Testimony on

Supply Chain Recovery and Resiliency: Small Producers and Local Agricultural Markets

to

The Subcommittee on Biotechnology, Horticulture, and Research of the House Agriculture Committee

Jonathan and Kelly Shannon

Niche Market Livestock Producers

Shannon Family Farms LLC

June 30, 2021

Chairwoman Plaskett, Ranking Member Baird, and members of the subcommittee, thank you for inviting us to join the discussion today. We are both involved in the day-to-day operations of our small, niche market livestock farm where we directly market our products to the local, end consumers of our community and beyond. Through our testimony we will share the successes and struggles those small producers, like ourselves, face in a new era of local food production.

Background

Small, local producers that grow and raise food, fuel, and fiber for local communities are a vital part of what makes rural America vibrant. Local, family-owned farms are an economic driver for many communities throughout the United States because of the financial reinvestment into other businesses in the region. What makes local producers successful and able to grow is the access to plentiful agricultural markets. Continued and increased economic opportunities need to be readily available to small farms.

Growth of our Farm

Kelly returned to rural Montgomery County Indiana in 2003 after graduating college. One year later, I joined her, and we purchased a 10-acre farm less than 1 mile from where she grew up. As most farm families across the country, land and profits were too tight to add more family members to the operation, so both of us took off-farm jobs, as teachers, with the hope of finding our niche in agriculture as time passed. At the young age of 26, we began Shannon Family Farms

in 2006 with little knowledge of our local markets or opportunities through the U.S. Department of Agriculture (USDA). The goal was to produce proteins (beef, pork, chicken, and eggs) for local consumers and provide buying options to the community.

A few years later, 70 acres of adjoining land became available for purchase, but with two beginning teacher salaries, local lending institutions would not even entertain a conversation about the purchase of those acres. With no knowledge of Beginning Farmers and Ranchers Loans through the USDA at that time, the land was never acquired. Consequently, we made the conscious decision to most effectively use our 10 acres to grow our operation. This would lead to becoming a beef, pork, poultry, and egg producer that dealt directly with the end consumer.

From 2006 to 2016, we formed our own agricultural market through on-farm sales, attending farmer's markets in surrounding areas, and working with Indiana Grown through the Indiana State Department of Agriculture. Finally, in 2016, we hit a roadblock with market opportunities. Based on this dilemma, we were faced with continuing as a small, seasonal operation or expanding into a year-round retail business model. Thankfully, there were other like-minded small producers in the community that faced the same barriers and made the conscious effort to find a solution to reduced market opportunities.

Four Seasons Local Market was founded in October of 2016 through a partnership of a few small producers in an effort to expand their economic opportunities. A year round, retail storefront sits on Main Street in historic downtown Crawfordsville, IN to offer locally produced products from the community and across the state. This local market is a vibrant, weekly meeting place of local food consumers who purchase products from local family farms. The market has been blessed with continuous growth each year. This endeavor was supported by individual investments from each farm family.

U.S. Department of Agriculture Interactions and Support

Shannon Family Farms began their official interactions with the U.S. Department of Agriculture and their local Farm Service Agency (FSA) office in July 2020, almost 14 years after we began our small operation. The reason for the encounter was to participate in the Coronavirus Food Assistance Program (CFAP) during COVID-19 at the recommendation of fellow local producers. Why had it taken us 14 years to discover some of the economic opportunities available through the USDA? We believed services were mostly offered and benefited large row crop or large livestock operations and did not help small producers. Our experience through both CFAP phases at the local FSA office was easy and beneficial.

Earlier I mentioned a partnership with Indiana Grown. The partnership included the Indiana Grown for Schools Network which is a statewide initiative that was the product of a 2018-2020 USDA Farm to School Grant, received by the Indiana State Department of Health. In partnership with the Indiana State Department of Agriculture and Purdue Extension. This grant funded the creation of a website and the Indiana Grown for Schools Buyer's Guide. This is a local agricultural market our farm has not been able to take advantage of through meat sales. It is our belief that the USDA could be of assistance in accessing this market by incentivizing schools to use more individual ingredients, and less prepared and prepackaged foods.

The Future of Local, Niche Market Livestock Production

The farm's economic opportunities and agricultural markets have become throttled as the country emerges from COVID-19 and its effects on supply chains. A major contributing factor to this decreased revenue is access to reasonably priced, USDA inspected, processing facilities for small producers that are available regionally. Knowing that only 9 days ago the U.S. Department of Agriculture announced $55.2 million in competitive grant funding available through the new Meat and Poultry Inspection Readiness Grant (MPIRG) program[1], that does not fix that damage that has been done prior to now.

Poultry was a staple protein offered to customers of Shannon Family Farms but has become a casualty in our product offerings due to the local, small, USDA processor not offering poultry processing in 2021. With the increased demand for pork and beef processing, poultry processing was put off to the side by the processor for this year and maybe the future. Small, local, reliable, and affordable processing will continue to be a struggle for local producers like Shannon Family Farms. During the COVID-19 pandemic, supply chains were strained and prices of processing inputs, such as PPE, sanitation products, and packaging increased. Those costs were not absorbed by the inspected processing facilities and were passed directly on to the small producer as evidence by our raising processing costs. It is our sincere hope that as supply chains return to normal that those price increases can be rolled back. Through the years, we have benefited from using a USDA inspected processing facility as our sole processor.

With increased e-commerce opportunities quickly gaining popularity among local food consumers and the benefit of opening other agriculture markets through online sales, the farm yearns for reliable, rural broadband. The USDA ReConnect Program, introduced in 2018, and multiple additional appropriations for FY 2019, 2020, and 2021[2] is a step in the right direction, COVID-19 has magnified the need for that rural telecommunications infrastructure to reach many more local producers.

Resiliency and Change

Shannon Family Farms has prided themselves with adapting to customer demand and maximizing return on investment from agricultural products produced with our small amount of acreage. Local demand has increased for cut flowers in recent years. The 2021 growing season has seen pasture acreage at the farm converted to cut flowers rows. With that being said, we will be exploring opportunities through the USDA to secure and expand the future of this agricultural commodity in our local market through grants, operating loans, microloans, and youth loans. This is being done to replace some of the protein sources no longer being raised because of meat processing bottlenecks.

Having new knowledge of economic opportunities for local agricultural markets through the USDA, Shannon Family Farms continues to look toward the future and focus on growth through various agricultural commodities. We cannot tell you what commodity we will be raising in 10 years, but it will mirror the demands of our consumers and customers. It is with eternal optimism

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[1] https://www.usda.gov/media/press-releases/2021/06/21/usda-invests-552-million-grants-increase-capacity-and-expand-access

[2] https://www.usda.gov/broadband

that issues facing small producers, like ourselves, can be resolved and new, expanded agricultural markets are opened.

Conclusion

Small, local producers are the backbone of rural communities and must work side-by-side with larger producers to provide food, fuel, and fiber to all consumers. Small farms that work directly with the end consumer can share the success and struggles directly with them. We have cherished that relationship with our customers since 2006 but are always looking for economic opportunities to expand local agricultural markets especially in the post COVID-19 pandemic era. If anything was demonstrated during the past year, it was the necessity of having local food options available as larger store shelves were minimally stocked or empty. Local producers are able to shorten the supply chain tremendously when the correct tools and supports are in place. Shannon Family Farms looks forward to future opportunities to expand our current market options and grow with different commodity options for consumers.

Kelly and I would like to thank you for the opportunity to participate in this discussion on a topic that is vital to our operation and the future generations being raised on our farm.

Biographical Sketch for Jonathan & Kelly Shannon

Jonathan and Kelly Shannon of Shannon Family Farms have lived on a small, rural farm since 2004, raising niche market livestock for direct to consumer sales. Kelly returned home to the farm after graduating from Purdue University in 2003 with a degree in elementary education. She has been responsible for the daily care of all livestock while working with customers to meet their desire for locally raised meat. Jonathan has contributed to the operation by focusing on the legal, financial, marketing, and logistical aspects for running a direct to consumer operation. His graduate degree in educational administration has helped in having a plan to grow the farm while keeping an eye on the operation's longevity. The couple's deep involvement in Indiana's largest grassroots farm organization has connected them with farmers from across the nation and allowed them to share successes and struggles while trying to expand agricultural markets for small producers. Through their entrepreneurial spirit, Jonathan & Kelly have created a demand for their products that is mutually beneficial to the local community and their operation.

More Information

Shannon Family Farms was started in July of 2004 by Jonathan & Kelly Shannon with a farmhouse, 10 acres, and a small herd of Boer Goats. As time went on, the farm evolved to what it has become today. At Shannon Family Farms, we strive to raise animals in the most responsible way possible while meeting the demands and needs of our family and customers alike.

Jonathan and Kelly both work fulltime off the farm in the local community. Along with their 3 daughters, raising cows, pigs, chickens, and goats has become a family affair. The farm was the ideal location to settle because within 3 miles of Shannon Family Farms there are 5 other farms in the family. Each one has a focus of their own, but they combine to share machinery and other resources.

The boundaries of the farm have not changed since 2004, however, the facilities have changed dramatically. Upon moving in, the farmhouse began renovations to bring it into the modern era and those renovations continue to today. Shortly after settling in, a farm shop was constructed to house all the necessities for keeping equipment running and making necessary repairs. When the decision was made to bring layer chickens to the farm, a chicken coop was built to meet the demands of our egg laying flock. The late 1800s main barn has had some preservation work and remodeling done to keep it as a fully functional barn that will likely last another 130 years. An addition was made to the original farmhouse in 2012 to meet the needs of the growing family.

As time went on, it became evident that small scale, niche market, livestock production would be the focus for Shannon Family Farms. Beef cattle, swine, meat and layer chickens, and meat goats were chosen as the main livestock species to graze our pastures.

We breed our own cattle to have total control of their food intake their entire lives. If feeder cattle are purchased, they are brought to the farm at weaning from local, trusted farmers. Piglets are purchased shortly after weaning from local farmers whom we have built a relationship. These piglets are normally from show strings. Meat chickens are shipped directly from Welp Hatchery as day old chickens. Our layer chickens arrive as day old chicks from Murray McMurray Hatchery. The goats are brought in from other breeders who we have visited their farm and gotten to know them. An animal is never purchased from livestock auctions and brought to our farm. Through our selective alliances with local farmers and hatcheries, we can ensure our animals are being raised responsibly. Each animal at Shannon Family Farms has a full history that can be provided. That history details where the animal has been and any medicines it has had along with the exact dates. The careful selection of animals ensures your family is purchasing high quality meat and/or eggs from a trusted source.

Truth in Testimony Disclosure Form

In accordance with Rule XI, clause 2(g)(5)* of the *Rules of the House of Representatives*, witnesses are asked to disclose the following information. Please complete this form electronically by filling in the provided blanks.

Committee: Agriculture

Subcommittee: Biotechnology, Horticulture, and Research

Hearing Date: 06/30/2021

Hearing Title :

" Supply Chain Recovery and Resiliency: Small Producers and Local Agricultural Markets"

Witness Name: Jonathan Shannon

Position/Title: Niche Market Livestock Producer

Witness Type: ○ Governmental ● Non-governmental

Are you representing yourself or an organization? ○ Self ● Organization

If you are representing an organization, please list what entity or entities you are representing:

Shannon Family Farms LLC

FOR WITNESSES APPEARING IN A NON-GOVERNMENTAL CAPACITY

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

Are you a fiduciary—including, but not limited to, a director, officer, advisor, or resident agent—of any organization or entity that has an interest in the subject matter of the hearing? If so, please list the name of the organization(s) or entities.

Shannon Family Farms LLC
Four Seasons Local Market LLP

Please list any federal grants or contracts (including subgrants or subcontracts) related to the hearing's subject matter that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the source and amount of each grant or contract.

CFAP1 - $1,293.00
CFAP2 - $878.00
PPP - $6,381.88
CFAP Make-Up - $76.50

Please list any contracts, grants, or payments originating with a foreign government and related to the hearing's subject that you, the organization(s) you represent, or entities for which you serve as a fiduciary have received in the past thirty-six months from the date of the hearing. Include the amount and country of origin of each contract or payment.

Please complete the following fields. If necessary, attach additional sheet(s) to provide more information.

☑ I have attached a written statement of proposed testimony.

☑ I have attached my curriculum vitae or biography.

* Rule XI. clause 2(g)(5), of the U.S. House of Representatives provides:

(5)(A) Each committee shall, to the greatest extent practicable, require witnesses who appear before it to submit in advance written statements of proposed testimony and to limit their initial presentations to the committee to brief summaries thereof.

(B) In the case of a witness appearing in a non-governmental capacity, a written statement of proposed testimony shall include— (i) a curriculum vitae; (ii) a disclosure of any Federal grants or contracts, or contracts, grants, or payments originating with a foreign government, received during the past 36 months by the witness or by an entity represented by the witness and related to the subject matter of the hearing; and (iii) a disclosure of whether the witness is a fiduciary (including, but not limited to, a director, officer, advisor, or resident agent) of any organization or entity that has an interest in the subject matter of the hearing.

(C) The disclosure referred to in subdivision (B)(iii) shall include— (i) the amount and source of each Federal grant (or subgrant thereof) or contract (or subcontract thereof) related to the subject matter of the hearing; and (ii) the amount and country of origin of any payment or contract related to the subject matter of the hearing originating with a foreign government.

(D) Such statements, with appropriate redactions to protect the privacy or security of the witness, shall be made publicly available in electronic form 24 hours before the witness appears to the extent practicable, but not later than one day after the witness appears.

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" Supply Chain Recovery and Resiliency: Small Producers and Local Agricultural Markets"

Witness Name: Kelly Shannon

Position/Title: Niche Market Livestock Producer

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