



June 21, 2007

Contact: Jason Gray, Research & Policy Director
Phone: 919-829-5900, extension 204
jgray@srdi.org

NEW REPORT RECOMMENDS SHIFT OF MISALIGNED UNITED STATES DEPARTMENT OF AGRICULTURE FUNDING TO RURAL DEVELOPMENT

Raleigh, NC – The Southern Rural Development Initiative released a report today that documents the pattern of misaligned United States Department of Agriculture funding to rural counties of low wealth and counties that predominantly consist of people of color. The report can be found on SRDI's website at www.srdi.org

The report, *The Pattern of United States Department of Agriculture Policy and Funding in Rural America's Low Wealth and Minority Communities*, finds that between 2001 and 2003:

- USDA allocated to 364 low wealth counties over \$7 billion in commodity direct payment subsidies to individual farm operations, but only \$460,000 in rural development grants – a ratio of 15.65 to 1. Commodity payments are subsidies to farm operations for designated crops.
- Many of the counties in the South where USDA commodity direct payment subsidies are concentrated have majority or near majority African American populations. SRDI analysis of 2002 Agriculture Census data indicates that nationally less than 1 percent of commodity subsidy recipients are non-White. In Southern majority African American counties SRDI conservatively estimates that a minimum of 94 percent of payments are going to farms with White operators. The ratio of commodity payments to rural development grants in majority minority counties nationally is 20 to 1.
- SRDI proposes that 10 percent of major agriculture commodity direct payment program dollars be redirected to rural development programs. SRDI estimates that \$1.7 billion annually could have been redeployed just in the three year period of fiscal years 2001-2003, as estimated from the 2001-2003 Census Bureau Consolidated Federal Funds reports.
- SRDI proposes that rural community asset-building – using the well being of children as a central indicator – shape USDA policy to be more responsive to community needs, and to make the Agency's many good missions more effective. For example, over \$5 billion in USDA nutrition dollars were allocated to rural low wealth counties between 2001-2003. Community asset building strategies can reduce poverty, thus reducing the \$739 per capita for these counties closer to the national average per capita of \$335.

“SRDI's analysis demonstrates that there is a significant disconnect between USDA's resources and rural America, especially in low wealth counties. There is enormous need for USDA to be a far stronger, and reasoned, policy partner with rural America,” said SRDI Executive Director Alan McGregor.

philanthropy + aligned public funds + economic options + capacity = the R U R A L F U T U R E

RALEIGH: 128 East Hargett Street, Suite 202 . Raleigh, NC 27601 . 919/829.5900 . fax 919/829.0504 . info@srdi.org
ASHEVILLE: 20 Battery Park Avenue, Suite 211 . Asheville, NC 28801 . 828/285.9230 . www.srdi.org

Jason Gray, SRDI Policy and Research Director, commented, “If rural places are to thrive in the 21st century, they must build enduring community assets that bring widely shared economic prosperity. These commodity programs are under review – and they should be. However, reallocating just ten percent of those misaligned funds to broader rural development priorities can make a huge difference. This is a higher and better use of limited federal resources.”

The Southern Rural Development Initiative, started in 1993, provides practical tools and strategies for rural community leaders. The agency offers community-based policy, philanthropy, grassroots capacity-building, and economic development tools to build just and sustainable rural communities. Over the past year, the agency implemented policy initiatives in two communities in South Carolina and one in Louisiana; facilitated a community engagement process to secure state legislative authority to convert of a youth prison into a community learning center in Tallulah, LA; and implemented the Philanthropy Index process in twelve communities. The agency works across the twelve states of the rural South with offices in Raleigh and Asheville, NC.

The agency works across the twelve states of the rural South with offices in Raleigh and Asheville, NC.

#30

local philanthropy + flows of funding + economic options = the R U R A L F U T U R E

RALEIGH: 128 East Hargett Street, Suite 202 . Raleigh, NC 27601 . 919/829.5900 . fax 919/829.0504 . info@srdi.org
ASHEVILLE: 20 Battery Park Avenue, Suite 211 . Asheville, NC 28801 . 828/285.9230 . www.srdi.org