

108TH CONGRESS
2D SESSION

H. R. 4800

To support specialty crop producers and production in the United States, to improve the program of value-added agricultural product market development grants by routing the grant funds through State departments of agriculture, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JULY 9, 2004

Ms. HOOLEY of Oregon introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Education and the Workforce, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To support specialty crop producers and production in the United States, to improve the program of value-added agricultural product market development grants by routing the grant funds through State departments of agriculture, and for other purposes.

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 “Specialty Crop and
5 Value-Added Agriculture Promotion Act”.

1 **SEC. 2. ANNUAL GRANTS TO STATES TO SUPPORT SPE-**
2 **CIALTY CROP PRODUCERS.**

3 (a) AVAILABILITY AND PURPOSE OF GRANTS.—Sub-
4 ject to the appropriation of funds to carry out this section,
5 the Secretary of Agriculture shall make a grant each fiscal
6 year under this section to each State that submits an ap-
7 plication requesting the grant for that fiscal year. The
8 grant funds shall be used by the State department of agri-
9 culture solely to enhance the competitiveness of specialty
10 crops produced in that State. The application for a fiscal
11 year shall be submitted at such time and in such form
12 as the Secretary prescribes.

13 (b) GRANTS BASED ON VALUE OF PRODUCTION.—
14 The amount of the grant for a fiscal year to a State under
15 this section shall bear the same ratio to the total amount
16 appropriated pursuant to the authorization of appropria-
17 tions in subsection (e) for that fiscal year as the value
18 of specialty crop production in the State during the pre-
19 ceding calendar year bears to the value of specialty crop
20 production during that calendar year in all States submit-
21 ting applications for a grant for that fiscal year.

22 (c) GRANT FUNDS AS SUPPLEMENT TO STATE EX-
23 PENDITURES.—Grant funds provided under this section
24 shall supplement the expenditure of State funds in support
25 of specialty crops and specialty crop producers, and shall
26 not replace State funds.

1 (d) DEFINITIONS.—In this section:

2 (1) The term “specialty crop” means all agri-
3 cultural crops, except wheat, feed grains, oilseeds,
4 cotton, rice, peanuts, sugar, and tobacco.

5 (2) The term “State” means each of the 50
6 States, the District of Columbia, the Commonwealth
7 of Puerto Rico, the United States Virgin Islands,
8 Guam, American Samoa, and the Commonwealth of
9 the Northern Mariana Islands.

10 (3) The term “State department of agriculture”
11 means the agency, commission, or department of a
12 State government responsible for protecting and pro-
13 moting agriculture within the State.

14 (e) AUTHORIZATION OF APPROPRIATIONS.—There is
15 authorized to be appropriated to the Secretary
16 \$500,000,000 for fiscal year 2005 and each fiscal year
17 thereafter to make grants under this section.

18 **SEC. 3. BLOCK GRANTS TO STATES FOR VALUE-ADDED AG-**
19 **RICULTURAL PRODUCT MARKET DEVELOP-**
20 **MENT.**

21 (a) IN GENERAL.—Section 231(b) of the Agricultural
22 Risk Protection Act of 2000 (7 U.S.C. 1621 note) is
23 amended to read as follows:

24 “(b) GRANT PROGRAM.—

25 “(1) BLOCK GRANTS TO STATES.—

1 “(A) IN GENERAL.—From amounts made
 2 available under paragraph (6) for each fiscal
 3 year, the Secretary shall provide to each State,
 4 subject to subparagraph (B), a sum equal to—

5 “(i) the amount so made available;
 6 multiplied by

7 “(ii)(I) the total value of the agricul-
 8 tural commodities and products made in
 9 the State during the preceding fiscal year;
 10 divided by

11 “(II) the total value of the agricul-
 12 tural commodities and products made in
 13 all of the States during the preceding fiscal
 14 year.

15 “(B) LIMITATION.—The total amount that
 16 may be provided to a State for a fiscal year
 17 under subparagraph (A) shall not exceed
 18 \$3,000,000.

19 “(2) GRANTS BY STATES.—A State to which
 20 funds are provided under paragraph (1) shall use
 21 the money to award competitive grants—

22 “(A) to an eligible independent producer
 23 (as determined by the State) of a value-added
 24 agricultural product to assist the producer—

1 “(i) in developing a business plan for
2 viable marketing opportunities for the
3 value-added agricultural product; or

4 “(ii) in developing strategies that are
5 intended to create marketing opportunities
6 for the producer; and

7 “(B) to an eligible agricultural producer
8 group, farmer or rancher cooperative, or major-
9 ity-controlled producer-based business venture
10 (as determined by the State) to assist the enti-
11 ty—

12 “(i) in developing a business plan for
13 viable marketing opportunities in emerging
14 markets for a value-added agricultural
15 product; or

16 “(ii) in developing strategies that are
17 intended to create marketing opportunities
18 in emerging markets for the value-added
19 agricultural product.

20 “(3) AMOUNT OF GRANT.—

21 “(A) IN GENERAL.—The total amount pro-
22 vided under paragraph (2) to a grant recipient
23 shall not exceed \$500,000.

24 “(B) MAJORITY-CONTROLLED PRODUCER-
25 BASED BUSINESS VENTURES.—The amount of

1 grants provided by a State to majority-con-
2 trolled producer-based business ventures under
3 paragraph (2)(B) for a fiscal year may not ex-
4 ceed 10 percent of the amount of funds that are
5 used by the State to make grants for the fiscal
6 year under paragraph (2).

7 “(4) GRANTEE STRATEGIES.—A grantee under
8 paragraph (2) shall use the grant—

9 “(A) to develop a business plan or perform
10 a feasibility study to establish a viable mar-
11 keting opportunity for a value-added agricul-
12 tural product; or

13 “(B) to provide capital to establish alli-
14 ances or business ventures that allow the pro-
15 ducer of the value-added agricultural product to
16 better compete in domestic or international
17 markets.

18 “(5) REPORTS.—Within 90 days after the end
19 of a fiscal year for which funds are provided to a
20 State under paragraph (1), the State shall submit to
21 the Committee on Agriculture of the House of Rep-
22 resentatives and the Committee on Agriculture, Nu-
23 trition, and Forestry of the Senate a report describ-
24 ing how the funds were used.

1 “(6) FUNDING.—On October 1 of each fiscal
 2 year, of the funds of the Commodity Credit Corpora-
 3 tion, the Secretary shall make available to carry out
 4 this subsection \$100,000,000, to remain available
 5 until expended.

6 “(7) STATE DEFINED.—In this subsection, the
 7 term ‘State’ means each of the 50 States, the Dis-
 8 trict of Columbia, the Commonwealth of Puerto
 9 Rico, the United States Virgin Islands, Guam,
 10 American Samoa, and the Commonwealth of the
 11 Northern Mariana Islands. ”.

12 (b) EFFECTIVE DATE.—The amendment made by
 13 subsection (a) shall take effect on October 1, 2004.

14 **SEC. 4. REIMBURSEMENT OF CERTIFICATION COSTS.**

15 The Secretary of Agriculture shall establish a quality
 16 standardization program for certification of farmers and
 17 processors under quality assurance systems. The pro-
 18 gram—

19 (1) shall set standards for types of certifications
 20 that qualify under the program;

21 (2) may provide for certification under pro-
 22 grams such as Good Agricultural Practices, Good
 23 Handling Practices, and Good Manufacturing Prac-
 24 tices programs;

1 (3) shall establish what certification-related ex-
2 penses shall qualify for reimbursement under the
3 program; and

4 (4) shall provide that farmers and processors
5 shall be reimbursed for 50 percent of qualified ex-
6 penses related to accepted certifications.

7 **SEC. 5. NATIONWIDE EXPANSION OF RISK MANAGEMENT**
8 **AGENCY ADJUSTED GROSS REVENUE INSUR-**
9 **ANCE PROGRAM.**

10 (a) EXPANSION.—Section 523(e) of the Federal Crop
11 Insurance Act (7 U.S.C. 1523(e)) is amended by adding
12 at the end the following new paragraph:

13 “(3) PERMANENT NATIONWIDE OPERATION.—
14 Effective beginning with the 2005 reinsurance year,
15 the Corporation shall carry out the adjusted gross
16 revenue insurance pilot program as a permanent
17 program under this Act and may expand the pro-
18 gram to cover any county in which crops are pro-
19 duced. To facilitate the expansion of the program
20 nationwide, the Corporation may grant temporary
21 premium subsidies for the purchase of a policy
22 under the program to producers whose farm oper-
23 ations are located in a county that has a high level
24 of specialty crop production and has not had a high-

1 level of participation in the purchase of crop insur-
2 ance coverage.”.

3 (b) COMPTROLLER GENERAL STUDY.—The Comp-
4 troller General shall conduct a study of the Federal crop
5 insurance program to determine how well the program
6 serves specialty crop producers and to recommend such
7 changes as the Comptroller General considers appropriate
8 to improve the program for specialty crop producers.

9 **SEC. 6. EXPANSION OF FRUIT AND VEGETABLE PROGRAM**
10 **IN SCHOOL LUNCH PROGRAMS.**

11 The Richard B. Russell National School Lunch Act
12 (42 U.S.C. 1751 et seq.) is amended—

13 (1) in section 18, by striking subsection (g);
14 and

15 (2) by inserting after section 18 the following
16 new section:

17 **“SEC. 19. FRUIT AND VEGETABLE PROGRAM.**

18 “(a) IN GENERAL.—The Secretary shall make avail-
19 able to students in not more than 100 schools in each
20 State, and in elementary and secondary schools on 1 In-
21 dian reservation, free fresh and dried fruits and vegetables
22 throughout the school day in 1 or more areas designated
23 by the school.

24 “(b) PRIORITY IN ALLOCATION.—In selecting States
25 to participate in the program, the Secretary shall give pri-

1 ority to States that produce large quantities of specialty
2 crops.

3 “(c) PUBLICITY.—A school participating in the pro-
4 gram authorized by this section shall publicize within the
5 school the availability of free fruits and vegetables under
6 the program.

7 “(d) AUTHORIZATION OF APPROPRIATIONS.—There
8 is authorized to be appropriated for fiscal years 2005 and
9 2006, \$20,000,000 to carry out this section.”.

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