

119TH CONGRESS
1ST SESSION

S. 1237

To establish the New Producer Economic Security Program within the Farm Service Agency Office of Outreach and Education.

IN THE SENATE OF THE UNITED STATES

APRIL 1 (legislative day, MARCH 31), 2025

Ms. SMITH introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To establish the New Producer Economic Security Program within the Farm Service Agency Office of Outreach and Education.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “New Producer Eco-
5 nomic Security Act”.

6 **SEC. 2. NEW PRODUCER ECONOMIC SECURITY PROGRAM.**

7 (a) DEFINITIONS.—In this section:

8 (1) AUTHORIZED LEGAL ENTITY.—The term
9 “authorized legal entity” means any corporation,
10 business trust, estate, trust, partnership, limited li-

ability company, association, joint venture, public corporation, cooperative, pension or investment fund, or any other legal or commercial entity organized or created under the laws of any State that meets each of the following requirements:

(A) The entity is not a subsidiary of, or owned in any part by, a multilayered subsidiary entity.

(B) The shareholders, partners, members, or beneficial owners of the entity do not exceed 25 individuals.

(C) The shareholders, partners, members, or beneficial owners of the entity are all natural persons who—

(i) regularly and frequently make, or take an important part in making, management decisions substantially contributing to or affecting the operation of a farm or forest; or

(ii) perform physical work that significantly contributes to cultivation, stewardship, crop or livestock production, or food production.

(2) COVERED PROJECT.—The term “covered project” means a project described in subsection (e).

1 (3) ELIGIBLE ENTITY.—

2 (A) IN GENERAL.—The term “eligible enti-
3 ty” means an entity that—

4 (i) has demonstrated experience in
5 serving qualified beneficiaries; and

6 (ii) is—

7 (I) a State, local, or territorial
8 government;

9 (II) an Indian Tribe or Tribal or-
10 ganization (as those terms are defined
11 in section 4 of the Indian Self-Deter-
12 mination and Education Assistance
13 Act (25 U.S.C. 5304));

14 (III) a Native community devel-
15 opment financial institution certified
16 by the Secretary of the Treasury;

17 (IV) a community development
18 financial institution (as defined in sec-
19 tion 103 of the Community Develop-
20 ment Banking and Financial Institu-
21 tions Act of 1994 (12 U.S.C. 4702))
22 certified by the Secretary of the
23 Treasury, acting through the Director
24 of the Community Development Fi-
25 nancial Institutions Fund established

under section 104(a) of that Act (12 U.S.C. 4703(a));

(V) an organization described in paragraph (2) or (3) of section 501(c) of the Internal Revenue Code of 1986 and exempt from tax under section 501(a) of such Code;

(VI) a foundation;

(VII) a cooperative entity;

(VIII) an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001));

(IX) a financial institution described in section 1.7(b)(1)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2015(b)(1)(B)); and

(X) any other appropriate partner, as determined by the Secretary.

(B) EXCLUSION.—The term “eligible entity” does not include a corporation that is foreign-based or foreign-owned.

(4) ELIGIBLE LAND.—

(A) IN GENERAL.—The term “eligible land” means—

- 1 (i) agricultural land;
- 2 (ii) private land;
- 3 (iii) urban land;
- 4 (iv) public land, including Federal,
- 5 State, and municipally owned or managed
- 6 land;
- 7 (v) lands held in common that are
- 8 controlled and managed by groups of indi-
- 9 viduals;
- 10 (vi) lands held in trust;
- 11 (vii) multiple parcels of land described
- 12 in any of clauses (i) through (vi) that are
- 13 noncontiguous; and
- 14 (viii) public or private shoreline or
- 15 intertidal zone areas, which may be wholly
- 16 or partially underwater.

17 (B) EXCLUSION.—The term “eligible land”
18 does not include a natural area (as defined in
19 section 650.23(a) of title 7, Code of Federal
20 Regulations (or successor regulations)).

21 (5) PROGRAM.—The term “program” means
22 the New Producer Economic Security Program es-
23 tablished under subsection (b).

24 (6) QUALIFIED BENEFICIARY.—

1 (A) IN GENERAL.—The term “qualified
2 beneficiary” means a farmer, a rancher, or a
3 forest owner who—

4 (i) is a natural person;

5 (ii) is—

6 (I) a shareholder in an author-
7 ized legal entity;

8 (II) an officer, director, or em-
9 ployee of an authorized legal entity;

10 (III) a member or manager of an
11 authorized legal entity;

12 (IV) a partner in an authorized
13 legal entity;

14 (V) a beneficiary or trustee of an
15 authorized legal entity; or

16 (VI) any other individual who—

17 (aa) regularly and frequently
18 makes, or takes an important
19 part in making, management de-
20 cisions substantially contributing
21 to or affecting the operation of a
22 farm or forest; or

23 (bb) performs physical work
24 that significantly contributes to
25 cultivation, stewardship, crop or

1 livestock production, or food pro-
2 duction; and

3 (iii)(I) has never operated, or has not
4 operated for more than 10 consecutive
5 years, a farm or a ranch;

6 (II) operates only on rented or leased
7 land;

8 (III) has an income that is at or
9 below 200 percent of the national poverty
10 level or half of the median household in-
11 come of the county in which the natural
12 person is located; or

13 (IV) is economically disadvantaged, as
14 determined by the Secretary.

15 (B) EXCLUSION.—The term “qualified
16 beneficiary” does not include a natural person
17 who solely provides capital to an authorized
18 legal entity that is not a qualified beneficiary
19 described in subparagraph (A).

20 (7) SECRETARY.—The term “Secretary” means
21 the Secretary of Agriculture.

22 (b) ESTABLISHMENT.—The Secretary shall establish
23 within the Farm Service Agency a competitive program,
24 to be known as the “New Producer Economic Security
25 Program”, to make grants to, enter into cooperative

1 agreements with, or provide other capital support to eligi-
 2 ble entities to carry out covered projects in accordance
 3 with subsection (e).

4 (c) PURPOSE.—The purposes of the program are—

5 (1) to strengthen the food systems security of
 6 the United States by efficiently investing in commu-
 7 nity-led solutions to increasing access to land, cap-
 8 ital, and markets for qualified beneficiaries; and

9 (2) to support projects that—

10 (A) support farm establishment and long-
 11 term farm business viability;

12 (B) support the financial viability of quali-
 13 fied beneficiaries;

14 (C) support the physical and mental health
 15 of qualified beneficiaries;

16 (D) increase land access;

17 (E) prevent land loss;

18 (F) establish innovative ways to make land
 19 accessible to qualified beneficiaries;

20 (G) transition farmland from existing land-
 21 owners to qualified beneficiaries; and

22 (H) provide appropriate technical assist-
 23 ance related to permissible activities described
 24 in subsection (e)(2).

25 (d) SELECTION.—

1 (1) APPLICATION REQUIREMENTS.—To be eligi-
2 ble to receive assistance under the program, an eligi-
3 ble entity shall submit to the Secretary an applica-
4 tion at such time, in such manner, and containing
5 such information as the Secretary may require, in-
6 cluding—

7 (A) information demonstrating that the
8 covered project the eligible entity seeks to carry
9 out is designed—

10 (i) to serve qualified beneficiaries; and

11 (ii) to meet the purposes of the pro-
12 gram described in subsection (c);

13 (B) a description of how project activities
14 will support the long-term financial viability of
15 qualified beneficiaries;

16 (C) a plan for notification and consultation
17 with local Tribal governments for the future
18 sale of land, if applicable;

19 (D) an analysis of anticipated benefits to
20 the community and the agricultural economy
21 within the project area; and

22 (E) a plan for evaluation, data manage-
23 ment, communication, and reporting of project
24 findings and results.

1 (2) EVALUATION AND SELECTION OF APPLICA-
2 TIONS.—

3 (A) EVALUATION PROCESS.—The Sec-
4 retary shall develop a process for evaluating
5 and selecting applications submitted under
6 paragraph (1) in collaboration with the stake-
7 holder committee established under subpara-
8 graph (B).

9 (B) STAKEHOLDER COMMITTEE.—

10 (i) IN GENERAL.—Not later than 180
11 days after the date of enactment of this
12 Act, the Secretary shall establish and con-
13 vene a stakeholder committee to provide
14 input on the distribution of funds and the
15 evaluation and selection of applications
16 submitted under paragraph (1).

17 (ii) CONSIDERATION.—The Secretary
18 shall ensure that the stakeholder com-
19 mittee established under clause (i) includes
20 perspectives reflecting—

21 (I) the complexity of the rural
22 and urban agricultural landscapes of
23 the United States; and

1 (II) the wide variety of agricul-
2 tural production models employed by
3 qualified beneficiaries.

4 (C) PRIORITY.—In selecting applications
5 submitted under paragraph (1), the Secretary
6 shall give priority to applications for covered
7 projects that—

8 (i) provide direct financial assistance
9 to qualified beneficiaries;

10 (ii) involve a substantial and effective
11 collaborative network or partnership of
12 public or private entities;

13 (iii) include a right of first refusal for
14 Tribal citizens or governments when land
15 becomes available on or near Tribal com-
16 munities;

17 (iv) involve mechanisms, such as a
18 deed restriction or conservation easement,
19 that restrict the resale value of eligible
20 land to protect the land for agricultural
21 use;

22 (v) support the voluntary transition of
23 agricultural land from existing producers
24 to qualified beneficiaries;

1 (vi) provide technical assistance, in-
2 cluding translation and interpretation serv-
3 ices;

4 (vii) include activities under sub-
5 section (e) designed to support farm-
6 workers; or

7 (viii) support long-term adoption of
8 conservation practices that are consistent
9 with conservation practice standards of the
10 Natural Resources Conservation Service
11 and designed to achieve conservation out-
12 comes.

13 (e) COVERED PROJECTS.—

14 (1) REQUIRED USE OF FUNDS.—An eligible en-
15 tity that receives assistance under the program shall
16 provide direct assistance to qualified beneficiaries in
17 order to facilitate access to land, capital, and mar-
18 kets, which may include payments—

19 (A) to acquire real property (including air
20 rights, water rights, and other interests there-
21 in), including closing costs;

22 (B) to subsidize interest rates and mort-
23 gage principal amounts for qualified bene-
24 ficiaries;

1 (C) to provide down payment assistance to
 2 decrease farm mortgages;

3 (D) to secure clear title on heirs' property;

4 (E) to conduct surveys and assessments of
 5 eligible land;

6 (F) to improve or remediate land, water,
 7 and soil;

8 (G) to construct or repair infrastructure;

9 (H) to support land use planning;

10 (I) to acquire succession planning assist-
 11 ance;

12 (J) to carry out Tribal consultation;

13 (K) to support acquisition of a Department
 14 of Agriculture farm number; and

15 (L) for any other activities, as determined
 16 by the Secretary.

17 (2) PERMISSIBLE ACTIVITIES.—An eligible enti-
 18 ty that receives assistance under the program may
 19 use the funds—

20 (A) for activities associated with strength-
 21 ening the economic security of qualified bene-
 22 ficiaries by increasing access to markets and
 23 capital;

1 (B) to provide direct assistance to qualified
2 beneficiaries in assessing, purchasing, acquir-
3 ing, or retaining eligible land;

4 (C) for activities designed to support farm
5 establishment and long-term viability;

6 (D) to establish a revolving loan fund or
7 other innovative financial mechanism designed
8 for the purpose of investing in covered projects
9 beyond the initial project timeline; and

10 (E) to provide technical assistance that
11 meets the specific needs of, and is accessible to
12 qualified beneficiaries, including—

13 (i) providing translation and interpre-
14 tation services;

15 (ii) developing and carrying out strat-
16 egies to identify unique needs and gaps in
17 access, knowledge, and services; and

18 (iii) specialized consultation, training,
19 coaching, capacity building, and mentoring
20 focused on—

21 (I) accessing, purchasing, acquir-
22 ing, or retaining eligible land;

23 (II) comprehension of, prepara-
24 tion to apply for, and complying with
25 Department of Agriculture programs;

- 1 (III) succession planning;
- 2 (IV) market planning and risk
- 3 analysis;
- 4 (V) cooperative development;
- 5 (VI) legal and tax issues;
- 6 (VII) developing business plans
- 7 and feasibility studies;
- 8 (VIII) financial planning and rec-
- 9 ordkeeping;
- 10 (IX) enterprise, business, and
- 11 labor management; and
- 12 (X) any other activities as deter-
- 13 mined by the Secretary.

14 (3) SUBCONTRACT.—An eligible entity may
 15 subcontract with an organization to carry out a use
 16 or activity under paragraph (1) or (2) if the services
 17 of the subcontractor are necessary.

18 (4) FUNDING MECHANISM.—

19 (A) ELIGIBLE ENTITIES.—The Secretary
 20 shall make funding available under the program
 21 to eligible entities in the form of—

- 22 (i) grants;
- 23 (ii) cooperative agreements;

- 1 (iii) capitalization loans, in the case of
 2 an activity described in paragraph (2)(D);
 3 or
 4 (iv) other means, as determined by
 5 the Secretary.

6 (B) QUALIFIED BENEFICIARIES.—In car-
 7 rying out covered projects under the program,
 8 an eligible entity shall provide direct assistance
 9 to qualified beneficiaries in the form of—

- 10 (i) grants;
 11 (ii) loans (both long-term and in-
 12 terim); or
 13 (iii) other direct payments or assist-
 14 ance, as determined by the Secretary.

15 (5) REPAYMENT OF FUNDS IN CASE OF NON-
 16 COMPLIANCE.—An eligible entity that violates the
 17 terms or conditions of assistance provided under the
 18 program shall reimburse the Secretary for that as-
 19 sistance.

20 (f) FUNDING.—

21 (1) AUTHORIZATION OF APPROPRIATIONS.—
 22 There are authorized to be appropriated to the Sec-
 23 retary such sums as are necessary to carry out this
 24 section.

1 (2) AGENCY CONTRIBUTION ACCOUNT.—In ad-
 2 dition to amounts otherwise made available under
 3 paragraph (1), the Secretary may use funds avail-
 4 able through 1 or more contribution accounts estab-
 5 lished under section 1241(f)(1) of the Food Security
 6 Act of 1985 (16 U.S.C. 3841(f)(1)).

7 (3) ADMINISTRATION.—Of the amounts made
 8 available to carry out the program, the Secretary
 9 may use an appropriate amount for the costs of im-
 10 plementing and administering the program.

11 (4) DISTRIBUTION OF FUNDS.—

12 (A) LIMITATION.—An eligible entity that
 13 receives assistance under the program shall ob-
 14 ligate the amounts for a covered project by not
 15 later than 5 years after the date on which the
 16 funds are made available to the eligible entity,
 17 unless the Secretary determines otherwise.

18 (B) EXCLUSION.—In the case of a covered
 19 project to support qualified beneficiaries in as-
 20 sessing, purchasing, acquiring, or retaining eli-
 21 gible land for a period longer than the 5-year
 22 period described in subparagraph (A), section
 23 200.311 of title 2, Code of Federal Regulations
 24 (or a successor regulation) shall not apply.

