

New Hampshire
 Department of Agriculture,
 Markets & Food

48

Shawn N. Jasper, Commissioner

70

August 22, 2024

The Honorable Ken Weyler, Chairman
 Fiscal Committee of the General Court *and*

His Excellency, Governor Christopher T. Sununu
 and the Honorable Council
 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 14:30-a, VI, the Department of Agriculture, Markets & Food (DAMF) requests authorization to accept and expend funds in the amount of \$2,441,952 in American Rescue Plan Act (ARPA) State Fiscal Recovery Funds (SFRF) for Agriculture Industry Support and Infrastructure related programming, services, and project investments, effective upon Fiscal Committee and Governor and Council approval through June 30, 2025. This is an allowable use of ARPA SFRF funds under section 602 (c)(1)(C) for provision of government services to the extent of the reduction in revenue. **100% Federal Funds.**

Funds will be budgeted in FY 2025 as follows:

02-018-018-180010-NEW0000 ¹ , ARPA Agriculture Support and Infrastructure		FY 2025	FY 2025	FY 2025
CLASS/OBJECT	CLASS TITLE	CURRENT MODIFIED BUDGET	BUDGET REQUEST	REVISED BUDGET
000-400338-16	Federal Funds	\$0	\$2,441,952	\$2,441,952
Total Funding		\$0	\$2,441,952	\$2,441,952
040 - 500800	Indirect Cost	\$0	\$26,089	\$26,089
041 - 500801	Audit Fund Set Aside	\$0	\$2,413	\$2,413
072 - 500573	Grants Federal	\$0	\$1,320,075	\$1,320,075
102 - 500731	Contracts for Program Services	\$0	\$1,093,375	\$1,093,375
Total Expense		\$0	\$2,441,952	\$2,441,952

EXPLANATION

This request would fund initiatives that, together, will work to support New Hampshire's agriculture industry through direct services to farmers, grants programs, research, and infrastructure investments

¹ Accounting classifications may be subject to technical changes at the discretion of the Department of Administrative Services' Division of Accounting Services.

addressing critical needs that benefit producers, consumers, and the environment. The New Hampshire Department of Agriculture, Markets, and Food (DAMF) identified these needs through broad outreach to the state's agricultural service providers, commodity groups, and farm membership groups.

As part of this effort, DAMF is seeking to utilize ARPA SFRF funding for the initiatives described below. These are proposed programs and projects that would be overseen and facilitated by DAMF, while working closely with UNH Cooperative Extension, UNH College of Life Science and Agriculture, the NH Agricultural Experiment Station, and the New Hampshire Veterinary Diagnostic Laboratory.

Funding for multiple grants and grant programs supporting physical and technology infrastructure including:

Upgrades to the NH Veterinary Diagnostic Lab – Upgrades to the NH Veterinary Diagnostic Lab will support the facility in meeting increased demand for diagnostic services and pursuing its top strategic goal of lab-wide accreditation and membership into the National Animal Health Lab Network. NAHLN membership would certify the lab to test for high consequence and foreign animal diseases such as Avian Influenza, Foot & Mouth Disease, African Swine Fever and Chronic Wasting Disease. The current highly pathogenic avian influenza outbreak has been devastating to the United States poultry industry. The lab's ability to rapidly identify animal disease has a significant impact on our food system, international trade and human health. \$680,641.

All direct program costs for this program will be accounted for using activity 00FRF602GS1805A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1805Z

Updating the Soil Testing Database - Weather events and changing climate have increased the rates of soil erosion, nutrient leaching, and pest outbreaks hindering the ability of farmers to establish sustainable, profitable businesses. Modern soil test analysis is a tool that can help address these challenges by providing farmers with data to drive decisions, helping them adapt and building resilience for their farms. The current UNH Soil Testing database is old and lacks the capabilities to address and provide data our modern agricultural producers need. More specifically, it is unable to integrate with modern soil health assessment tools, generate precise nutrient recommendations tailored to specific post-disaster conditions, or provide real-time data for rapid decision-making. This proposed funding will support address these needs and provide increased impact to New Hampshire farmers. \$179,534.

All direct program costs for this program will be accounted for using activity 00FRF602GS1806A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1806Z

Modernization and upgrades to the UNH Organic Dairy Research Farm - The UNH Organic Dairy Research Farm is a unique research facility (one of only two in the country) where science-based and tested best practices can be developed and showcased, helping prepare and lead New Hampshire farmers toward a profitable, environmentally sustainable stewardship of the state's food supply and land management. Currently, however, the depth and capacity of research that can be developed at this facility is significantly limited by aging and undersized infrastructure, preventing NH Agricultural Experiment Station scientists from, A) conducting studies across all four seasons, B) increasing insights and recommendations about animal management to reduce greenhouse gas emissions, and C) generating cutting-edge research such as precision animal science. Modernizing the Organic Dairy Research Farm's infrastructure will enable groundbreaking science that will place New Hampshire's agriculture as a solution to climate challenges. \$459,900.

All direct program costs for this program will be accounted for using activity 00FRF602GS1807A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1807Z

Funding for direct services to farmers including the following programs:

Increasing farm resilience and viability - The allocation of disaster relief funds for weather related crop loss in 2023 affirmed what many agricultural service providers previous believed, farmers lack record keeping systems that produce critical data to make management decisions. This lack of data impacts key areas including farm financials, taxes, business structures, yields, market channels, and legal topics. Specifically, which enterprises make and lose money, how to legally protect farms, tax implications of decisions, how to utilize business structures, retirement planning to inform succession planning, and farm transfer. This proposed funding will address those needs through direct services to farmers in the relevant areas of need. \$360,066.

All direct program costs for this program will be accounted for using activity 00FRF602GS1808A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1808Z

Agricultural equipment education – This proposed funding will support the UNH Extension Women in Agriculture program to purchase a tractor, trailer, and appropriate accessories to form a complete mobile teaching unit to benefit the whole of Extension programming. On-demand access to equipment gives Extension the ability to immediately respond to training and workforce development needs that exist in the agricultural community. \$114,660.

All direct program costs for this program will be accounted for using activity 00FRF602GS1809A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1809Z

Addressing the need for new farm management service providers - This proposed funding will address needs in the agricultural service provider workforce by creating and teaching courses for UNH undergraduate students at the Durham campus. New and innovative educational methods will be coupled with hands-on applications to build excitement and allow the students to apply their knowledge and experience success. The first half of a semester long course will build foundational skills in farm financials and financial analysis. The second half will apply these skills by working with a New Hampshire farm. \$21,318.

All direct program costs for this program will be accounted for using activity 00FRF602GS1810A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1810Z

Supporting new farmers with their business management – New farmers need an area seeking assistance with all aspects of business management. Getting started on the right foot is critical to their success. This proposed funding will support UNH Extension staff in aggregating educational resources on their website, promoting existing education and helping develop new programs, as well as develop systems to identify and communicate with new farmers to spread awareness of the economic resources available to them. \$26,103.

All direct program costs for this program will be accounted for using activity 00FRF602GS1811A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1811Z

Supporting NH farmers with record keeping education -Recordkeeping is continually cited as one of the greatest challenges involved in farming as well as in participating in many state and federal programs, including crop insurance. Recognizing the increasing need for accurate recordkeeping alongside farmers' desires to develop tools and strategies that improve recordkeeping efficiency, this proposed funding will support the development of a video series and supplemental learning materials that bring clarity and streamline the process of farm recordkeeping. The videos will be freely available to all farmers and utilize a peer-to-peer learning system highlighting best practices in farm recordkeeping. \$26,228.

All direct program costs for this program will be accounted for using activity 00FRF602GS1812A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1812Z

Funding for research critical to NH farmers including:

Syrup market resilience – This proposed funding will build capacity to scientifically develop new methods and products to help NH farmers and landowners better adapt to changing sugaring seasons, the long-term changes in the types of tree species that grow in NH, and to develop new syrup-based foods that can garner significant market premiums in order to better compete with producers in nearby states. \$75,000.

All direct program costs for this program will be accounted for using activity 00FRF602GS1813A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1813Z

High-tunnel Research Program – This proposed funding will support development of a comprehensive, long-term high-tunnel research program to rapidly increase best practice management research and farmer education for cost-effectively using these technologies to significantly decrease the impacts of weather variability and uncertainty for the state's small and medium-sized farmers who produce high-input cost, high-value fruits and vegetables. \$80,000.

All direct program costs for this program will be accounted for using activity 00FRF602GS1814A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1814Z

Post-harvest storage – This proposed funding will support research to enable vast progress in post-harvest crop management for NH-specific fruits and vegetables to enable farmers to adapt their storage practices to changing production seasons and to capture significantly higher local sales opportunities during winter and spring due to more effective and NH-specific science-based storage recommendations. \$390,000.

All direct program costs for this program will be accounted for using activity 00FRF602GS1815A and all administrative and indirect costs will be accounted for using activity 00FRF602GS1815Z

As indicated above, this funding request would be directed towards specific investments in infrastructure, direct services, and research addressing critical needs in New Hampshire's agricultural industry.

Funds are to be budgeted as follows:

Class 040 – Indirect Costs – \$26,089 Funds used to recover central services cost.

Class 041 – Audit Fund Set-Aside - \$2,413 0.1% of federal funds payable to DAS for audit fees per RSA124:16.

Class 072 – Grants Federal – \$1,320,075 – for disbursing Federal Funds for agricultural industry support and infrastructure as described in the explanation.

Class 102 – Contracts for Program Services - \$1,093,375 - to appropriate funds for contracts entered into to provide direct services to farmers and conduct research to benefit NH farmers.

In the event that Federal Funds are no longer available, General Funds will not be requested to support this program.

Respectfully submitted,



Shawn N. Jasper
Commissioner