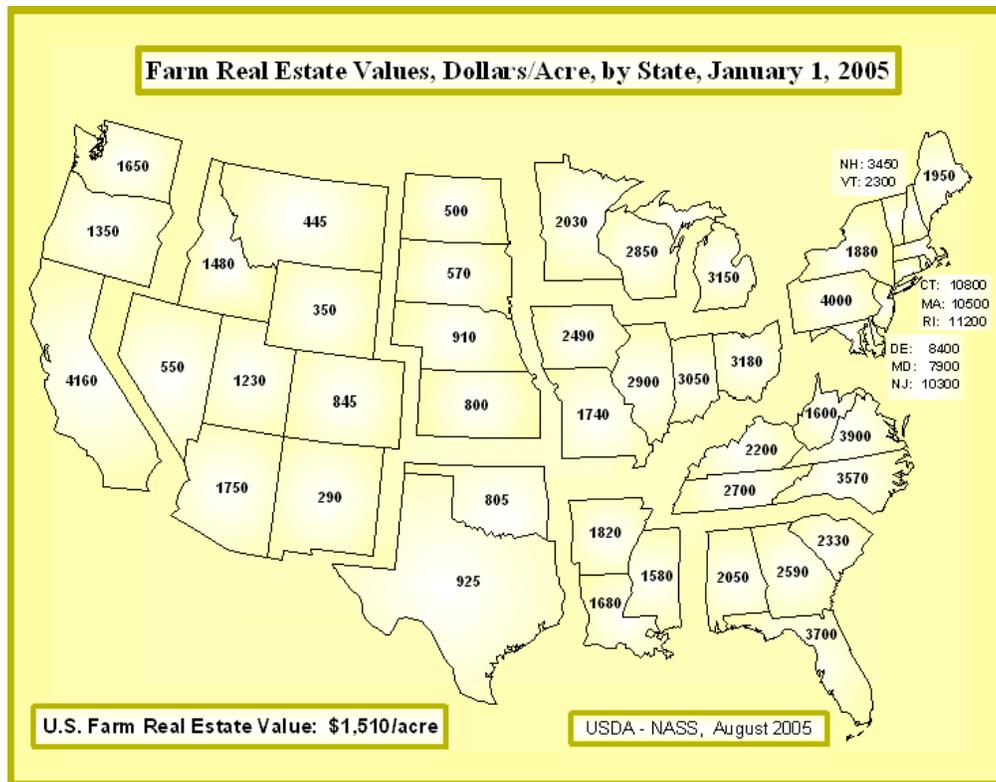
¹³ Calculated from multiplying the Northeast average household food expenditure from Consumer Expenditures in 2004 U.S. Department of Labor U.S. Bureau of Labor Statistics April 2006 Report 992 and the number of household units in the Northeast from: U.S. Census Bureau, Census 2000 Summary File 1, Matrices P1, H4, H12, H13, and H16.

¹⁴ Food Research and Action Center (FRAC), Federal Food Programs, Regional Profiles (Northeast and Mid-Atlantic), http://www.frac.org/html/federal_food_programs/federal_index.html

¹⁵ USDA, ERS, “Measuring Rurality: 2004 County Typology Codes,” <http://www.ers.usda.gov/Briefing/Rurality/Typology/maps/Population.htm>

¹⁶ Rural America At A Glance, 2006 Edition By Lorin Kusmin, editor Economic Information Bulletin No. (EIB-18) 6 pp, August 2006

¹⁷ Nonmetro Recreation Counties Their Identification and Rapid Growth Kenneth M. Johnson Calvin L. Beale in “Rural America” Winter 2002/Volume 17, Issue 4.



A population density four times the U.S. average, however, also contributes to high land values and the continuing rapid conversion of farmland to non-agricultural uses.¹⁸ The Northeast has the highest agricultural land values in the country. With its competing land uses and diverse economic base, the Northeast is the only region in the U.S. with no counties dependent upon farming, i.e., no county receives at least 15% of its earnings from agriculture or has 15% of its employment in agriculture. Nevertheless, a number of sub-regions in the Northeast—notably southeastern Pennsylvania, northern Maine, southern New Jersey, and parts of western New York and Pennsylvania—have farm payroll ranges consistent with other agricultural production regions in the U.S.

Political Factors

With 100 votes in the House of Representatives and 24 votes in the Senate, the Northeast remains a powerful political block. Few Representatives and Senators from the region, however, sit on the Congressional committees that authorize agricultural legislation or appropriate funds for U.S. Department of Agriculture programs. In the 109th Congress, the Northeast has two Members on the House Agriculture Committee (Representatives Holden (D-PA) and Kuhl (R-NY)), and two on the House Agricultural Appropriations Subcommittee (Representatives DeLauro (D-CT) and Hinchey (D-NY)). In the Senate, there are two Members on the Agriculture Committee (Senators Leahy (D-VT) and Santorum (R-PA)) and one Member on the Agricultural Appropriations Subcommittee (Senator Specter (R-PA)).

¹⁸ National Resources Inventory 1997. Revised December 2000. USDA Natural Resources Conservation Service.

Members of Congress from the Northeast region have created informal caucuses in the Senate (the “Eggplant Caucus”) and House (the Northeast Agriculture Caucus) to discuss agriculture and food-related issues of importance to the region. Representative Tim Holden (D-PA), co-chair of the House caucus with Representative Sherwood Boehlert (R-NY), posted the following description of the body:

“The Northeast is home to an array of agriculture producers — various sectors of the livestock industry, fruits, vegetables, organic, and even some program crops. Our producers face many challenges, and most of which are unique to our region. It is important that we all work together — rural, suburban, and urban — to address the challenges of keeping land in agriculture and preserving our family farmers.

With the current farm bill scheduled to expire in 2007, we must begin discussions in order to develop proposals of importance to Northeast agriculture. We stand a better chance of being heard on an issue when we speak collectively with a united voice to represent the concerns of our constituents in Northeast agricultural communities.

Since its inception in 1986, the Northeast Agriculture Caucus has educated Members of Congress and their staffs about the important and complex issues facing farmers in the Northeast. It provides a forum for members to talk with each other, administration officials, and federal policy makers, and to represent the concerns of Northeast farmers.”

Regionally, the Northeast Association of State Departments of Agriculture (NEASDA) presents a forum where the state agriculture officials can identify and potentially address issues that affect multiple states.¹⁹ Priority issues for the region’s state agriculture departments have included the MILC program (and earlier the Northeast Dairy Compact), federal block grants and marketing assistance, conservation programs, interstate regulatory issues, and numerous other state and federal issues.

The Northeast States Association for Agricultural Stewardship (NSAAS), supported by the Council of State Governments, was created in 1999 to provide a unified voice for Northeast agriculture. Composed of the chairs, vice chairs and ranking members of the state legislative committees responsible for agriculture policy, NSAAS serves as a clearinghouse and resource for legislators and advocates as they develop innovative agricultural policies dedicated to promoting and assisting agricultural and rural development in the Northeast.

There are a great number of farm organizations, industry associations, and advocacy groups that focus—from a regional or sub-regional perspective—on one or more dimensions of agriculture, food policy, or rural development in the Northeast. Food policy councils (e.g., Connecticut, Maine) are models for integrating urban and rural, production and consumption, farm and food issues.

¹⁹ Does not include West Virginia or Maryland.

IV. Regionalism and Federal Policy

A variety of policy tools exist to address needs and interests of regions. Two major types are: (1) programs and policies that target a region through programming, funding streams, and administrative arrangements (“targeted programs”); and (2) programs and policies that are national in definition and scope but impact particular regions differently (“federal programs with regional impact”). Both types have examples in agriculture policy and the Northeast specifically.

Targeted Programs²⁰

The 2002 Farm Bill took several positive steps toward more regionally-based planning and program delivery in the areas of rural economic development and conservation. While many were outside the Northeast, they nevertheless constitute important examples of regional agricultural and rural development policy.

Regional planning agencies and interstate coordination mechanisms are one way of addressing regional problems and needs. This approach relies on establishing intermediary entities — whether through federal mandates or interstate compacts — that operate at a scale larger than an individual state but smaller than the nation as a whole. In the realm of natural resource management and environmental policy, landscape-level units and boundaries (e.g., watersheds or air-sheds) have been used to define programs and administrative units.

For example, as part of the Rural Development title, the 2002 Farm Bill authorized the Northern Great Plains Regional Authority (NGPRA), a federal-state partnership serving the five-state region of Iowa, Minnesota, Nebraska, North Dakota and South Dakota. With a governing board made up of federal representatives, the five state governors, and a tribal representative, NGPRA promotes cooperative regional economic development in a part of the country that has experienced serious declines in job creation, business development, and population growth. The 2002 Farm Bill also reauthorized the Delta Regional Authority (DRA), a federal-state partnership serving a 240-county/parish area in the eight-state lower Mississippi River delta region. While the DRA has received consistent funding, largely because of the political clout of key southern Members of Congress, the NGPRA has struggled for funds.

²⁰ Drabenstott distinguishes between place-based “regional development programs” and national or “broad-based development programs. “The OMB’s community and regional development spending category (450) is a good proxy for [regional development] programs. Unfortunately, there is no corresponding budget catchall for broad-based development programs. One can be constructed, though, by combining selected OMB spending categories. Toward that end, we combined 13 government functions... all around a general definition of economic development that encompasses infrastructure, human capital, technology, and business development. When broad-based and regional development categories are combined, the federal government spends about \$188 billion a year on economic development (the annual average for the past five years)... This means that roughly one in every four federal dollars is currently spent on economic development. More than 90 percent of development dollars are spent on broad-based development programs, leaving fewer than one in every 10 federal dollars for regional economic development.” Mark Drabenstott, *A Review of the Federal Role in Regional Economic Development*, Center for the Study of Rural America Federal Reserve Bank of Kansas City, May 2005

The 2002 Farm Bill authorized two other regionally focused programs that have not been funded and hence not implemented: a Rural Strategic Investment Program to fund regional investment boards that would plan and implement comprehensive regional rural development strategies; and a multi-jurisdictional Regional Planning Organizations Program that would fund regional entities that assist local governments and local development organizations.

The 2002 Farm Bill also created a number of regionally focused conservation programs. The Great Lakes Basin Program for Soil Erosion and Sediment Control called for the Secretary of Agriculture to coordinate with several agencies—the Great Lakes Commission, the Administrator of the Environmental Protection Agency, and the Secretary of the Army (Corps of Engineers)—in carrying out sediment and erosion control activities. Part of the program has involved demonstration grants funding community-based watershed improvement project. The program has been implemented with funds appropriated (and earmarked) through NRCS's Conservation Operations account.

Within the Environmental Quality Incentives Program (EQIP), two regional programs were established in the 2002 Farm Bill to address specific regional environmental challenges associated with agricultural production.²¹ The Klamath River Basin Program (CA and OR) is a water conservation program designed to reduce consumptive use of water in this environmentally sensitive river basin. The Colorado River Basin Salinity Control Program uses EQIP funds to support irrigation improvements and vegetation management reduce in order to reduce the amount of salts flowing into the river due to agricultural activities.²²

In the Northeast, two geographically defined programs have been established through EQIP in the Chesapeake Bay watershed. In the Conservation Innovation Grant (CIG) program, \$5 million has been set aside for innovative conservation projects within the Chesapeake Bay watershed. Another EQIP CIG project in the Northeast—the Trust to Conserve Northeast Forestlands—provides funds to develop an ecosystem services trading program for family forest landowners to promote the protection of atmospheric, water, and soil resources in Maine.

The 2002 Farm Bill also authorized a “conservation corridor” demonstration project for the eastern part of the Chesapeake Bay watershed in Delaware, Maryland, and Virginia. Using existing USDA conservation programs and leveraging state resources, the Delmarva Conservation Corridor (DCC) seeks to advance conservation and promote improved farm viability. In 2004 the program received \$5 million from the USDA but still does not have an explicit appropriation.

²¹ At the same time, perhaps the most effective targeting device in the EQIP toolbox, the designation of state priority areas (“a watershed, area, or region that is designated under this part because of specific environmental sensitivities or significant soil, water, or related natural resource concerns”) was eliminated in the 2002 Farm Bill. However, state technical and the State Conservationists still set priorities within state (or areas within states) in order to address higher priority conservation issues. For a discussion of the concept of priority areas, see: Jeffrey Zinn and Geoffrey S. Becker, Environmental Quality Incentives Program (EQIP): Status and Issues, CRS Report to Congress, November 1, 1996. Accessed 9-3-06 at <http://ncseonline.org/NLE/CRSreports/Agriculture/ag-74.cfm>.

²² Ibid.

The Agricultural Management Assistance (AMA) program represents a different type of approach. AMA is a regional program in the sense that it targets 15 states—most in the Northeast—with historically low participation in the Federal Crop Insurance Program. Originally established in the Agriculture Risk Protection Act of 2000 (ARPA) and modified in the 2002 Farm Bill to increase its funding base to \$20 million annually, the program helps producers in targeted states adopt conservation practices, production systems, and investment strategies that reduce or mitigate risk.²³ This more diverse set of risk management strategies—especially when coupled with programs such as AGR/AGR-Lite (see below)—are intended to fill at least some of the gaps left by more conventional crop insurance programs.

A final type of regional targeting does not specify in statute the particular geographical areas to target but gives implementing agencies the authority to make these determinations. The Conservation Innovation Grant program (with the exception of the funds reserved for the Chesapeake Bay watershed) fits this definition. Though never implemented, the Partnership and Cooperation authority authorized in the 2002 Farm Bill represents an even more ambitious version of this concept.

In 2002 the Governors of the Chesapeake Bay watershed states signed a letter proposing an ambitious program under the Partnerships and Cooperation authority: The Chesapeake Bay Working Lands Nutrient Reduction Pilot Program. Although requests for funding in 2002 and 2005 were never met, the Chesapeake Bay working lands pilot program sets out a detailed plan that combines cost-share, technical assistance, and incentives to promote economic viability and environmental integrity on the multi-state Delmarva Peninsula.²⁴

The inconsistent funding history of these programs reveals the Achilles' heel of place-based regional programs: their political viability is very much dependent on the relative power of the political delegations that create them and fight successfully to fund them through the annual budget and appropriations process.

Regional Funding Mechanisms

Creating dedicated federal programs that are place-based and target particular regions is perhaps the clearest way of implementing a regionalist policy framework. In practice, however, several other strategies and mechanisms are used frequently by lawmakers and advocated by various

²³ Funds are allocated to three USDA agencies. NRCS provides cost-share assistance to address risk management concerns linked to water management, water quality, and erosion control. The program thus overlaps considerably with the EQIP program, though proponents claim that it also fills important gaps in EQIP and—perhaps more importantly—provides a dedicated, independent funding stream to producers in the Northeast. A small portion of the AMA funding stream—\$1 million annually—has supported an organic certification cost-share program administered by the Agricultural Marketing Services to assist producers transitioning to organic production systems. The Risk Management Agency (RMA) uses AMA funds to encourage producers to purchase higher levels of insurance coverage and attract new producers to enter the program.

²⁴ ERS: “Partnerships and cooperation: No similar provisions. In carrying out any conservation program, the Secretary may use program resources to enter into stewardship agreements with State and local agencies, tribes, and non-government organizations. The Secretary may also designate special projects, as recommended by the State Conservationist, to enhance technical and financial assistance provided to producers to address natural resource issues.”

constituencies. The distinguishing feature of these policy tools is that they focus on funding streams rather than programming. These include regional earmarks (annual and more vulnerable), block grants, eligibility and allocation formulas, and payment floors or ceilings.

In the Northeast, there has been considerable interest in expanded use of block grants, particularly from the state departments of agriculture. Block grants are sums of money that the federal government grants to governments (states or localities). Federal block grants came to prominence under the Reagan Administration and have been used by successive administrations and Congresses as a strategy of “devolving” program design and administration, thereby enabling states and other more local units of government to craft rules and regulations more responsive to local needs. Congress typically develops general guidelines and allocation formulas, and retains important oversight responsibilities, though critics of block grants argue that federal oversight is weakened and compromised by uneven program implementation.

There are several examples of block grants in recent federal agriculture policy. In 2001 Congress approved a farm assistance package (H.R. 2213, P.L. 107-25) that included a block grant program for specialty crops to be administered by the states. The program established a floor payment of \$500,000 for each state with additional funds allocated in proportion to the value of the state’s specialty crop production. The National Association of State Departments of Agriculture (NASDA) reports that approximately 1,400 projects were funded through \$153 million of block grants. Major project types included marketing (50%), education (13%), and ad research (13%) with pest and disease, production, and food safety making up the remainder. The block grants were distributed primarily through state programs (53%) and competitive grants (40%).²⁵

With support from specialty crop growers and the states, Congress enacted the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note), which authorized the USDA to make grants to state departments of agriculture to enhance the competitiveness of specialty crops. In fiscal year 2006, Congress appropriated \$7,000,000 for the Specialty Crop Block Grant Program.

Since block grants—and programs such as the Federal-State Marketing Improvement Program (FSMIP), also heavily used by Northeast states—transfer funds and administrative authority to states, they do not encourage addressing regional concerns that are interstate or multi-state in nature. Specialty crop block grants were used by many Northeast states to develop ‘buy local’ campaigns. Lessons learned from one state were applied in others (“Jersey Fresh,” “PA Preferred,” “Farm Fresh Rhode Island,” etc.). The single-state application of these grants is likely have a combined effect of increased visibility of locally produced goods in the region and indirectly they may be useful in facilitating regional economic development. Nevertheless, these state-based “buy local” marketing efforts do not directly bolster inter-state cooperation, which is particularly important in a region with many population centers being proximate to multiple states’ agricultural production areas.

Many state departments of agriculture, particularly in the Northeast, have advocated for block grants as a way of supporting state programs that suit the specific challenges faced by producers

²⁵ See the National Association of State Departments of Agriculture report at: <http://www.nasda.org/SpecialtyCrop/FinallReport/ExecutiveSummary.pdf>

in those states.²⁶ The Northeast states have been particularly innovative in developing farm viability programs designed, in many cases, to support farmers to enter local, regional or higher value markets. For example, the Maine Farms for the Future program and Massachusetts' Farm Viability Enhancement Program are state initiatives designed to improve farm viability by providing farms with business assistance and grants. As a way to integrate farm viability with farmland protection, Maine and Massachusetts both require farmers to enter into non-development covenants for between five and ten years.

The 2002 Farm Bill introduced a “regional equity” provision that established a floor of \$12 million on conservation program spending allocated to targeted, so-called “underserved” states. This provision was particularly beneficial to a number of smaller Northeast states which as a result saw a significant jump in funds for farmland protection and conservation programs. While simple to understand and administer, the formula for distribution raises questions about equity and fairness. Certain states received program allocations that exceeded farmer demand for those programs, while neighboring states received too little for their farmers

Key National Programs with Regional Impact

Federal policies that are national in scope can affect different regions of the country differently. Many farm programs target specific commodities that predominate in particular regions. The result is that program benefits—subsidy dollars, technical assistance, research findings—flow disproportionately to the regions that produce those commodities.

While in overall terms the Northeast receives relatively little federal support for its farm sector, there are several programs that provide significant assistance. These include traditional commodity support programs, traditional and non-traditional crop insurance and risk management programs, select conservation programs, some marketing and business development programs, research programs, and—not to be ignored—nutrition and food assistance programs.

The Milk Income Loss Contract (MILC) program, for example, while national in scope, has an annual cap on the amount of milk eligible under the counter-cyclical payment scheme. As a result, the program is more applicable to small- to mid-sized dairy operations in the Northeast.²⁷ During 2002—2005, the MILC program paid out over \$2 billion nationally. Of that total, the

²⁶ In 2003, NASDA recommended “that \$150 million be allocated annually for state departments of agriculture to administer farm viability block grants.” <http://www.nasda.org/Policies/twelve.htm>.

²⁷ “[T]he Milk Income Loss Contract (MILC) program is also available to dairy producers. MILC program payments are made on a monthly basis when the Federal Class I milk price in Boston, Massachusetts, falls below the benchmark price of \$16.94 per hundredweight (cwt). When the Boston milk price exceeds \$16.94, no payments are made to dairy operations. Eligible dairy producers are those who produce and market cow’s milk. A maximum of 2.4 million pounds of milk marketed by an operation are eligible for MILC payments per fiscal year. Payments are issued no later than 60 calendar days after CCC receives production evidence for the applicable month. MILC program payment rates are currently determined by multiplying 34 percent of the difference between \$16.94 and the Boston Class I (BCI) price for the month. . . Before MILC program payments are issued, all persons involved in a single dairy operation must provide verifiable production and marketing evidence. Dairy operators cannot reorganize the structure of a dairy farm operation for the purpose of receiving multiple payments.” USDA Farm Bill Forum Comment and Summary: Dairy Policy. http://www.usda.gov/documents/DAIRY_POLICY.doc

Northeast received approximately \$508 million, about 24 percent of the national total, while producing roughly 18% of the nation's milk supply.²⁸

With its diverse production base, the Northeast face particular challenges in creating an effective safety net structure. The Adjusted Gross Revenue (AGR) program, originally developed by the Commonwealth of Pennsylvania's Department of Agriculture, is an example of a revenue-based system of insurance that a number of farm groups are examining as a potential alternative both to traditional crop insurance and commodity subsidy programs. These programs decouple insurance coverage from the production of any particular crop and instead use gross farm revenue as the basis for calculating losses. By using revenue as the basis, such programs theoretically protect producers from losses due to low prices, as do current counter-cyclical programs, including MILC, or reduced yields, which are typically addressed on an ad hoc basis through disaster assistance. Applicable to any farm type in any region, such revenue-based programs—at least in concept—are better suited to diversified producers (including organic farmers) who produce multiple crops and are not well-served by the dominant crop-specific insurance or commodity programs. The Northeast, of course, has a large share of these producers.

Both AGR and its “offspring” AGR Lite have faced significant implementation challenges in their initial pilot phases. Relatively few policies have been purchased in the states that have been approved for AGR and AGR-Lite. (There were 216 AGR/Lite policies sold in the Northeast in 2006.) The reasons for the low adoption rate to date, include the program complexity and subsequent administration difficulties, the cost of coverage, and the fact that newer producers—or those without the minimum of five consecutive years of farm business tax records (Schedule F)—are ineligible for the program.

Conservation programs are a key component of federal farm support to the Northeast. Working lands programs are particularly important to the Northeast. Geographically specific non-point source pollution stemming from agricultural operations and proximity to neighborhoods and large metropolitan areas are among the factors that have created the need to improve the environmental performance of the region's agricultural operations. The Environmental Quality Incentives Program (EQIP) is heavily utilized by the region's farmers, particularly in the dairy industry. The new Conservation Security Program (CSP), while available in only a few watersheds in the Northeast, holds promise as a hybrid program providing both cost-share assistance to implement new conservation practices and financial support for maintaining high levels of stewardship and producing environmental goods and services for all producers, regardless of what, where or how much they produce. Adjustments to the eligibility formulas would make CSP even more useful to Northeast farmers.

The Farm and Ranchland Protection Program (FRPP) is particularly important to the Northeast region. With its relatively dense populations and development pressures, farmland protection is a major issue in most Northeastern states. Northeast states have led the nation in developing a

²⁸ The Market Administrator's Bulletin: Northeast Marketing Area (March 2006)
http://www.fmmone.com/Northeast_Order/MA_Bulletin/bull0603.pdf#search=%22MILC%20payments%20northeast%22

variety of farmland protection programs, including state purchase of development rights that qualify for federal matching funds. In recent years nearly 40% of total FRPP funds—approximately \$40 million—have gone to Northeast states.²⁹

FRPP also demonstrates the important impact that rules for program implementation, established at a national level, can have on particular regions, states, or localities. Many states in the Northeast have found it increasingly difficult to utilize FRPP because of restrictive program requirements recently implemented by NRCS. Two bills introduced in Congress in 2006—S. 3720 and H. R. 6000—would increase the flexibility of FRPP by expanding the purpose of the program from protecting topsoil to protecting the land’s agricultural productivity and by establishing a certification process for states and other cooperating entities that, by delegating implementing authorities to those local entities, would allow them to better address local and state farmland protection priorities.

Traditional land retirement programs such as the Conservation Reserve Program (CRP) have proved less applicable to Northeast agriculture. The major constraint has been rental rates that are too low to compete with alternative land uses. This problem is compounded by the smaller size of many Northeast farms. With less land to enroll and low rental rates, producers have had little incentive to participate in the program. The Conservation Reserve Enhancement Program (CREP) has evolved as a means of to overcome the problem of low rental rates and to more effectively address regional resource conservation issues, including water quality and wildlife habitat issues. The Northeast has led the nation in the development of CREP agreements, with Maryland being the first implementing state in 1997. While nearly ten thousand farmers participate in CREP through 15,000 contracts, five Northeast states—Connecticut, Maine, Massachusetts, New Hampshire, and Rhode Island—do not participate in CREP. Despite this, about 30% of the acres enrolled in CREP are in the Northeast.

The Value Added Producer Grant Program offers competitive planning and infrastructure investment grants to increase farm profitability through the producer’s capturing a great proportion of the final value of the finished agricultural product. A national program, thirty-two of the 185 recipients were located in the Northeast. The majority of these projects supported direct marketing of products to consumers, including local and regional wines and other alcoholic beverages, jams and preserves, organic milk products, meats, fresh produce, and one renewable energy project.

One federal program that targets the on-farm production of renewable energy, known as Section 9006, funded six renewable energy projects in the Northeast out of 150 projects nationally. Three fifths of the program funding went to three Midwest states. Descriptions of the funded projects are not available.

The Northeast is a major beneficiary of federal nutrition programs. In 2004-5, federal school food programs (School Breakfast, Lunch, and Summer Food Service programs) provided \$1.73

²⁹ This approach was originally proposed by the Northeast Association of State Departments of Agriculture (NEASDA). NEASDA letter to NRCS Chief Bruce Knight regarding Farm and Ranchland Protection Program. http://www.farmland.org/programs/federal/Federal_Updates/documents/AFT_NEASDAletter_June2006.pdf

billion to schools in Northeast states. The federal Food Stamp, WIC, and other emergency and non-emergency food assistance programs allocate nearly \$8.97 billion to the Northeast. These programs served over 6.6 million school children; 1.4 million women, children, and infants; and 5.2 million low-income individuals.³⁰

The WIC and Senior Farmers' Market Nutrition Programs most clearly demonstrate the positive and dynamic impacts — for both low-income program beneficiaries and farmers — of more closely linking food assistance programs with local agriculture. These programs work by providing beneficiaries with vouchers that can be deemed at local farmers' markets. During fiscal year 2005, the WIC and Senior Farmers' Market Nutrition programs were funded, respectively, at \$28 million and \$15 million nationally. Because of its relatively high population densities, numerous eligible recipients, and extensive network of farmers' markets and roadside farm stands, these programs have been implemented in all Northeast states except for Delaware. A third of the funding for each of these programs has historically been received by the Northeast states. Combined these programs represent \$15million directed towards local agriculture and low-income populations reaching 1.25 million WIC families and seniors, and over 3,500 farmers through more than one thousand farmers' markets, one thousand farm stands, and nearly 200 Community Supported Agriculture programs. On average farmers received nearly \$3,000 annually for the WIC program and nearly \$1,500 for the Senior program; many farmers participate in both.

In the past, agricultural interests have paid little attention to federal nutrition programs except as a means of shoring up political support among urban legislators for omnibus farm bill packages that include food stamps and other nutrition programs. However, with the development of policies like the Farmers Market Nutrition Programs and recent high-profile reports on diet-related illnesses, the broader economic and social interconnections between agriculture policy and food policy—including food assistance programs—have been examined more explicitly. Farm advocates have observed that in many regions a relatively small percentage of federal food assistance dollars—nearly \$9 billion annually in the Northeast—are used to purchase locally or regionally produced food. While significant challenges related to cost, procurement policies, infrastructure and supply chain issues exist, there is clearly an important opportunity for agricultural producers to play a far greater role in serving the region's food assistance providers and for food assistance programs to benefit from more easily integrating regionally produced foods.

³⁰ Source: http://www.frac.org/html/federal_food_programs/federal_index.html

V. Advancing Farm and Food System Policies for the Northeast

Many of the regional policy tools described in the previous section play a role in strengthening agriculture in the Northeast. Those tools consist of programs targeted at specific needs of agricultural producers or the broader public affected by agriculture—income stabilization, risk management, marketing assistance, food inspection and safety, environmental quality, and so on.

At the same time, there is little question that the Northeast could be better served by federal farm and food policy. The current farm safety net, consisting of commodity crop subsidy programs and crop insurance programs, is better suited to larger, less diversified farms and farming regions. The MILC program is an exception to this rule precisely because it targets smaller- and mid-sized dairies more typical of the Northeast. Conservation programs are widely utilized but demand for the programs significantly outstrips currently available funding and with any number of programs—from FRPP to CRP to CSP—priorities established at a national level fail to match up local and regional priorities. Marketing programs—particularly those that enable individual producers, cooperatives, marketing alliances, and local and state governments to more effectively market to large populations as the Northeast enjoys—are seriously under-funded and underdeveloped.

Important as it is to analyze how well individual programs serve producers and/or consumers within the region, a program-by-program approach does not, in the end, yield a comprehensive assessment of whether the region is adequately or appropriately served by federal farm and food policy. The overarching question for regional policy analysis is whether the complete set of programs and policies adequately serves the region’s producers and consumers, landowners and citizens—or whether significant gaps, either in funding levels or programmatic structure, exist across that web of programs and policies.

A useful starting-point for that more comprehensive assessment is to examine the overall pattern of federal spending on farm and food policies. That analysis yields an initial conclusion that regions that do not produce program crops are, at least by various gross measures, underserved. For example, in 2004, the U.S. government distributed approximately \$12.5 billion in farm subsidies. Of this total, the twelve Northeast states received roughly \$303 million. *If allocations of farm subsidies were based on the value of agricultural production rather than the current commodity program authorities, the Northeast would see a 200% increase in support levels.*³¹

Useful as this analysis is for political purposes, it still does not address the more basic and ultimately important question of what is needed by the region’s producers and other beneficiaries of farm and food policy. The more relevant questions for Northeast agricultural leaders and policy makers are: What is the future of Northeast agriculture? What are the region’s comparative advantages and disadvantages? What trends do they indicate and what opportunities do they afford? How can all Northeast consumers enhance their ability to obtain appropriate, regionally produced food and farm products?

³¹ Source: “Redrawing America’s Farm Subsidy Map,” Environmental Working Group <http://www.ewg.org:16080/farm/redraw/index.php>

With the important exception of the dairy industry and the production of program crops in subregions—e.g., the Delmarva Peninsula—the future of Northeast agriculture is not the prevailing “Midwest model” of commodity production agriculture. In fact, we may be fortunate to forge a new model based on the strengths of the region—small and family-sized diverse farms with abundant local and regional markets and citizens increasingly aware of the values provided by resilient farms and working landscapes.

The clearest advantages of Northeast agriculture—also the source of its greatest challenges—are its diverse production base and its proximity to large and diverse markets. Producing a variety of farm products is one of the most effective risk management strategies, fostering an overall resilient farm sector. Serving Northeast markets—and beyond—with an increasingly entrepreneurial form of agriculture is the key to maintaining and improving the viability of Northeast agriculture. Entrepreneurial agriculture does not equate with “niche” or direct-to-consumer marketing only. In fact, five percent of Northeast farm sales come from direct sales and less than a percent from certified organic sales. Rather, entrepreneurial agriculture means an innovative and aggressive business approach to production and marketing in order to achieve greater stability and retain a greater share of the farm dollar.

Two basic strategies are needed to advance toward this goal. First, the region’s agricultural producers need to capture a larger share of *the region’s overall food—but also fiber and energy—markets*.³² Increasingly, elected officials, community leaders, and entrepreneurs are exploring new business models that support local and regional farm and food systems. These include marketing efforts focused on local, state, or regional products, procurement policies for schools, universities, governmental offices and other large institutions such as hospitals, harnessing the purchasing power of federal food assistance dollars and high quality and cost competitive products provided by local and regional agricultural producers.

Second, strategies are needed to assist farmers with production and marketing of the broader and rapidly shifting array of differentiated products that meet local and regional demands.³³ These products traverse a broad spectrum: from more perishable products that shorter supply chains can deliver at peak quality to products demanded because they are traceable in terms of geographical proximity (local, in-state, regional) to certified or labeled products that meet consumer demand for particular production methods (organic, humane, “green”) and products that address demands of specific cultural, religious, or ethnic communities. Increasing the attention on the marketing of their products can help producers innovate, by getting feedback and new product ideas more quickly through a shorter supply chain and greater contact with end-consumers—something a farmer in a more distant region cannot do. Yet, there are significant regulatory barriers (e.g., the prohibitions against the interstate shipment and sale of state inspected meat) and infrastructure needs (e.g., processing facilities) that must be addressed to enable Northeast farmers to take advantage of these opportunities and markets.

There will continue to be opportunities in national and global markets for Northeastern agricultural products (17% of Northeast sales are exports)—particularly those differentiated

³³ Source: “Making American Agriculture Productive and Profitable,” American Farm Bureau Federation, White Paper Series, August 2005.

products that reflect distinctive regional qualities and compete in quality internationally (e.g., maple sugar, artisan cheeses, regional wines, etc.). But the competitive potential of the Northeast around the production of most bulk commodities will ultimately be constrained by higher production costs. Whatever advantages technological advances can provide are only temporary at best, given the rapid rate of technology transfer to other regions and countries.

Proximity to large populations creates the opportunity and the need for Northeast agriculture to lead and innovate around conservation. Creating sound environmental management systems for agricultural operations is the first step. Technical assistance, cost-share programs, and appropriate regulatory and compliance measures are tools that will improve the efficiency of agricultural operations, conserve resources, and reduce the adverse environmental and nuisance effects of agricultural production. The success of publicly financed open space and farmland protection programs throughout the Northeast points to the willingness of its citizens to pay for public goods—clean water and air, wildlife habitat, and recreational land—that agriculture produces alongside food and fiber. Another important form of entrepreneurial agriculture involves innovations in conservation practice and policy.

Energy security—reducing the dependence of the United States on foreign oil—is and will remain a national and regional priority for the foreseeable future. The farm sector can play a major role in lessening this dependence and Northeast agriculture can participate in several ways. Boosting the production of biofuels—ethanol and biodiesel—is the primary focus of current ag-based renewable energy policy. While parts of the Northeast will benefit from biofuels production from the traditional feedstocks of corn and soybeans, the region as a whole will remain at a competitive disadvantage with the Midwestern Corn Belt. A breakthrough in the production of cellulosic ethanol (nurtured by public policies that encourage targeted research and development), however, could alter these dynamics significantly, raising the prospect of far higher regional levels of biofuel production than are possible through corn and oil seed-based processing.

New partners to debates about agriculture and food policy are advocating changes that could assist farmers who focus more on local and regional markets. Nutrition and public health advocates, for example, have raised the question of whether current farm policies are sufficiently supportive of the nutritional and dietary guidelines also established by USDA. Advocates within the anti-hunger and food bank communities have explored ways to link their emergency and non-emergency food assistance efforts with local agriculture. The education community, which daily confronts the emerging epidemic of childhood obesity, has been working to implement wellness policies, nutrition education programs, and farm-to-school programs that in many cases build links to local farmers and farming communities. The Northeast is a leader in these efforts and the agriculture sector stands to benefit significantly if these fledgling efforts develop and mature.

The next Farm Bill—with its full range of safety net, conservation, business and market development, energy, nutrition, and research programs—needs to provide appropriate, flexible and equitable tools and funds to assist all communities, states, and regions to confront the unique challenges they face in creating a viable farm and food system for the future. Using a regionalist approach to develop and screen policies for their responsiveness to regional characteristics and needs will help assure that vision.