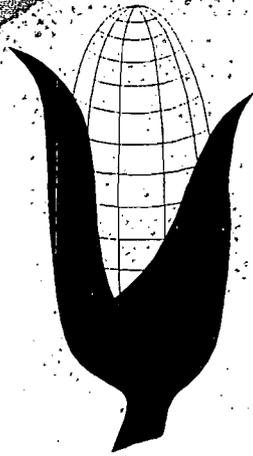


Reinventing The Small Family Farm In America

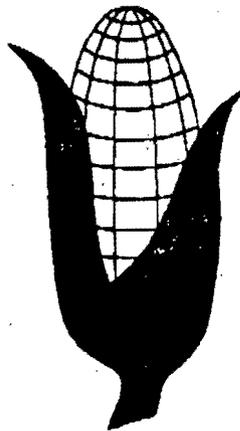
Crossing The Bridge To The 21st Century



Economic Freedom For America's Small Family Farms

Reinventing The Small Family Farm In America

Crossing The Bridge To The 21st Century



Economic Freedom For America's Small Family Farms

NBFA - A National Non-Profit Corporation

REINVENTING THE SMALL FAMILY FARM IN AMERICA

Crossing the Bridge to the 21st Century

Respectfully Submitted to:

The Honorable William Jefferson Clinton, President
United States of America;

The Honorable Albert Gore, Vice President
United States of America;

The Honorable Daniel Glickman, Secretary
United States Department of Agriculture;

The United States House of Representatives Agriculture Committee;

The United States Senate Agriculture Committee; and

The Honorable Maxine Waters, Chairperson of the Congressional Black Caucus.

Submitted by:

The National Black Farmers Association, a National Non-Profit Corporation

Prepared by:

James P. Green, Jr., Esq., President, Development Resources International
P.O. Box 51356, Durham, NC 27717, (919) 438-4355;

Irvin M. Henderson, President, Irvin M. Henderson & Company

Dorothy Barker, president, Operation Spring Plant, Inc.

James W. Myart, Jr., (TX) General Counsel, National Black Farmers Association, Inc.
Mendelsohn & Jackson, P.C., 112 E. Pecan Street, Suite 1100, San Antonio, TX 78205
(210) 222-2271; (210) 230-8914

National Black Farmers Association, Inc. 1997 Chartered in Texas.

The National Black Farmers Association, a Texas Non-Profit Corporation

Board of Directors

John Boyd (Va), President

Robert Williams (TX), Vice President

Walter W. Powell, III (LA), Secretary

Linwood Brown (VA), Treasurer

Welchel Long (GA), Assistant Secretary/Treasurer

James W. Myart, Jr., Esq. & Les Mendelsohn, Esq., General Counsel
National Black Farmers Association
Mendelsohn & Jackson, P.C.
112 E. Pecan Street, Suite 1100, San Antonio, TX 78205
(210) 222-2271; fax (210) 230-8914

Policy & Program Consultants & Grant Writers

James P. Green, Jr., Esq., President, Development Resources International
P.O. Box 51356, Durham, NC 27717

Irvin M. Henderson, President, Irvin M. Henderson & Company, North Carolina

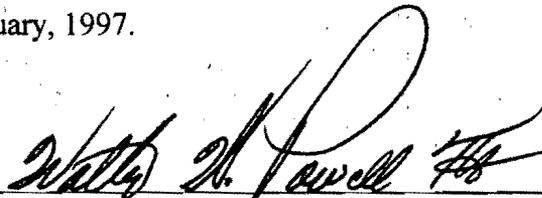
Dorothy Barker, President, Operation Spring Plant, Inc.
A North Carolina Non-Profit Corporation

James W. Myart, Jr., Esq., General Counsel
National Black Farmers Association, Inc. (TX)

National Black Farmers Association

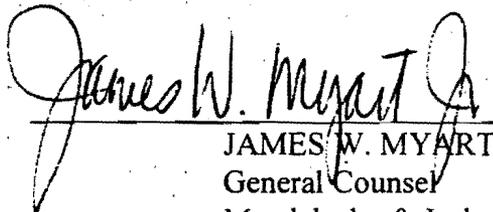
I, the undersigned, Secretary, National Black Farmers Association, do hereby certify that the foregoing proposal is submitted on behalf of the National Black Farmers Association, Inc.

Witness my hand this 10th day of February, 1997.



WALTER W. POWELL, III
Secretary

Approved this 10th day of February, 1997 as to both content and form by:



JAMES W. MYART, JR.
General Counsel
Mendelsohn & Jackson, P.C.
112 E. Pecan Street, Suite 1100
San Antonio, TX 78205
(210) 222-2271; fax (210) 230-8914

REINVENTING THE SMALL FAMILY FARM IN AMERICA

Crossing the Bridge to the 21st Century

TABLE OF CONTENTS

VOLUME ONE

Forward	3
Executive Summary	5
Statement of Need	9
Reinventing the Small Family Farm in America	11
Proposal for Creating a Presidential Commission	12
National Small Farm Market Development Program	14
National Technical Assistance and Outreach Program	16
Native-American Cooperative	18
National Small Farm Research & Demonstration Program	19
Agribusiness & Export Development Program	21
Small Family Finance Collaborative	29
Small Family Farm Reinvestment Initiative	31
National Farm Credit & Mediation Program	33
National Conference & Regional Workshops	35
National Small Family Farm Online Network & Web Page	37
Export Development Online Network	39
Project Planning & Development	44
Organizational Structure	46
Conclusion	49

VOLUME TWO

Appendices

- I. Project Budget
- ii. Consultant Capability Statement
- iii. D.J. Miller Report
- iv. U.S. Commission on Civil Rights Report
- v. GAO - Report, Minorities and Women on Farm Committees - 1995

VOLUME THREE

- vi. Report of USDA Task Force on Black Farm Ownership - 1983
- vii. Selected Received Loan & Grant Statistics through FY 94
- viii. USDA Farm Home Administration - Farmer Program Loan Assistance to Socially Disadvantaged Applicants, 1992 & 1993
- ix. Randy Roth's report including testimony before the U.S. House of Representatives "*Looks Like America?*", Women, Minorities and USDA's Farmer Committees, National Audubon Society, Evir.
- x. "*Fox in the Henhouse*", Cash, Crime & Conflict of Interest in Federal Farm Subsidy Programs, Environmental Working Group.
- xi. "*City Slickers*" Farm Subsidy Recipients in America's Big Cities, Environmental Working Group.

FORWARD

The National Black Farmers Association (NBFA) respectfully presents this proposal for a three (3) year, \$190 Million grant from the United States Department of Agriculture to fund the *Reinvention of the Small Family Farm in America* project. NBFA requests that this project be funded from the Fund for Rural America, which was authorized by Congress under Section 793 of the Federal Agriculture Improvement and Reform Act of 1996 (FAIR). Funding is also sought from related USDA programs described in the Catalog of Federal Domestic Assistance.

This innovative, multi-ethnic, multi-cultural initiative is designed to stimulate small farm based agribusiness development in rural America. This project, when fully implemented, will create thousands of new job and business development opportunities and will transform small family farms into profitable agribusiness ventures.

The project also represents a valuable opportunity to help low income people make the transition from welfare to work. Job creation stimulated by this project will be in rural areas where employment opportunities are scarce and unemployment, particularly among youth, is high.

The Clinton Administration has the opportunity to establish and restate a national policy and program to help small family farms cross the bridge into the 21st Century. By facilitating the development or expansion of locally owned, community-based agribusiness ventures in rural America, this project will secure a future for small family farms in America, while simultaneously advancing the administration's commitment to civil and equal rights.

This policy proposal provides the Administration an excellent opportunity to make an investment in rural America. America's small family farmers have no real meaningful opportunity to market their products to various federal agencies (i.e. Department of Defense) or to private industry (i.e. fast food restaurant chains and grocery store chains), American citizens and foreign countries. The national policy represented here encourages investment in the infrastructure that America's small family farmers need to, collectively, take advantage of major domestic and

international marketing opportunities.

The *Reinvention of Small Family Farms in America* program is a proactive, community-based, economic development strategy that has the potential to reinvent the small family farming industry in America. This proposal calls for a national initiative to be implemented by a partnership between the USDA and non-profit organizations that are already doing what they can, with limited resources, to address the small family farm crisis.

In fact, this project is an example of how government itself can be invented to become more efficient and effective by implementing a national program through community-based, non-profit organizations rather than through layers of government bureaucracy. This project represents an innovative approach to developing that will plan, develop, implement and finance local farming and agribusiness initiatives that will forge a bridge into the 21st Century for rural America.

EXECUTIVE SUMMARY

Within the last ten years, America has lost nearly one-third (1/3) of her small family farms. For Black farmers, land loss is staggering, due, in part, to admitted USDA discriminatory conduct. Increasingly, we Americans are dependent upon fewer and fewer numbers of skilled growers to feed themselves and much of the world who depend on us to feed them. The need for diversification in farming options is not the only reason why this issue is critical. There are legitimate market opportunities that can be most adequately met through an improved family farm network, that will also increase the economic viability of existing small farmers, while creating jobs and opportunity for small business associated with small farms. The nexus between the small farmer and his/her land is the foundation of individual freedom and manifest destiny upon which our country was founded. In this time of welfare reform and the call for self-reliance, we cannot abandon the job creation and entrepreneurial spirit potential for the future of the family farm.

Although there are many causes of the demise of the small farm, effective economic structuring of their operations seems to be chief among the culprits. This lack of economic viability relates to yield per acre issues, market degeneration, poor use of credit and capital, lack of access to capital, lack of development of sustainable farming methods. This initiative is designed to reverse these trends in a systematic manner, with specifically targeted innovative methods designed from in-depth analysis of the problems. Not only will this analysis include input from all of the stakeholders in agriculture, but also, it will rely, most heavily on the successful small farmer as a producer of model strategies and the struggling small farmer as a research subject for the analysis of the main causes of difficulty and their systematic nature.

Through a collection of systems initiatives, the *Reinvention of the Small Family Farms in America* program will attack the problems of the small farmer from the following vintage points:

- * Increasing the capacity and knowledge of the small farmer to employ innovative techniques and modern farm methodology and practice;
- * The design of more effective credit and capital vehicles;

- * Integration of cutting-edge strategies such as on-line networking;
- * The development of more profitable markets;
- * Collaboration with agribusiness concerns;
- * Model development and timely dissemination of information and technical assistance - both financial and agricultural; and
- * Increasing the access to capital and credit for this market, especially equity capital.

The agribusiness industry in this country is a multi-billion dollar industry. The steps outlined above will help America's small family farms to get their fair share of the agribusiness pie. The vast majority of small family farms in America gross less than \$20,000 from their farm operations. In a 1990 study conducted by the N.C. Rural Economic Development Center, one-third (1/3) of all small farmers reported that their farming operations were losing money.

To be successful at reversing the decline of small family farms in America, a strong national program is needed to create economic opportunities that will allow small farmers to share a bigger slice of the agribusiness pie.

NBFA proposes the creation of an independent tax-exempt, non-profit corporation, to be named the *National Small Family Farm Alliance (NSFFA)*. This non-membership organization will be led by a seven (7) member Board of Directors, appointed by the NBFA and the Secretary of Agriculture. This entity will establish a national office that will be fully staffed to support the reinvention of the small family farm in America.

To create significant new business opportunities for small family farmers, NSFFA plans to promote agribusiness development by promoting the development of a national line of fresh and value added products that will be marketed under a national label that identifies the product as being produced by America's small family farms.

To accomplish its objective of creating economic opportunity of small family farmers, NSFFA will develop and implement the following programs:

- * National Small Farm Market Development Program;
- * National Technical Assistance and Outreach Program;
- * National Small Farm Research & Demonstration Project;
- * Small & Family Farm Finance Collaborative;
- * National Farm Credit & Mediation Program;
- * National Conference & Regional Workshops;
- * Agribusiness & Export Development Program;
- * National Small Family Farm Online Network & Web Page;
- * Export Development Online Network;
- * Project Planning & Development; and
- * Presidential Advisory Committee.

This effort is designed to work in conjunction with existing initiatives, federal, state and local, and not to replace or duplicate any currently effective program. Where possible, recognition of opportunities for collaboration have been included, such as coordination of resources through the EZ/EC process, where available, and collaboration with the Agriculture Extension Service and historically Black colleges and universities.

As a country desperately attempting to devise ways to provide opportunity for those who have had little and have grown dependent on public assistance, we cannot abandon America's small farmers and swell the welfare rolls. They represent the potential to assist the country in finding jobs and opportunities for other idle citizens if we are wise enough to implement a program that will permanently enhance small farm economic viability. The projected outcomes are sustainable agriculture market opportunities that span the venture spectrum from new industrial uses for agriculture waste to speciality crops grown for foreign markets. The results and impact will include increased inputs for rural economies,

perpetually diversified farming bases, career opportunities for rural and urban America, an expanded tax base, less welfare demand, a more viable food and agri-product industry, fewer potential and actual bankruptcies, and a growing and sustainable American heartland.

STATEMENT OF NEED

This project is urgently needed to reverse the effect that years of neglect, discrimination and changing economic trends have had on America's rural economies, small family farmers now find themselves struggling just to survive.

This is borne out by the latest U.S. Census of Agriculture Statistics. In the last ten (10) years, America has lost nearly one-third (1/3) of her small family farms. The numbers are even more staggering for Black farmers over the past thirty (30) years. Nationwide, this country has lost eighty percent (80%) of its Black farmers. Even more astounding, it is widely predicted that there will be no Black farmers left at the start of the 21st Century. At current rates, this will be true of all small family farms.

One problem is that young people have no incentive to come back to the small family farm. As the current generation of farmers retire or expire, there is no one left to take over the small family farming operations. Only one percent (1%) of all farmers are under the age of twenty-five (25). For Black farmers, one-third (1/3) of one percent (1%) of Black farmers are under the age of twenty-five (25). At the same time, the average age for all farmers is almost fifty-five (55), while the average age for Black farmers is fifty-eight (58).

Over the past thirty (30) years, traditional farming has become mechanized and less capital intensive. Economies of scale now allow large corporate farms, using prohibitively expensive equipment, to operate profitably, even though their per-acre profit margins are low. This shift has threatened the very existence of small family farms because they can no longer profitably compete with their larger counter parts.

For example, one eastern North Carolina farm family, who produced soybeans and corn on a small twenty-five (25) acre track of land, recently calculated that they were only netting about \$50 per acre. In fact, according to the 1992 Census of Agriculture, sixty-six percent (66%) of all minority farmers grossed \$10,000 or less from their farm operations.

Historically, the U.S. Department of Agriculture has done little to assist small

family farmers in staging an economic recovery. In fact, small farmers have endured years of neglect, discrimination and unfair treatment at the hands of the USDA. This is borne out in a number of studies and reports that have been conducted on the USDA programs.

For example, the D.J. Miller & Associates Disparity Study (attached in the Appendix) clearly illustrates the little impact that ASCS programs have had on the small farmer. Other studies and reports include the following (which are also attached in the Appendix):

- * U.S. Commission on Civil Rights Report;
- * GAO - Report: Minorities and Women on Farm Committees - 1995;
- * Report on USDA Task Force on Black Farm Ownership - 1983;
- * Selected Received Loan & Grant Statistics through FY 94;
- * USDA Farm Home Administration - Farmer Program Loan Assistance to Socially Disadvantaged Applicants - 1992, 1993;
- * Randy Roth's report including testimony before the U.S. House of Representatives "*Looks Like America?*", Women, minorities and USDA's farmer committees and the National Audubon Society;
- * "*Fox in the Henhouse*" Cash, Crime & Conflict of Interest in Federal Farm Subsidy Programs, Environmental Working Group; and
- * "*City Slickers*" Farm Subsidy recipients in America's Big Cities, Environmental Working Group.

REINVENTING THE SMALL FAMILY FARM IN AMERICA

The Community-based Agribusiness Development Model is characterized by:

- * Small family farmers diversifying their operations to include more profitable farm outputs;**
- * Small family farmers organizing and working collectively to buy their inputs at reduced cost and market their farm outputs;**
- * The development of vertically intergrated agribusiness ventures that are involved in the production, processing, distribution and marketing of fresh and value-added farm products.**
- * Training and outreach programs for small farmers, particularly beginning farmers and for local welfare recipients;**
- * Local ownership structure (typically this includes providing stock ownership opportunities to employees, farmers or other community based investors);**
- * Strong community based support from a partnership of farmers, local banks, community colleges, the local business community, federal, state and local government officials and local community-based organizations.**
- * Public/private financing where federal and state dollars are used to attract private investment.**
- * Technology will be used to connect rural and geographically isolated farmers and agribusiness concerns to national and international markets.**

SMALL FAMILY FARM POLICY OF AMERICA PRESIDENTIAL COMMISSION

NBFA respectfully recommends the President create the National Presidential Commission Saving the Small Family Farmer in America. The commission will be advisory and chaired by the Presidential Agriculture Advisory of the Domestic Policy Council. The Commission will consist of fifteen (15) members, including the chairperson. NSFFA requests \$2 Million per year from the President's budget to support the activities of the Presidential Commission over the next three (3) years.

The Commission will meet quarterly and will be comprised of farmers, agribusiness professionals and other interest parties appointed by the President, the Vice President and the Secretary of Agriculture in conjunction with NBFA and other minority and small farm constituent organizations (i.e. Hispanic and Native Americans farm groups). Activities of the Commission will be focused by the creation of several key subcommittees including:

- * Project Oversight and Evaluation;
- * A Civil Rights Task Force;
- * Small Family Farm Financing & Credit;
- * Research and Demonstration;
- * Market and Product Development;
- * Agribusiness and Export Development; and
- * Education , Technical Assistance and Outreach.

The Commission will be charged with developing new and innovative economic development strategies that will assist the small farmer in becoming profitable enough to maintain farming as a way of life. However, the Commission will also study and make recommendations on ending race and sex-based

discrimination in the implementation of USDA programs.

The Commission will also develop evaluation criteria and conduct an ongoing evaluation of the project. The evaluation will include an evaluation for economic issues. The following is an evaluation criteria that could be used to determine economic impact:

- * Number of permanent jobs that will be created, especially those for low-income people during the grant period;
- * Number of jobs that will have career development opportunities and a description of those jobs;
- * Number of jobs that will be filled by individuals on public assistance;
- * Ownership opportunities created for poverty-level project area residents; and
- * Specific steps to be taken to promote the self-sufficiency of program participants.

NATIONAL SMALL FAMILY FARM MARKET DEVELOPMENT PROGRAM

NSFFA requests a \$3 Million grant from the U.S. Department of Agriculture, Secretary's Discretionary Fund and the Rural Business Grant Program to develop the **National Small Family Farm Market Development Program**. This aggressive marketing program is designed to produce major contract, joint venture and/or other business opportunities with government agencies and with Corporate America.

NSFFA will develop opportunities for small family farms to collectively produce farm products that will be sold through a multi-faceted marketing program directly to consumers, major supermarket chains and other wholesale and institutional buyers, including federal, state and local procurement offices.

NSFFA will develop a diversified marketing approach. First, NSFFA will develop traditional marketing opportunities with the following:

- * Federal government agencies, i.e. the U.S. Department of Defense, USDA and the U.S. Agency for International Development;
- * Grocery store chains;
- * Restaurant chains and other food service outlets;
- * Wholesale and institutional buyers; and
- * Exporters and foreign buyers.

Just looking at the grocery store markets as an example, in 1987, North Carolina had 5,607 food store chains with over \$7.8 Billion in overall sales and \$678.6 Million in produce. At the same time, Virginia had 4,937 stores that sold \$8 Billion overall and \$696 Million in produce.

Second, the NSFFA marketing strategy involves shipping produce directly from farmers to non-traditional markets established in low income, inner-city urban

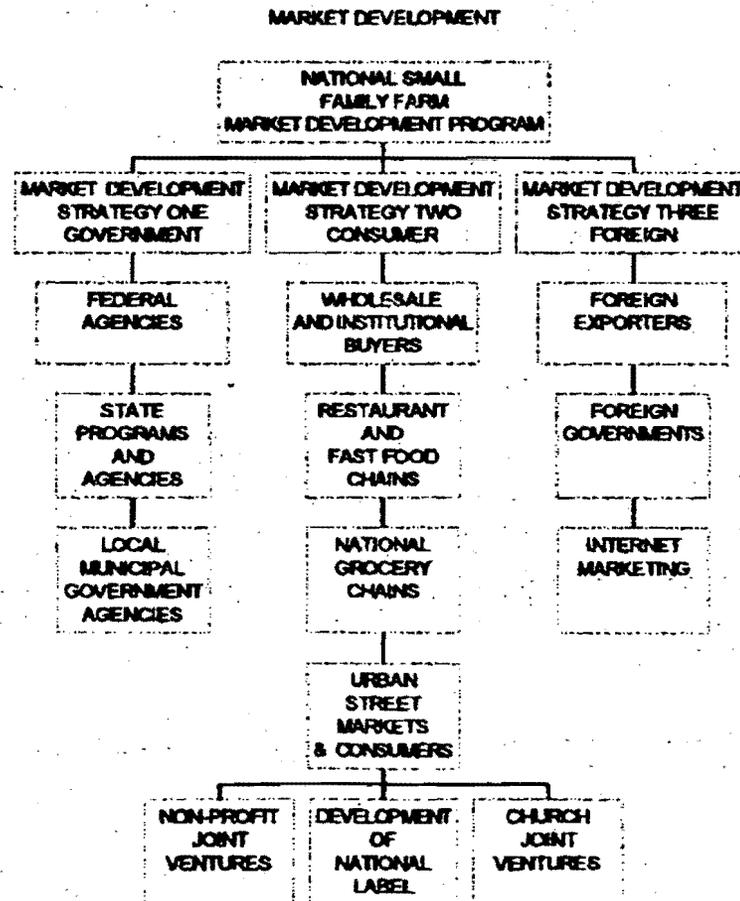
areas. This aspect of the project will involve joint venturing with church and non-profit groups in low income urban areas, particularly those designated as Empowerment Zones or Enterprise Community.

Customers

Customers targeted in the above delineated areas will generally be low income, minority residents of the inner-city. Recent studies in these areas indicate that these neighborhoods have limited access to full service grocery stores and their consumers have to pay higher prices for poor quality produce.

A recent street survey in low income areas of Philadelphia's north, south and west sides, indicated that eighty-two percent (82%) of the respondents wanted higher quality produce and that eighty-six percent (86%) of the respondents traveled to a different part of town to buy produce. Some ninety-four percent (94%) said they would support a program that brought produce in directly from farmers in the south.

MARKET DEVELOPMENT



NATIONAL TECHNICAL ASSISTANCE AND OUTREACH PROGRAM

NSFFA requests a \$75 Million, three (3) year grant under USDA's Fund for Rural America, the Secretary's Discretionary Fund and the Outreach and Assistance For Socially Disadvantaged Farmers and Ranchers Program. (7 U.S.C.A. Sections 2279 and 2279(a) provide for authorization of appropriation of up to \$10 Million per year for that program. Congress has appropriated only \$1 Million per year since its enactment. A corrected administration and public effort should be made on Congress to increase this authorization and appropriation to \$100 Million per year and until then, the Secretary should allow funds from other already appropriated departmental funds.)

NSFFA will make sub-grants to and/or contract with existing regional and state organizations that have programs in place to provide education, technical assistance and outreach services to small family farmers.

The NSFFA's Technical Assistance & Outreach Program will involve organizing small family farmers to collectively produce farm products needed to meet the demand generated by the Market Development Program. This program is designed to offer the assistance that small farmers need to retool and redirect their farm operations. NSFFA will develop Requests for Proposals (RFPs) and send them to all known, existing farm organizations. The RFPs will call for applicant organizations to submit proposals for developing the following programs:

- * Cooperative Development;
- * Young and Beginning Farmers Programs;
- * Native American Farm Initiatives that address unique economic needs;
- * Farm Management & Planning;
- * Production Scheduling;
- * Establishing Revolving Loan Funds;

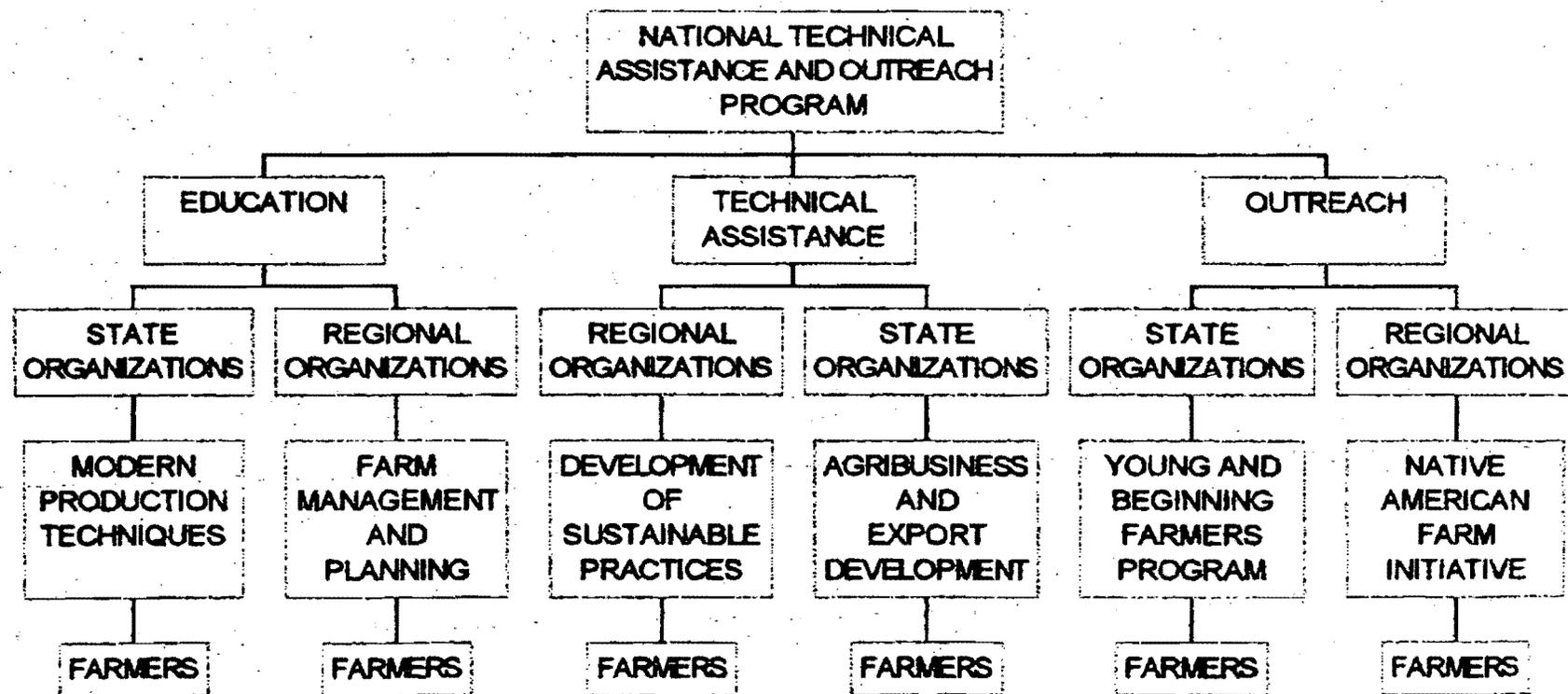
- * Collective Buying;
- * Modern Production Techniques;
- * Greenhouse Development;
- * Harvesting & Post-Harvest Handling;
- * Development of Sustainable Practices;
- * Coordinated Planting & Equipment Sharing;
- * Computerized Farm Record-Keeping Systems;
- * New Farm Product Development or Use;
- * Rural Entrepreneurship Development; and
- * Agribusiness & Export Development Project Planning & Implementation.

This program is designed to make funding available for technical assistance and outreach programs that address the local needs of small farmers in a particular state or community. For example, the needs of ranchers in Texas will vary from those of small farmers in North Carolina or Virginia.

NSFFA will develop guidelines for implementing this program. These guidelines will require programs funded to involve a collaboration of key persons including the farm community, historically Black colleges and universities, U.S. Department of Agriculture, the Agricultural Extension Service and experienced, non-governmental organizations.

TECHNICAL ASSISTANCE AND OUTREACH

TECHNICAL ASSISTANCE AND OUTREACH



NATIVE-AMERICAN COOPERATIVE

In recognition of the special needs of the Native-American, the U.S. Congress enacted 25 U.S.C.A. Section 488, Agriculture Loans to Acquire Land Within Indian Reservations; 7 U.S.C.A. Section 1988(c), Implementing Statute; 25 U.S.C.A. Section 494, Authorizations for Appropriations; and 25 U.S.C.A. Section 3701, et seq., American Agricultural Resource Management Act.

These statutes clearly indicate the spirit and intent of Congress to address the difficulties in agriculture facing the Native Americans. It is incumbent upon U.S.D.A. to rid the department of its historical mistreatment of the Native American, that has resulted in the most chronic poverty in the entire world, same being a national disgrace.

NSFFA, therefore, will develop a special initiative for Native American farmers. The Native American Cooperative is intended to address their unique needs by allocating \$30 Million in grants over the next three years to programs that are developed by Native Americans. A national Native American Council will be established to oversee the Native American Cooperative. The Cooperative will be the recipient of this grant, similar to the relationship of the prime sponsor (city) and area Council of Governments Concepts (COGs).

NATIONAL SMALL FARM RESEARCH & DEMONSTRATION PROGRAM

NSFFA requests a \$60 Million , three (3) year grant from the Secretary's Discretionary Fund and the USDA Research Programs to develop a **National Small Family Farm Research and Demonstration Program**. This program will assist America's small family farmers who badly need this program to develop more profitable enterprises that will allow them to rebuild their farm operations.

A **National Small Family Farm Research and Demonstration Program** will involve a coordinated effort to involve institutions of higher learning, particularly historically Black colleges and universities in research, extension and education projects that support this research initiative. NSFFA will allocate one-half (½) of the allocation under this category to this research initiative. NSFFA will contract with the University of Arkansas - Pine Bluff (UA-PB) to administer the research program. In this capacity, UA-PB will develop Requests for Proposals (RFPs), evaluate proposals and make recommendations regarding funding.

Projects will be funded in the following categories:

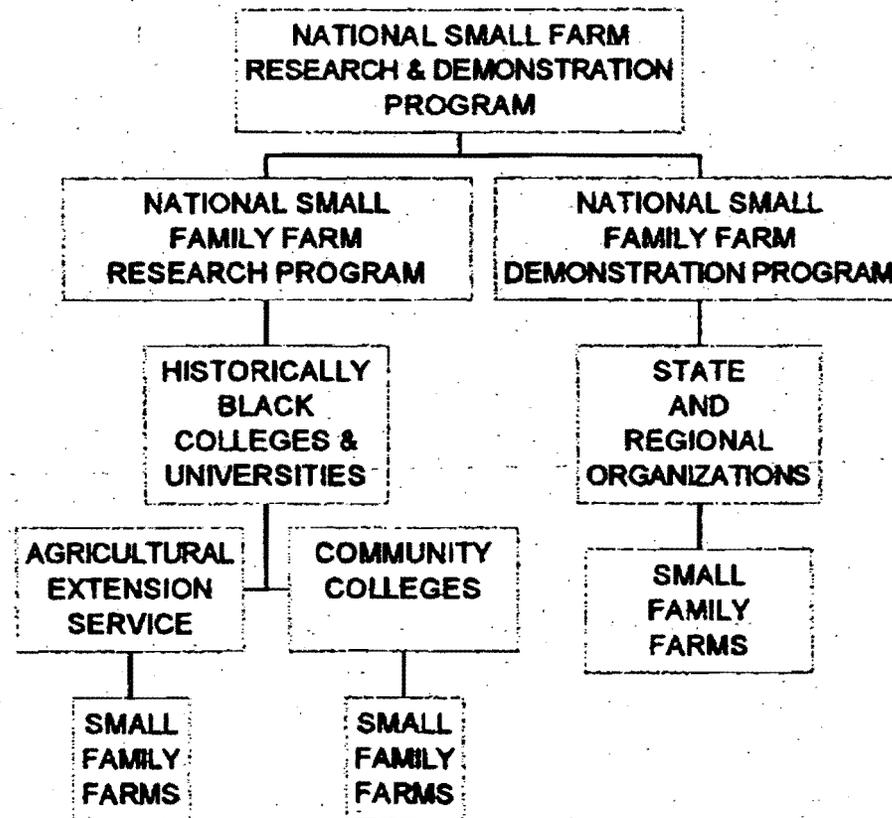
- * Increasing international competitiveness;
- * Enhancing small farm profitability;
- * Reducing economic and health risks;
- * Conserving and enhancing natural resources;
- * Developing new crops and new crop uses;
- * Developing agricultural applications of biotechnology;
- * Enhancing animal agricultural resources;
- * Preserving plant and animal germplasm;

- * Increasing economic opportunities for small family farms and rural communities; and
- * Expanding locally owned, value-added processing.

The **National Small Family Farm Demonstration Program** will be implemented by regional and state organizations in accordance to NSFFA guidelines. The program represents an investment in America's small family farmers. Farm-based demonstration projects will test encouraging results of the research initiative. It will involve funding for seeds, fertilizer, farm equipment and other inputs needed for small, farm-based demonstration projects. NSFFA will allocate one-half (1/2) of the allocation under this category this demonstration initiative.

RESEARCH & DEMONSTRATION

RESEARCH & DEMONSTRATION



AGRIBUSINESS & EXPORT DEVELOPMENT PROGRAM

NSFFA proposes to organize a National Agribusiness and Export Development Program with a \$13 Million grant through USDA's Rural Business Enterprise Grant Program and the Secretary's Discretionary Funds. This project is designed to provide small family farmers with the opportunity to fairly participate in America's economic prosperity.

NSFFA has initiated the **Agribusiness and Export Development Program** to expand business development opportunities for small farm producers. NSFFA will support the establishment or expansion of community-based agribusiness ventures in developing new lines of fresh, frozen, canned, and/or fresh processed food products. This initiative has the potential not only to revitalize the small family farmer, but also to create scores of new permanent jobs and business opportunities to otherwise stimulate rural economic development.

The small farm **Agribusiness and Export Development Program** represents a highly replicable model for assisting minority and limited resource farmers to diversify their operations to include more profitable alternatives to strict tobacco production. The proposed project represents a viable and balanced initiative to empower low income farmers, particularly those in and around Empowerment Zones or Enterprise Communities to establish community-owned and complete vertically-integrated farm produce processing operation.

This innovative project will involve, upon full implementation, the establishment of community-owned, vertically-integrated fresh and processed agribusiness operations. This will create hundreds of new job and business opportunities for welfare recipients or other income individuals across rural America. At the same time, it will provide reliable markets for products that small family farmers can profitably produce.

This project represents a rural economic development strategy that involves building a community-based, public/private partnership to plan, develop, finance and implement agribusiness projects in rural America. The economic opportunity created by this project will allow small farmers to retool and position themselves to

become profitable. It will also allow for the development or expansion of new rural-based agribusiness ventures to locally produced farm products.

Profitability to the small farmers is enhanced by removing several layers of middlemen. Farmers have the potential of controlling production, harvesting, post-harvest handling, distribution, processing and marketing.

The initial focus of this project will be on conducting a comprehensive market assessment to determine which agribusiness ventures best address the needs of the small farm community. This process will involve conducting feasibility studies and preparing business plans for community-based agribusiness ventures that will become operational during the life of this project.

NSFFA will focus on developing agribusiness ventures in areas that have been designated by the U.S. Department of Agriculture as an Empowerment Zone or Enterprise Community. This will allow community-based agribusiness development to become an innovative economic strategy for America's poorest rural communities.

Community-based Agribusiness Development has the potential of revitalizing America's rural economies. Processing facilities that add value to locally produced crops, create both job and business opportunities in the community and provide consistent marketing outlets for the nation's small family farmers.

This aspect of the project will include undertaking the following specific tasks:

a. Develop Agribusiness Feasibility Studies and Business Plans

Feasibility analyses and business plans will be developed for several agribusiness operations. The following items will be addressed:

- * Assessment of Demand;
- * Economic Impact on Participating Farmers and Small Businesses;

- * Detailed Financial Projections;
- * Technical Feasibility Assessment;
- * Schedule of Equipment Needed;
- * Environmental Assessment;
- * Marketing Research;
- * Farm Production Plan;
- * Production Schedules;
- * Processing Schedules;
- * Personnel Plans;
- * Plant Operations;
- * Ownership Structures;
- * Management;
- * Employee and Farm Stock Ownership Programs;
- * Critical Risks and Assessments; and
- * Financing Plans that identify potential investors joint ventures and/or limited partners.

b. Develop Plan to Finance Community-Based Agribusiness Development

NSFB will develop plans to build public/private partnerships to raise the capital needed to finance community-based agribusiness development initiatives. NSFFA will leverage USDA grants and loans by attracting private matching funds. NSFFA request that USDA make funds from the following programs available to

attract the private funding needed to finance agribusiness ventures:

- * Rural Venture Capital Demonstration Program;
- * Rural Business Enterprise Grant Program;
- * Intermediary Relending Program;
- * Business and Industrial Loan Program;
- * Rural Economic Development Loan Program;
- * Rural Economic Development Grant Program;
- * Rural Technology and Cooperative Development Grant Program;
- * Distance Learning and Tele-Medicine Program; and
- * Fund for Rural America.

To leverage public dollars, NSFFA will enter into negotiations with banks that have a Community Reinvestment Act obligation to do business with the community. Other potential non-bank investors will also be pursued.

c. Develop Agribusiness Site Analysis

NSFFA will develop a preliminary profile of several specific sites for development of an agribusiness industrial park or other agribusiness ventures. These profiles will then be developed as a model agribusiness venture that is capable of being replicated across the country. Each profile will address the following issues:

- * Description of Property/Building;
- * Zoning Status;
- * Availability for Sale or Lease;

- * Photographs;
- * Proximity of Farmers/Suppliers;
- * Existence of Infrastructure;
- * Previous Uses;
- * Description of Surrounding Areas;
- * Local Tax Incentives;
- * Preliminary design services, blueprints, maps and drawings completed by competent professions to include:
 - a. the parameters required to prepare floor plans, building elevation and wall sections in accordance with local building and life safety codes;
 - b. the coordination of user and equipment manufacturers, including proposed equipment (mechanical and electrical requirements for each piece), locations of processing lines, packaging, cold storage, clean rooms, etc.,
 - c. identifying auxiliary systems such as compressed air, gas, cranes, conveyance, etc.
 - d. the subsurface conditions and the provision of recommendations for the building and NSFFA equipment foundations;
 - e. the heating and air conditioning loads, freezer, cold storage, plumbing and fire protection requirements and recommendations for each mechanical system, including a preliminary mechanical system layout indicating the location and power requirements for each system;
 - f. power requirements for both interior and exterior distribution including energy conservation;

- g. preparing a preliminary milestone schedule, including vendor activities, design activities, and construction activities, including supplier/vendor programs for small business and minority business participation.

- * Prepare Construction Documents

Prepare construction documents, international specifications, architectural floor plans, civil site plans, schematic drawings for the placement of special equipment and cost estimates.

- * Pro Forma Financial Projections will be prepared that include:

- a. A budget for hard and soft development cost;
- b. Pro forma cash flow and income statement projections;
- c. Pro forma balance sheet; and
- d. A statement of sources and uses of funds.

- * Arrangements will be made to obtain both short-term construction financing and long-term permanent financing.

- * Key team players will be identified, including project developers, project managers, general contractors, architects, attorneys, certified public accountants, investors, real estate agents and other professionals.

- * Meet with government officials and business and community leaders to obtain input and solicit support.

- * A preliminary impact assessment will be made to identify environmental issues that should be addressed.

- * Legal, regulatory permit and licensing requirements will be defined, including, but not limited to, Foreign Trade Zone designation, U.S.

and State Departments of Agriculture, U.S. and State Departments of Commerce, Environmental Protection Agency and State Department of Environment, Health and Natural Resources, U.S. Department of Transportation, Food and Drug Administration, Housing and Urban Development, U.S. Department of Energy, State Department, U.S. Agency for International Development and U.S. Department of Labor.

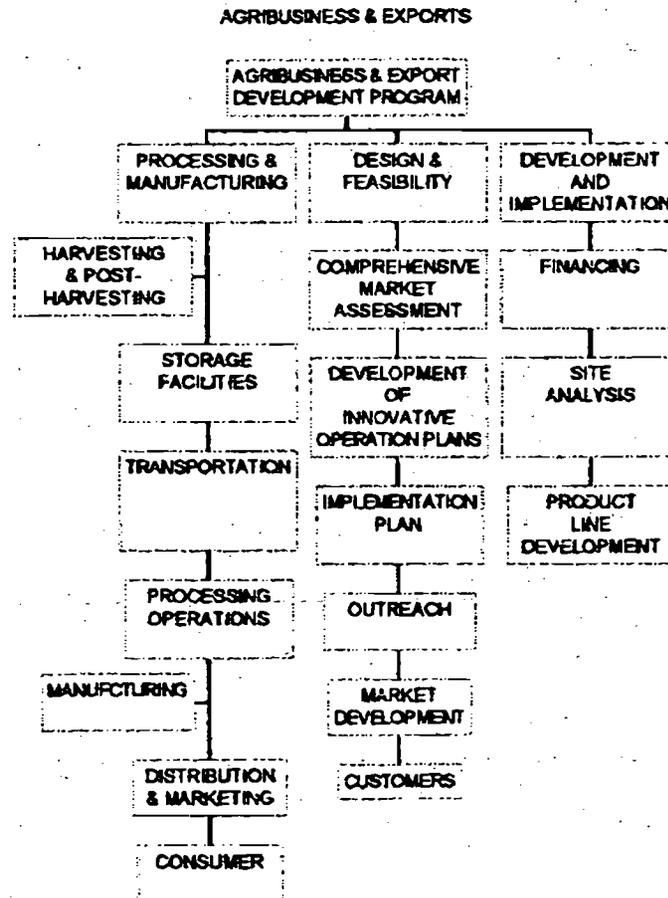
- * Construction/renovations time-line will be developed to indicate the amount of time projected for the completion of each key phase of the project.
- * Plans for project management and employee/farmer stock ownership structures will be developed.
- * Tenants for agribusiness industrial parks will be recruited by contacting food processing operations, distributors, wholesales and other agribusiness concerns. This effort will not include relocating existing businesses to an industrial park, but instead will encourage community-based, employee-owned businesses to start or expand their manufacturing or export operations.
- * Pre-lease commitments will be obtained.

To implement this phase of the project, NSFFA will employ one full time Agribusiness and Export Development Specialist, who will act as project coordinator. Consultants will actually develop the market assessment, feasibility studies and business plans. NSFFA will also establish the National Agribusiness and Export Development Advisory Committee. This committee will be made up of farmers, agribusiness professionals, government experts, representatives of non-profit organizations and representatives of historically Black colleges and universities and other institutions of higher learning.

NSFFA will enter into a cooperative agreement with the U.S.-Africa Trade Alliance, Inc. (US-ATA), a tax-exempt 501(c)(3) organization to plan and implement the Agribusiness and Export Development Project. US-ATA will also lead the development of the Online Export Development Network which will be described below.

The U.S.-Africa Trade Alliance, Inc. was organized in 1992 to assist minority and small businesses in the United States and in Africa to overcome the barriers that traditionally have precluded them from becoming involved in international trade. Such barriers include not knowing how to market and distribute products in foreign country and not being familiar with foreign languages, customs, laws and regulations and trade practices.

AGRIBUSINESS & EXPORTS



SMALL & FAMILY FARM FINANCE COLLABORATIVE

The Small & Family Farm Finance Collaborative (SFFFC) is an instrumentality that will employ a three-point strategy to enhance the capacity of small farmers to develop credit and capital sustain ability. The SFFFC will address the capacity needs from the following perspectives:

- * Capital and credit supply;
- * Sensitivity and awareness; and
- * Credit and capital design.

NSFFA requests a three year, \$15 Million grant from the Secretary's Discretionary Fund and the Rural Venture Capital Demonstration Program to establish a credit and capital fund that will leverage USDA funds 10:1 with private capital. The fully capitalized fund will provide both equity and debt capital to innovative sustainable agriculture projects of small credit-worthy farmers who cannot secure financing elsewhere. This \$15 Million fund will service a minimum of 1200 innovative projects, all of which can be replicated successfully by similar farm entities across the country. Through the information and model dissemination mechanism created by the Online Network and Outreach Program, many small farmers that have not considered sustainable agriculture will have guidelines for the development of sustainable ventures as well as the comfort level created by the success of their peers. Enthusiastic successful farmers will become ambassadors to their peers as well as from a long-term mentoring and technical assistance network that can be perpetuated with minimum future effort. Once again, the idea is to create systems that will remain in place and become facilitated and nurtured by the farmers and other stakeholders themselves, requiring little ongoing assistance from government.

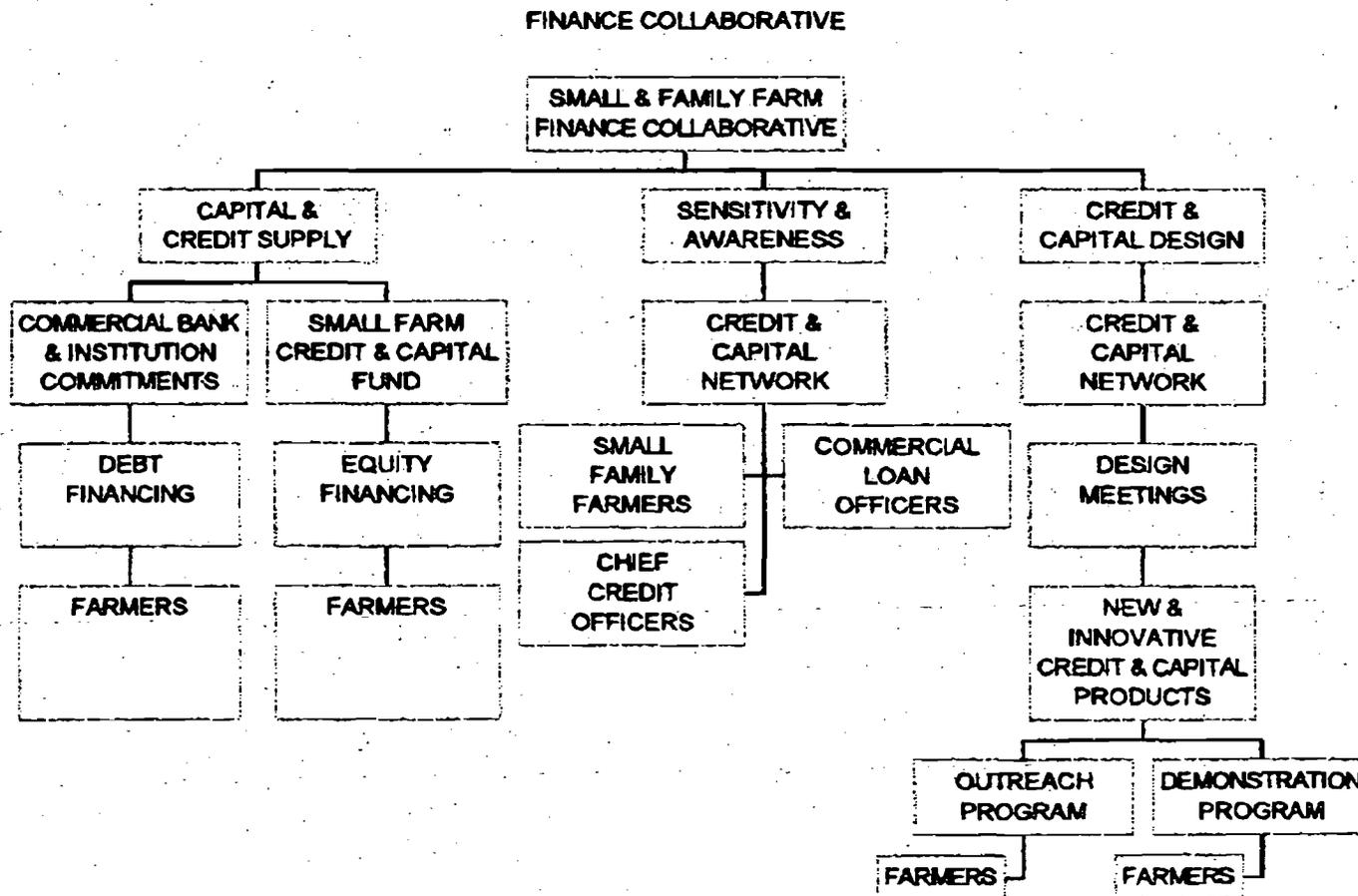
The SFFFC will also sponsor a network of small family farmers, commercial loan officers and chief credit officers that will meet eight (8) times per year to discuss current perceptions around farm credit, capital needs and practices, new ideas, problems, innovative models, evaluation of current SFFFC policy and results,

and cultural characteristics of both the credit and farm industries. Through this network, effective input from all of the key players will assist all agricultural sectors in developing and implementing practices and policies that support and sustain family farms and increase their economic viability.

Of the eight (8) meetings annually of the SFFFC, two (2) will be in person and will serve as an opportunity to design specifically aggressive and innovative capital vehicles in a think-tank-like atmosphere. Seventy-five percent (75%) of the time during these four (4) day events will be devoted to this design process and the results will be published as a separate document within ninety (90) days of each meeting. Articles excerpting the document will be placed in different industry periodicals. The information and ideas from these design think-tanks will push the envelope for small farm credit and expand the methods of providing debt and equity capital to small farmers.

The over-arching goal of the SFFFC is to establish permanent and sustainable opportunities and practices that will perpetuate sound credit and capital relationships for small family farmers without continued subsidy and support beyond the initial three (3) year initiative.

FINANCE COLLABORATIVE



SMALL FAMILY FARM REINVESTMENT INITIATIVE

Only thirty percent (30%) of all commercial lending is now done by banks. Insurance companies, large finance companies, brokerage houses and other non-bank lenders are prolific within the market. This initiative is designed to further introduce these lenders to the opportunities of the small farm market and promote the diversification of lenders and lending products now available to the family farm market. This will not only increase the competition for serving this market as it becomes more viable, but also increase the probability of the flexible design of credit instruments that have the potential to serve this market in a more customized and appropriate manner, thereby increasing the probability of the development of healthy and sustainable credit relationships in a non-subsidized manner.

The Initiative will develop pilot relationships between small regional groups of farmers and the following lenders:

- * Large finance companies;
- * Insurance companies;
- * Insurers of commercial paper; and
- * Other non-bank lenders.

Based on some of the learning from the SFFFC, the Advisory Group and the Export Development On-Line Network, specialized credit products will be developed and a best practice approach will be employed by all lenders. A report on Best Credit Practices for Small & Family Farms will be published as a catalyst for this component. The report will be generated by a group of experts chosen by the Advisory Group and administered by the NSFFA.

Through the exposure of the report and a companion study of the pilot programs, increased interest will be generated from these non-bank lenders and previously misconceived risk will be reevaluated based on the enhance viability and credit-worthiness of farmers in the Alliance. This will enable additional credit and capital opportunities for this clientele and diversify the players in these markets.

Many small farms are undercapitalized from an equity perspective and additional debt or even restructured debt is not the answer. This initiative will provide some new answers and vehicles that will provide new and patient capital for this market.

The potential outcomes are the following:

- * Effective and appropriate equity strategies for small farms;
- * Flexible and patient debt vehicles;
- * Enhanced awareness of the non-bank lenders;
- * Greater appreciation of diversified credit and equity sources by small farmers; and
- * Enhanced economic viability of this component of the farm sector.

NATIONAL FARM CREDIT & MEDIATION PROGRAM

NSFFA requests a \$15 Million grant from the Secretary's Discretionary Fund to establish a National Farm Credit & Mediation Program. NSFFA will establish a National Farm Credit & Mediation Program to address the dire credit problems that often plague America's small family farms. This aspect of the program includes having financial counselors on staff that would be capable of developing farm plans, debt restructuring plans, or offering estate planning or other financial services needed by small family farmers. NSFFA will provide these services directly using toll free numbers and modern telecommunication technology.

However, NSFFA will establish a training program by which the national office works with the various state and regional programs to train their employees on how to offer these services. Training will be offered through live workshops, seminars and through multi-media distance learning programs that will be established on the Internet or an Intranet Network.

This aspect of the project will also involve encouraging mediation as an alternative to litigation and foreclosure when distressed cases arise. NSFFA will have mediators on staff to help resolve disputes between small family farmers and USDA, Farm Credit or other lenders. The mediation team can advise, counsel and assist the parties in their effort to reach a mutually agreeable solution.

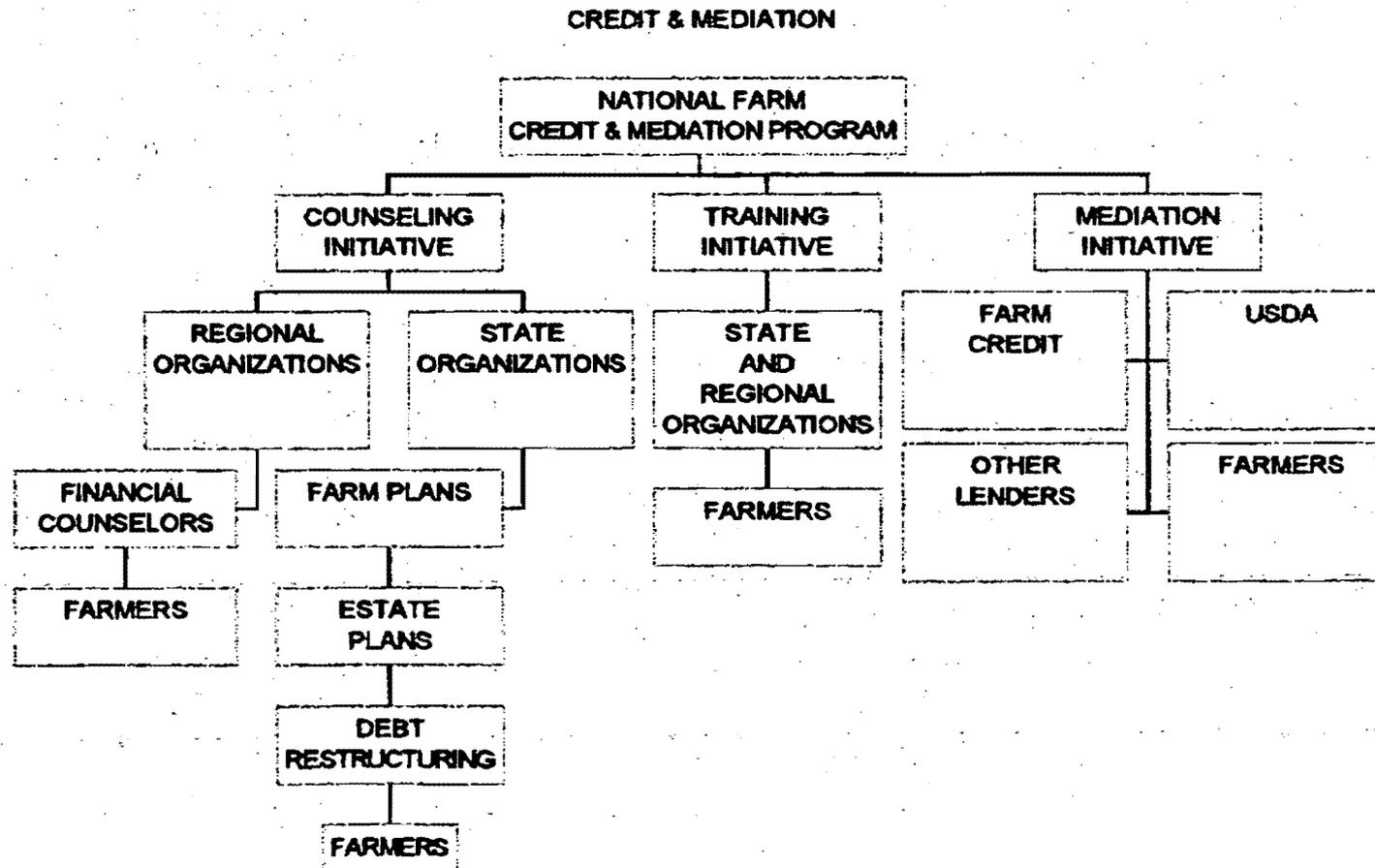
However, the mediator does not tell the parties how they should conduct their personal or business affairs. Instead it is the mediator's responsibility to:

- * Insure that all participants in the mediation process get to speak and be heard;
- * Help define the issues;
- * Emphasize common goals;
- * Keep negotiations focused;
- * Facilitate the development and discussion of options; and

* Reduce fault finding.

Mediators used will be expected to be fair and impartial, knowledgeable in the mediation process and familiar with agriculture and agricultural credit problems. Mediators represent neither the borrower nor any creditor and are simply assigned to a case to move it on in a fair and orderly manner.

CREDIT & MEDIATION



NATIONAL CONFERENCE & REGIONAL WORKSHOPS

NSFFA requests a \$1 Million grant from the Secretary's Discretionary Funds to sponsor a national conference on *Reinventing the Small Family Farmer in America*. At least five (5) regional workshops will also be sponsored. The conference is designed to draw national attention to the plight of the small family farmer in America and to facilitate a robust discussion of strategies for revitalizing rural America from the ground up. Some of the specific topics that will be discussed at the conference and at the workshops include:

- * Selecting a profitable farm enterprise - a discussion of alternatives that small farmers have for achieving profitability;
- * Addressing the credit problems of America's small family farmers;
- * Pushing the Pencil - the nuts and bolts of preparing financial plans for profitable farm enterprises. (Attendees could receive diskettes with crop budgets and farm plan templates in spreadsheet format.)
- * Considerations in post harvest handling of fresh produce - a discussion of common requirements for packing, cooling and shipping fresh produce;
- * Collective marketing - a discussion of how small farms can form cooperatives or otherwise work together to supply the marketing outlets that generally would not be available to an individual small farmer;
- * Marketing non-traditional farm products to find niche markets for mushrooms, herbs or other farm products that are off the beaten path;
- * Finding international markets for southern farm products - a discussion of global marketing opportunities;
- * Community-based marketing to mobilize church and other community

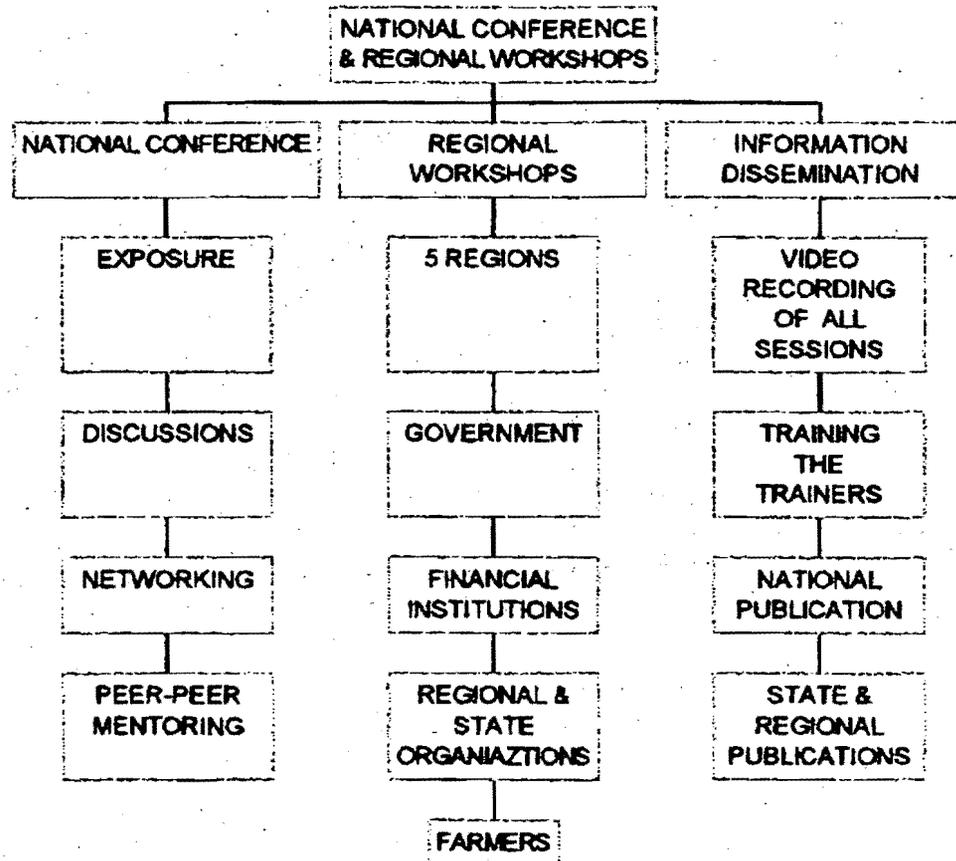
groups to sponsor farmers markets, buyer cooperatives and community investment programs;

- * Promoting community - based agribusiness development - a thorough discussion of how communities can start or support locally-owned, value-added processing facilities; and
- * Financing sustainable agriculture - an analysis of federal foundation and church-based grant opportunities for universities and non-profit organizations. This session will include a discussion of using the Community Reinvestment Act (CRA) to get banks to invest in sustainable farm production.

The structure of the sessions will support high energy, tightly-focused learning with a particular orientation toward the transfer of immediately useful skills and knowledge. Training materials will be developed for workshop participants to use as a continuous resource.

The national conference and workshops will be video recorded for future training purposes. NSFFA will use this footage to produce a series of training videos that will expand the reach of the project across the nation.

CONFERENCES & WORKSHOPS



THE SMALL FAMILY FARM ONLINE NETWORK & WEB PAGE

NSFFA requests a \$3 Million grant under the USDA's Distance Learning and Tele-Medicine Program and the Rural Technology & Cooperative Development Grant Program to fund the development and maintenance of the Small Family Farm Online Network & Web Page Program. This innovative project is designed to provide an opportunity for farm communities and all of rural America to take full advantage of the vast resources of the Internet.

The project will facilitate the national online coordination of small farm production, harvesting, processing, distribution and marketing. The project will also expose small farm produced products to millions of potential buyers on the Internet. An online small family farm directory will be developed to identify and facilitate communication between small farmers and farmer organizations around the country.

First, NSFFA will undertake an assessment of the small family community to determine how an online networking strategy can best address the community's need for information. Second, NSFFA proposes to develop a Small Family Farm Intranet Work Group with full video conferencing capability. This will allow for the online dissemination of information that supports small farm based agribusiness development. This would include production strategies, market and trade leads or training and educational materials. The network would also facilitate and enhance collaboration among small family farmers, farm organizations and agriculture professionals. The results of research and demonstration projects can also be posted on this network, along with an array of other information.

This on-line work group will be developed on a platform that provides subscribers with instant access to the Internet. The project will involve developing a comprehensive listing of Internet-based, small farm training materials and resource information.

NSFFA will develop a web site that will provide on-line access to information on *Reinventing the Small Family Farmer in America*. This web site will include access to a summary of information presented at the training workshop.

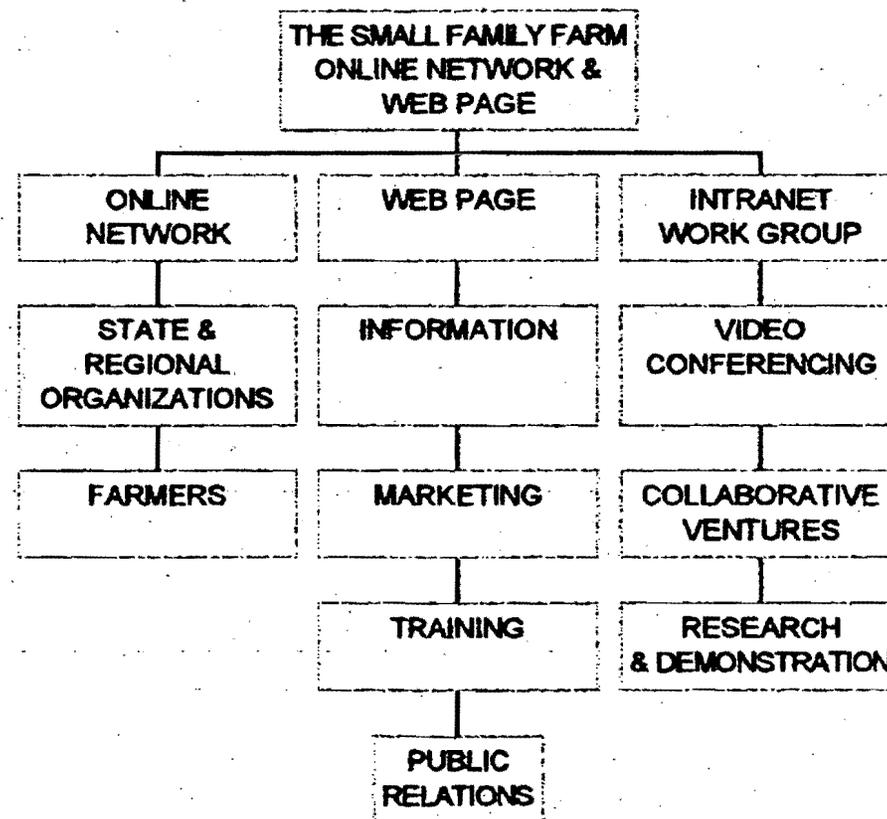
To facilitate this, the project will involve developing and supporting Web Pages for non-governmental organizations that offer outreach and technical assistance to America's small family farms.

The program's benefits include encouraging:

- * Collaboration among agricultural professionals, farmers and organizations that promote sustainable agriculture;
- * Coordination in the on-line delivery of training materials and other information;
- * Cost effective communications in that travel time and expense going to meetings can be minimized;
- * The development of a platform for delivering customized responses to issues; and
- * Ease of access to the Internet and the World Wide Web.

ONLINE NETWORK & WEB PAGE

ONLINE NETWORK & WEB PAGE



EXPORT DEVELOPMENT ONLINE NETWORK

NSFFA requests a \$1.5 Million grant from USDA's Market Development Programs to develop the U.S. Agribusiness Export Development Network. This aspect of the project developed by the U.S.-Africa Trade Alliance, Inc. involves using the Internet to boost export sales of American Agribusiness who often have limited access to information. The Network will allow any user with a computer and modem to easily access information on:

- * International Trade Bulletin Boards;
- * International Trade Leads;
- * The National Trade Database;
- * Foreign Country Economic Profiles;
- * Federal, State and Nonprofit Sources of Technical Assistance;
- * World Bank Consulting and Procurement Opportunities;
- * African & Asian Development Bank Consulting and Procurement Opportunities;
- * U.S. AID Business Opportunities;
- * Commerce Business Daily and the Federal Register;
- * Journals, Magazines and Publications;
- * Sources of International Trade Financing;
- * International Trade Statistics; and an
- * Exporters Guide to Federal Resources for Small Business.

This will involve conducting online research and complete information on markets, trade policies, currency, customs, languages, taxes and duties, economic trends, laws and regulations and religion. This information will be compiled into the online export development resource library that will be available to network users. The network platform allows this information to be easily accessed and downloaded.

The U.S. Agribusiness Export Development Network is a subscription based, online network that will facilitate communication and access to information by the following groups:

- * The diplomatic community;
- * Businesses involved in international trade, particularly small and medium sized businesses;
- * African American businesses;
- * Federal, state and local government officials;
- * Congressional delegations;
- * Community-based non-profit organizations;
- * Universities and institutions of higher learning;
- * Agricultural Commodity Associations;
- * Agribusiness concerns;
- * Trade organizations;
- * Banks that do international trade financing;
- * Export management and export trading companies;
- * Foreign buyers; and

- * Manufacturers and producers.

NSFFA predicts that this subscription based network will become self-sufficient by the end of the third year of the project. In addition to subscriber fees, the network will also generate income from web development, web hosting services and electronic catalog development and hosting.

This project will also promote off-farm job creation and business development opportunities for welfare recipients and other economically deprived groups in rural America. The Information Technology Industry has great potential of stimulating economic development in rural areas because online connectivity negates the need for a more costly physical presence in urban areas. Once the project is fully operational, it will involve the creation of jobs and/or business opportunities in the following categories:

- * Management;
- * Marketing Staff;
- * Internet Access Specialists;
- * Computer Researchers;
- * Telemarketers;
- * Web Page Designers;
- * Direct Mail Manager;
- * Accounting/Finance Director;
- * Production Manager;
- * Production Staff;
- * Graphic Artists;
- * Production Editor (Quality Control);

- * Technical Specialists;
- * Proofreaders; and
- * Clerical/Support Staff..

NSFFA will work with First Technology Management, Inc. and U.S.-Africa Trade Alliance, Inc. to develop both the Small Family Farm Network and the Export Development Network. The networks will be established using a Mustang Wildcat Interactive Net Server platform that is specifically designed to promote interaction. The Windows-based Wildcat platform contains a user friendly interface that is fully compatible with Netscape and Microsoft Explorer Web Browsers. This provides network subscribers with full and direct access to the Internet. No separate Internet Service Provider is needed. First technology also offers full video-conferencing and electronic commerce capabilities.

The Wildcat platform also offers the following advantages:

- * Allows for the creation of libraries that can be downloaded by subscribers;
- * Allows for the creation of public/private conference areas that stimulate online discussions;
- * Provides users with live chat capabilities that provide a forum for real time interaction, including online meetings;
- * Allows for easy use of questionnaires and surveys to network users; and
- * Provides full Internet E-mail capabilities.

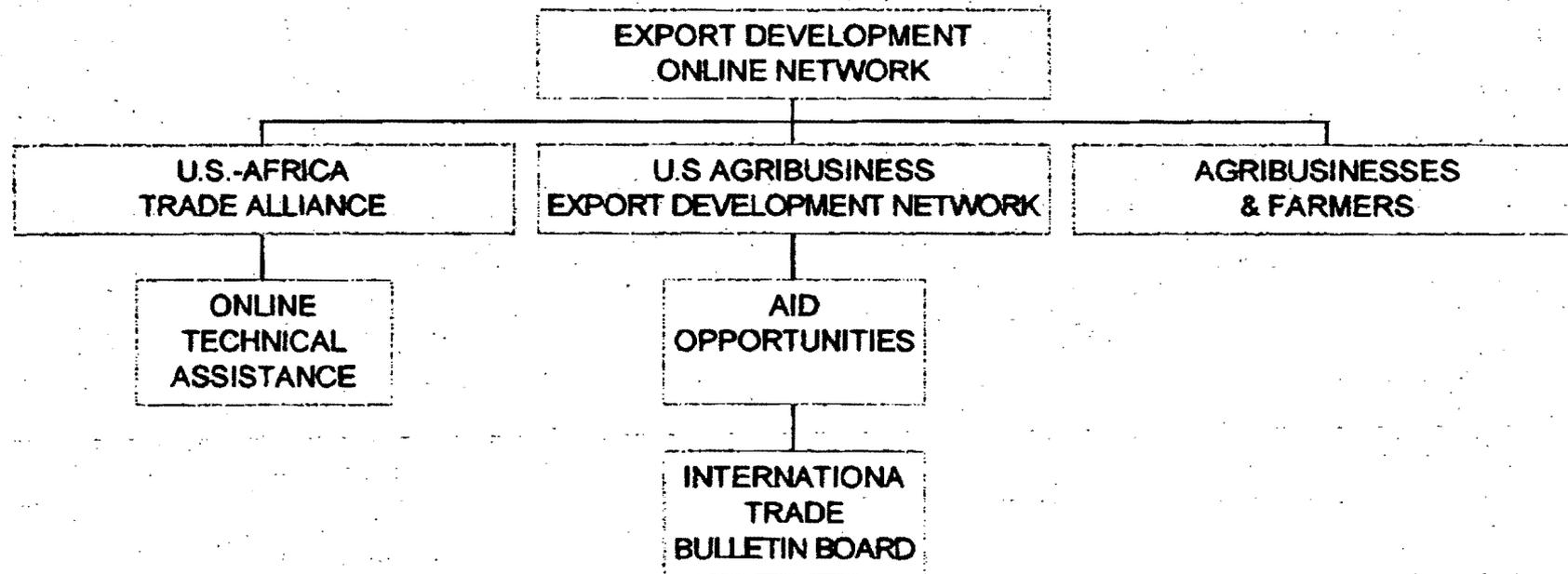
First Technology Management Corporation, which is based in Durham, North Carolina, has extensive experience in developing comprehensive information systems. The company has developed and currently provides Intranet Work Group services to forty-five (45) programs in the North Carolina Head Start Association; twenty-one (21) programs in the Mississippi Head Start Association; Head Start Resource Access project; forty-five (45) North Carolina Head Start Nutrition and

Food Service coordinators; twenty-two (22) programs in the N.C. ChildPlus Technical Assistance Project; 3 centers in the First Baptist Head Start Program - Burlington, N.C.; and forty-five (45) members of the N.C. Head Start Director's Caucus.

First Technology Management Corporation is currently working with community-based organizations in other states - Alabama, Kentucky, etc. and eight (8) state Southeast Regions to develop Intranet workgroups. First technology is currently involved in the planning and design of thirty-nine (39) early childhood education center Intranet workgroups and another twenty-nine (29) center program Intranet workgroups.

First Technology also has a full video production studio. They also are capable of facilitating electronic commerce on the Internet.

EXPORT ONLINE NETWORK



PROJECT PLANNING & DEVELOPMENT

NSFFA requests a \$2.5 Million grant from USDA's Rural Business Enterprise Grant Program. This grant will allow NSFFA to undertake the planning and preparation needed to implement the programs contained in this proposal. The proposed planning grant is for a one (1) year period, even though implementation of many of the proposed programs may begin sooner. During the planning phase, NSFFA will undertake the following activities:

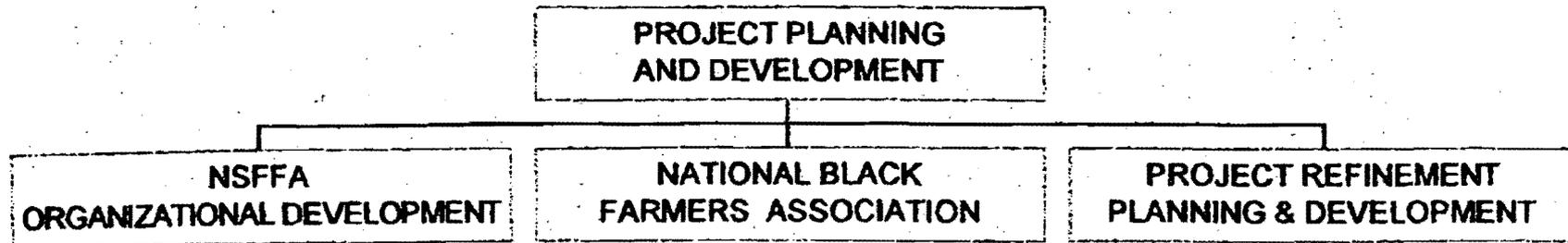
- * Developing a national policy for *Reinventing the Small Family Farmer in America*;
- * Developing a clear and concise statement of the mission, goals and objectives of each program;
- * Developing job descriptions for project staff;
- * Developing and issuing Requests for Proposals for professional and consulting services;
- * Developing guidelines, policies and procedures for outreach, research and development programs;
- * Developing and issuing Requests for Proposals for outreach, research and development programs;
- * Developing farmer and cooperative production schedules that provide year round income to America's small family farms;
- * Setting up personnel files;
- * Setting up office filing systems;
- * Establishing bank accounts;

- * Securing office space;
- * Developing an accounting procedures manual, including a purchasing manual and a financial management manual;
- * Establishing payroll procedures;
- * Securing services of a Certified Public Accountant (CPA) to keep books and do annual audits;
- * Maintaining files of minutes from meetings of the Board of Directors and various advisory committees;
- * Securing appropriate insurance policies;
- * Establishing and maintaining a World Wide Web site on the Internet;
- * Preparing quarterly written and financial reports;
- * Developing a survey to determine the specific needs of America's small family farmers;
- * Developing complete implementation plans with updated time lines; and
- * Developing sub-grant and contract guidelines.

During the planning process, NSFFA also proposes to perform an assessment of USDA programs and the impact that they have on small family farmers. This assessment will involve conducting disparity studies that examine the impact of current USDA farm and rural development programs by race, farm size and geographic location.

PLANNING & DEVELOPMENT

PLANNING & DEVELOPMENT



ORGANIZATIONAL STRUCTURE

The National Black Farmers Association (NBFA) is a non-profit corporation, tax-exemption pending. NBFA is dedicated to addressing the social and economic needs of small, minority and limited-resource farmers across the country. The NBFA was originally founded in Virginia by Mr. John Boyd, a limited-resource farmer from southern Virginia. Since that time, a chapter has also been formed in Texas. The organization is currently in the process of developing a national board structure that will consist of representatives from the various state boards. As a national organization, NBFA will develop its own programs at the national level and support the local programs being carried out by state and regional organizations.

The *Reinvention of Small Family Farms in America* program will be implemented by an independent, newly-formed, non-profit organization called the National Small Family Farm Alliance (NSFFA). NSFFA will be incorporated as a 501(c)(3) tax-exempt corporation. NSFFA will be a non-membership, non-profit corporation that will be controlled by a seven (7) member board of directors. Five (5) members of the board will be appointed by the National Board of Directors of the National Black Farmers Association and two (2) board members will be appointed by the Secretary of Agriculture.

Grant funds will be received by the National Black Farmers Association; but these funds will be administered by NSFFA. NBFA will retain 2.5% of funds received to cover administration expenses and to fund other programs of NBFA.

NSFFA will establish a national office. The project staff will be based out of the Washington office and at regional sites across the country. Specifically, the following staff positions will be created to implement this historic project:

- * Chief Executive;
- * Associate Directors;
- * Administrative Assistants;

- * Director of Fiscal Affairs;
- * Regional Coordinators;
- * Clerical Staff;
- * Agricultural Economist;
- * Agricultural Production Specialist;
- * Cooperative Development Specialist;
- * Market Development Specialist;
- * Farm Credit and Mediation Specialist;
- * Agribusiness and Export development Consultant;
- * Business Development Specialist; and
- * Transportation and Distribution Coordinator.

The project planning and development effort will be led by NBFA's Policy and Program Development Consultants and Grant Writers, James P. Green, Jr., Esq., and Irvin M. Henderson. Green is a licensed, North Carolina attorney and Economic Development Consultant who has offices in Henderson, North Carolina. Green has extensive experience in farm-based, community economic development. As the former Executive Director of the North Carolina Coalition of Farm and Rural Families, for eight (8) years, Green was responsible for planning and implementing a number of farm-based economic development projects including:

- * Developing a regional produce packing and shipping facility;
- * Organizing small farmer cooperatives;
- * Opening major new marketing opportunities for small and disadvantaged farmers;

- * Developing the "Carolina Harvest" logo to identify products produced by small farms;
- * Establishing and operating a revolving loan fund;
- * Conducting a number of workshops and seminars in the farm community; and
- * Raising over \$2 Million to cover administrative and program expenses.

In terms of education and training, Green is an experienced instructor, who has taught graduate, undergraduate and law courses at North Carolina Central University. Green serves on the Board of Directors of Self-Help Credit Union, a community based development bank with over \$90 Million in assets. Green serves on the Board of Directors of the Institute of Southern Studies and the N.C. Central Law School Alumni Association. Green also has served as Chairman of the Board of Directors of the N.C. Central University United Campus Ministries and the Steering Committee of the North Carolina Health Access Coalition.

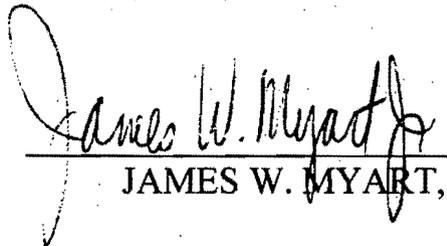
A capabilities statement for Irvin M. Henderson and Company is attached.

CONCLUSION

The National Black Farmers Association, in its most sincere existence, beseeches the Clinton Administration and Secretary Daniel Glickman to seriously consider this proposal, as its preparation reflects (in only a miniscule manner), the blood, sweat and tears of all farmers, regardless of race, who have worked the American heartland to support their families and to feed others, not only in this country but those beyond our borders.

This initiative is bold. It embodies a simple concept, the desire of the small family farmer to join the Clinton caravan now crossing that "bridge to the 21st Century" into the promised land.

Mr. Clinton, America's small family farmers are following you as you lead them into the 21st Century. Please take them with you.



JAMES W. MYART, JR., ESQ.

IRVIN M. HENDERSON & CO. ▲▼▲▼▲▼▲▼▲▼▲▼▲▼▲▼▲▼

IRVIN M. HENDERSON PRESIDENT 1519 LYNNE AVENUE P.O. BOX 1831 HENDERSON, N. C. 27538 Telephone 919-438-8513 Fax 919-438-3828

Irvin M. Henderson & Co. is a consulting firm that concentrates on education and training, community development finance, collaboration and community involvement, community reinvestment, organizational development, project design and management, strategic planning and enterprise development. Irvin Henderson, serving as principal consultant, works in association with a varying team of national and international experts on needs and opportunities presented by these subject areas. He brings a background in financial planning and community development that includes a range from securities to grass roots empowerment.

He is the former president of Henderson Financial Services and the former president of Gateway Community Development Corporation. He is the President of the Community Reinvestment Association of North Carolina, the Immediate Past Chair of the North Carolina Low Income Housing Coalition, Founding Board Member of the North Carolina Fair Housing Center, Member of the North Carolina Rural Development Council and the Chair of the National Community Reinvestment Coalition. Recent clients include the East Winston Community Development Corporation, Passage Home CDC, the City of Raleigh, Wake County, Seedco Inc., Chicanos por la Causa, Minister Bernard Tapie- Minister du Villes-France, Local Initiative Support Corporation, Charlotte-Mecklenburg Housing Partnership, North Carolina Association of CDC's, The City of Detroit, Michigan State Housing Development Authority, Memphis Area Community Reinvestment Organization, Freedman Community Development Corporation, Optical Fiber Network Incorporated, Nevada Fair Housing Center, Americorps National Training Corps and the Northeastern Economic Development Commission. He has presented at various conferences and briefings including the French Cabinet, the U.S. Cabinet, The Vice President of the U.S., The White House, the House Banking Committee, the Haliwa-Saponi Tribal Council, the Wachovia Bank Executive Council, the Piedmont Area Task Force, National Association of Community Action Agencies, National Congress for Community Economic Development, North Carolina Rural Development Council, Neighborhood Reinvestment Corporation, National Association of Housing Partnerships, The U. S. Senate, Enterprise Foundation, Center for Policy Alternatives, Corporation for Enterprise Development and

the Chicago Association of Neighborhood Development Organizations.

Selected Community & Economic Development Experience

- Port Royal, South Carolina- marketing and development of a 24 unit affordable duplex rental complex,
- Henderson, North Carolina- conceptualization and development of a 19 unit affordable homeowner-subdivision,
- Region K, North Carolina- planning, application, initiation and development of the first community development credit union in the southeast since 1980,
- Raleigh, North Carolina- completion of the Enterprise Community application for the City of Raleigh,
- Brown's Summit, North Carolina- development and presentation of the NC Community Economic Development Studies Program-a developer's training event that has produced over 100 community developers over five years,
- Lenoir, North Carolina- feasibility study for the conversion and development of a domicillary care facility,
- Vance County, North Carolina- development of Gateway Center, a youth center and office incubator project that resulted from the renovation of an old J.C. Penney department store,
- Port Arthur, Texas- development of a strategic redevelopment plan for the City, community-based organizations and local industry.
- Detroit, Michigan- development and presentation of a training event for Michigan State Housing Development Authority staff and City of Detroit staff,
- Manteo, North Carolina- development and presentation of a retreat, board training and strategic planning event for the Board of Directors of the Northeastern Economic Development Commission.

9:30 Am

Room 206 W

COPY
WHITTEN BLDG.

MENDELSON & JACKSON, P.C.

ATTORNEYS AT LAW

300 CONVENT STREET, SUITE 2600

SAN ANTONIO, TEXAS 78205-3706

(210) 222-2271

FAX: (210) 230-8914

Jill Long
Thompson -

OF COUNSEL
SPEIBER, KRAUSE & MADOLE, P.C.

LEGAL COUNSELING
DISPUTE RESOLUTION
TRIALS
APPEALS

February 6, 1997

The Honorable Maxine Waters
U.S. House of Representatives
330 Cannon House Office Building
Washington, D.C. 20515

Dear Ms. Waters:

On behalf of the Board of Directors of the National Black Farmers Association (NBFA), I want to thank you for your trojan efforts in bringing to light the plight of the Black farmer. Your correspondence to the President and other members of the House of Representatives, as well as Secretary Daniel Glickman, has elevated our hopes and desires for equality and justice in the United States of America.

Your efforts and the efforts of the members of the Congressional Black Caucus, particularly those Black members on the Agriculture Committee, have so crystallized the circumstance involving the plight of Black Farmers that the Secretary of Agriculture, the Vice President and the President of the United States have taken note.

The NBFA has presented this date, the attached proposal entitled Re-Inventing the Small Family Farm in America Project: Crossing the Bridge to the Twenty First Century. This proposal is a comprehensive multi-cultural, multi-ethnic program that attempts to re-invent the small family farm in America while at the same time allowing the Administration to make a policy re-commitment to civil rights. This project will literally create hundreds, perhaps thousands, of new jobs and business development opportunities for the small family farmer, regardless of race. Please understand that this program is not a Black program, but rather it is envisioned as a program for all small family farmers across the United States of America.

As you may notice, this program, while administrative in nature only, may spur legislative initiatives for the future to ensure that small family farms indeed make it to the Twenty First Century across that bridge that Mr. Clinton has made the cornerstone of his Administration.

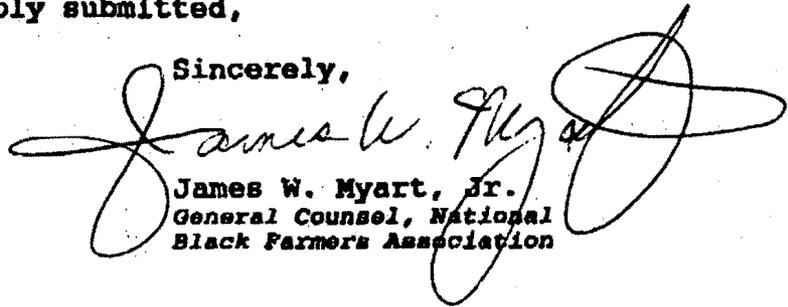
The Honorable Maxine Waters
February 6, 1997
Page 2

NBFA has specifically requested a meeting with the President and Vice President of the United States, the Secretary of the Department of Agriculture, yourself and designees of the Congressional Black Caucus to discuss, generally, the concepts envisioned in this project.

NBFA directors stand ready to meet with you in advance to accept your wise counsel and advice in regard to these matters.

Respectfully and humbly submitted,

Sincerely,

A large, stylized handwritten signature in black ink, appearing to read "James W. Myart, Jr.", is written over the typed name and title.

James W. Myart, Jr.
General Counsel, National
Black Farmers Association

JWM/mly

PRESS ALERT

CONTACT: James W. Myart, Jr.
(202) 333-8060 #701
(210) 222-2271 SA
or
.....Walter W/ Powell, III
(202) 333-8060 #703

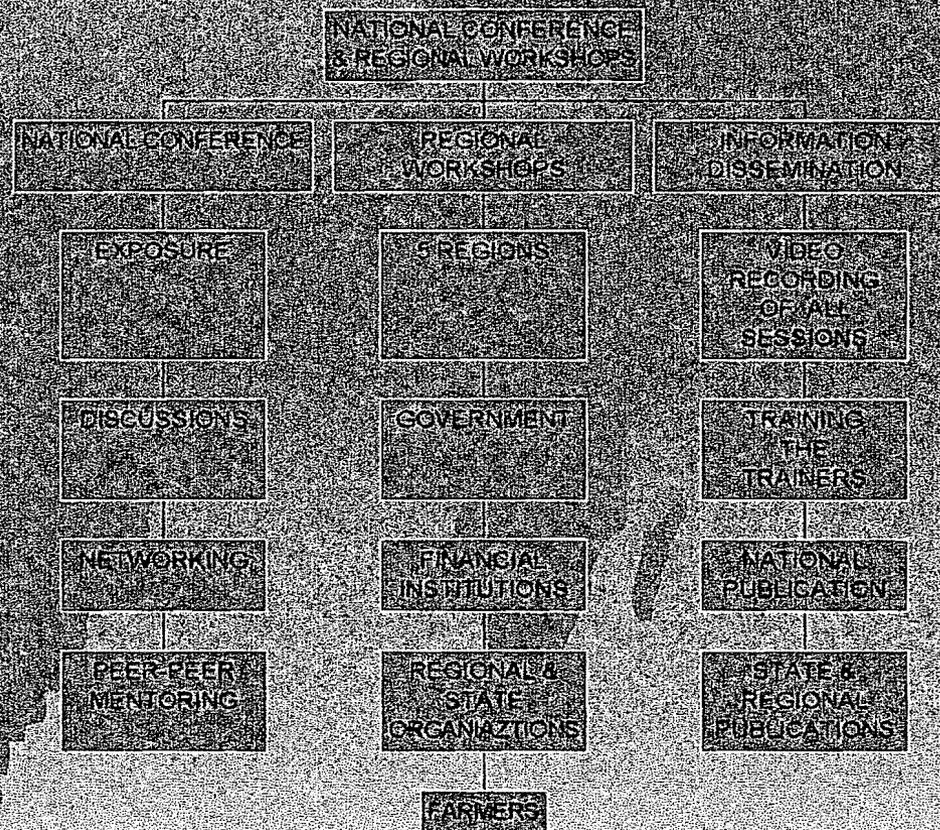
FOR IMMEDIATE RELEASE

The National Black Farmers Association. (NBFA) presented, today, unveiled its' proposal, entitled, Re-Inventing the Small Family Farm: Crossing the Bridge into the 21st Century to President Bill Clinton, Vice-President Al Gore, Congressional leaders and Agriculture Secretary Dan Glickman. According to Walter W. Powell, Secretary, NBFA, and the person who signed the comprehensive document, "We are quite proud of this initiative because it embodies a positive, pro-active approach (a national policy) to begin bridging the economic gap between small family farmers and every other average American attempting only to support their families". Mr. Powell further stated, "Every farmer, regardless of color or national origin, will benefit by this proposal if the administration adopts it, even in part"

Mr. Powell stated "The initiative makes a strong policy statement heralding the small farmer as a cornerstone in the fabric of American society". Powell further stated, "The price tag, nearly 200 million dollars over the next three years, for implementing the new program is very small relative to the overall departmental budget" "Moreover" said Powell, "discrimination in violation of the law carries a high price-tag; this proposal will help the department rid itself of the last vestiges of racial discrimination and discard its reputation as the 'Last Plantation'"

James W. Myart, Jr., general counsel, NBFA, and one of the authors of the ambitious policy and program said "This plan is exciting, fresh and new; it squares, directly, with the president's ,economic and domestic policies and his civil rights agenda, while at the same time; it gives the president an opportunity to revitalize the small family farmer, all but, now, an extinct species". According to Myart, "The funds required for this project do not require new spending, all the money has been appropriated and is in the Agriculture department's budget. All that is necessary is that Secretary Glickman make the administrative decisions necessary to carry out the plan", Myart said. "On behalf of all farmers, regardless of color or condition of servitude, NBFA urges the administration to adopt its/s proposal and seeks to seeks to urge President Clinton to lead the American Small Family Farmer into the 21st Century, Myart concluded.

CONFERENCES & WORKSHOPS



ONLINE NETWORK & WEB PAGE

ONLINE NETWORK & WEB PAGE

THE SMALL FAMILY FARM
ONLINE NETWORK &
WEB PAGE



EXPORT ONLINE NETWORK



PLANNING & DEVELOPMENT

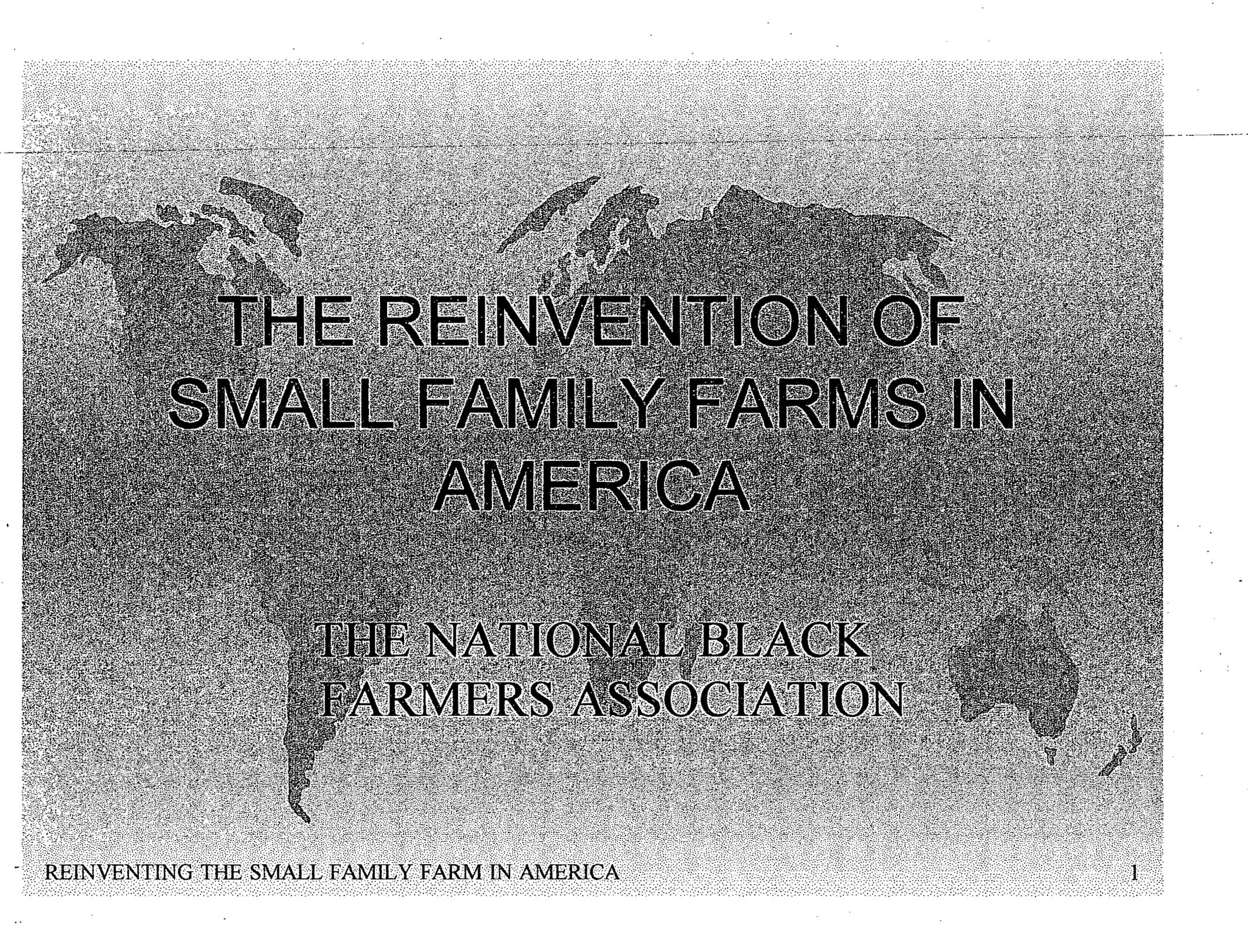
PLANNING & DEVELOPMENT

PROJECT PLANNING
AND DEVELOPMENT

NSFFA
ORGANIZATIONAL DEVELOPMENT

NATIONAL BLACK
FARMERS ASSOCIATION

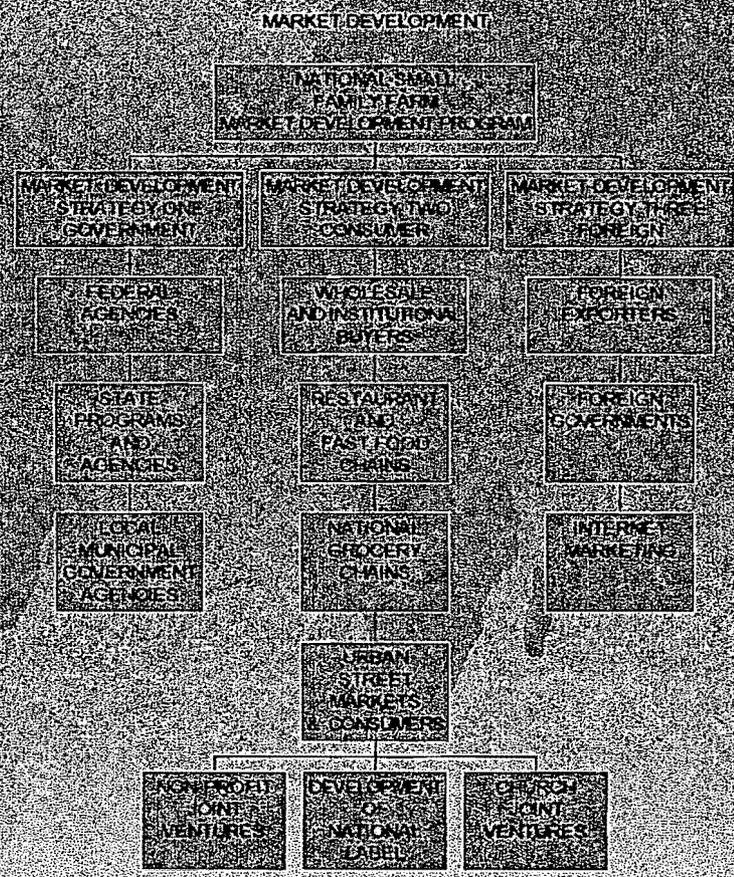
PROJECT REFINEMENT
PLANNING & DEVELOPMENT



THE REINVENTION OF SMALL FAMILY FARMS IN AMERICA

THE NATIONAL BLACK
FARMERS ASSOCIATION

MARKET DEVELOPMENT

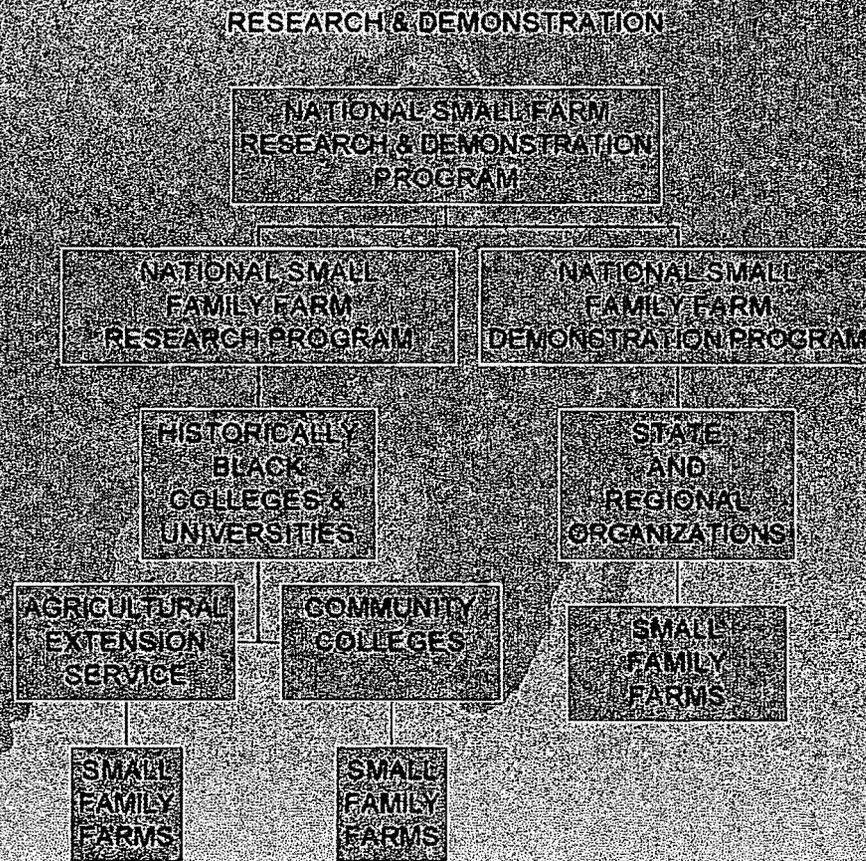


TECHNICAL ASSISTANCE AND OUTREACH

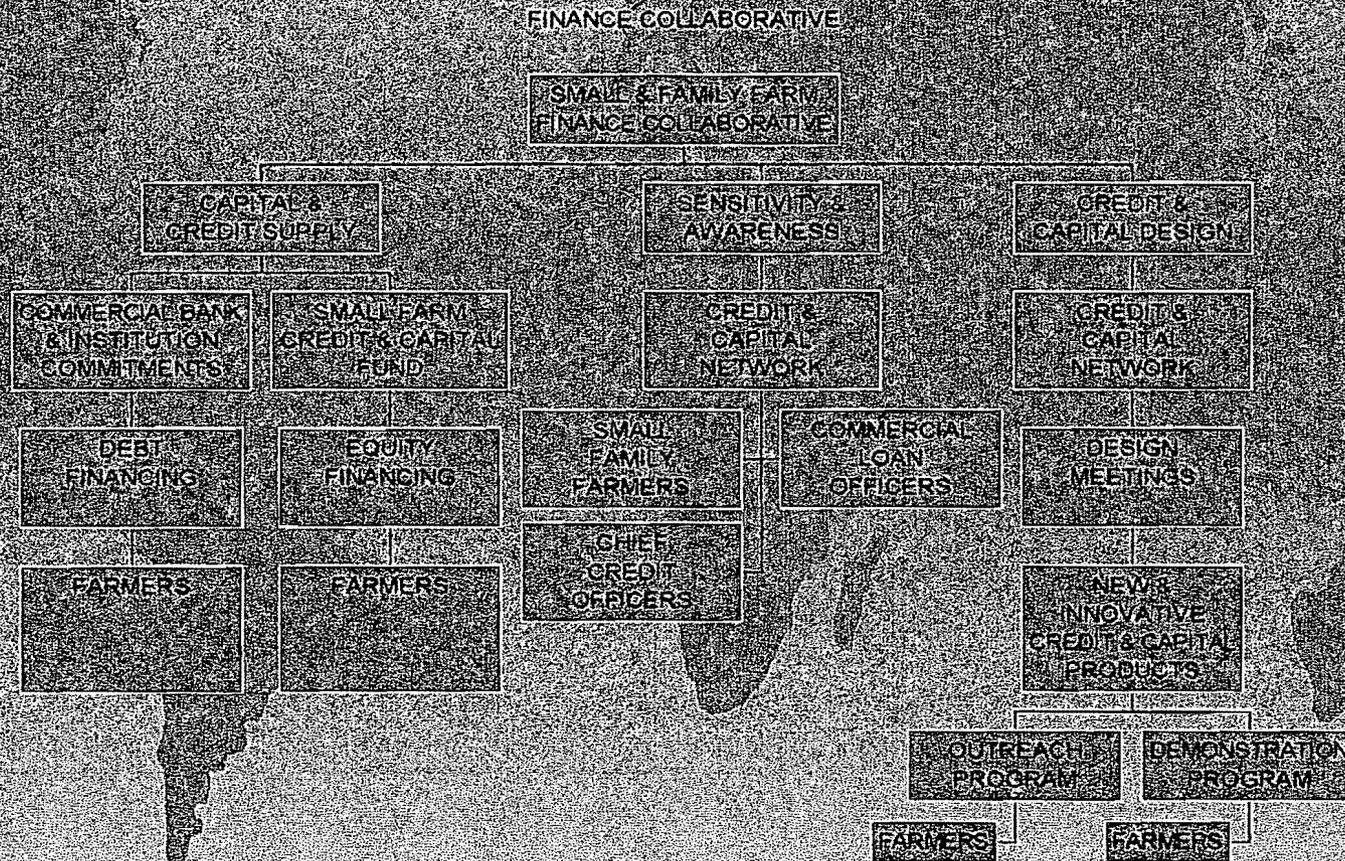
TECHNICAL ASSISTANCE AND OUTREACH



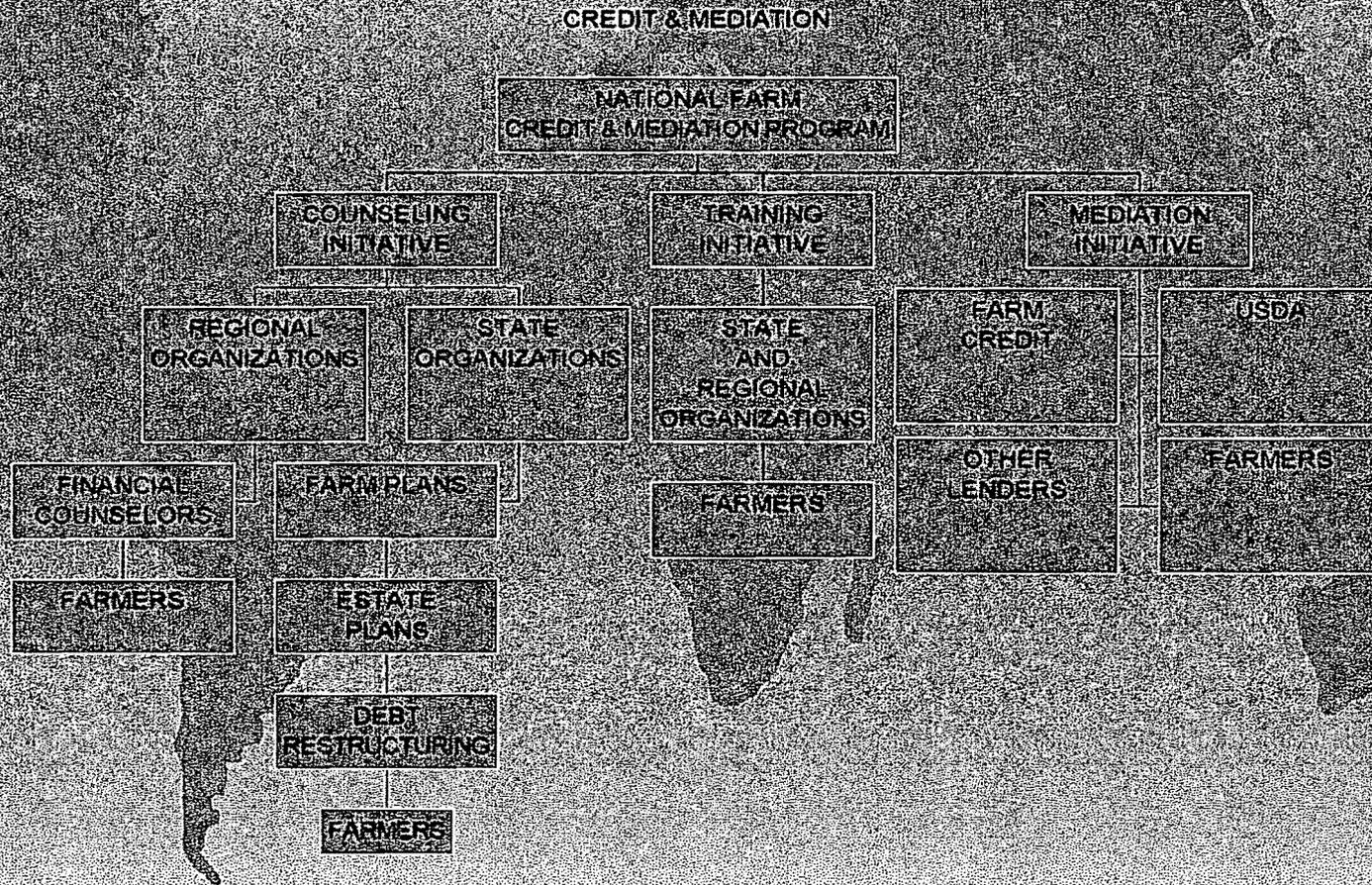
RESEARCH & DEMONSTRATION



FINANCE COLLABORATIVE



CREDIT & MEDIATION



AGRIBUSINESS & EXPORTS

