

110TH CONGRESS
1ST SESSION

H. R. 2364

To promote expanded economic opportunities for farmers and ranchers through local and regional markets, expand access to healthy food in underserved communities, provide access to locally and regionally grown food for schools, institutions, and consumers, and strengthen rural-urban linkages, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

MAY 17, 2007

Mr. BLUMENAUER (for himself, Mrs. BOYDA of Kansas, Mr. KAGEN, Mrs. GILLIBRAND, Mr. RUSH, Mr. PAYNE, Ms. SCHAKOWSKY, and Mr. ALLEN) introduced the following bill; which was referred to the Committee on Agriculture, and in addition to the Committee on Education and Labor, 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 promote expanded economic opportunities for farmers and ranchers through local and regional markets, expand access to healthy food in underserved communities, provide access to locally and regionally grown food for schools, institutions, and consumers, and strengthen rural-urban linkages, 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,*

1 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

2 (a) SHORT TITLE.—This Act may be cited as the
3 “Local Food and Farm Support Act”

4 (b) TABLE OF CONTENTS.—

- Sec. 1. Short title; table of contents.
- Sec. 2. Grants to support value-added agricultural products.
- Sec. 3. Healthy food enterprise development program.
- Sec. 4. Direct farmer to consumer marketing assistance program.
- Sec. 5. WIC farmer’s market nutrition program.
- Sec. 6. Senior farmers’ market nutrition program.
- Sec. 7. Community food project competitive grants.
- Sec. 8. Authorization level for farm-to-cafeteria activities.
- Sec. 9. Purchases of locally produced foods.
- Sec. 10. School preference study.
- Sec. 11. Food stamp fruit and vegetable incentive program.
- Sec. 12. Independent evaluation of Department of Agriculture commodity purchase process.
- Sec. 13. Urban agriculture production program.

5 **SEC. 2. GRANTS TO SUPPORT VALUE-ADDED AGRICUL-**
6 **TURAL PRODUCTS.**

7 The Agricultural Risk Protection Act of 2000 (7
8 U.S.C. 1621 note; Public Law 106–224) is amended by
9 striking section 231 and inserting the following new sec-
10 tions:

11 **“SEC. 231. GRANTS TO SUPPORT VALUE-ADDED AGRICUL-**
12 **TURAL PRODUCTS.**

13 “(a) DEFINITIONS.—In this section:

14 “(1) VALUE-ADDED AGRICULTURAL PROD-
15 UCT.—

16 “(A) IN GENERAL.—The term ‘value-added
17 agricultural product’ means any agricultural
18 commodity or product that—

1 “(i)(I) has undergone a change in
2 physical state;

3 “(II) was produced in a manner that
4 enhances the value of the agricultural com-
5 modity or product, as demonstrated
6 through a business plan that shows the en-
7 hanced value, as determined by the Sec-
8 retary; or

9 “(III) is physically segregated in a
10 manner that results in the enhancement of
11 the value of the agricultural commodity or
12 product; and

13 “(ii) As a result of the change in
14 physical state or the manner in which the
15 agricultural commodity or product was
16 produced or segregated—

17 “(I) the customer base for the
18 agricultural commodity or product has
19 been expanded; and

20 “(II) a greater portion of the rev-
21 enue derived from the marketing,
22 processing, or physical segregation of
23 the agricultural commodity or product
24 is available to the producer of the
25 commodity or product.

1 “(B) INCLUSION.—The term includes such
2 farm- or ranch-based renewable energy con-
3 servation and generation projects as are ineli-
4 gible for assistance under section 9006 of the
5 Farm Security and Rural Investment Act of
6 2002 and are otherwise eligible for this pro-
7 gram, as determined by the Secretary.

8 “(2) MID-TIER VALUE CHAIN.—The term ‘mid-
9 tier value chain’ means supply networks that link
10 independent producers with businesses and coopera-
11 tives that market value-added agricultural products
12 in a manner that—

13 “(A) specifically targets and strengthens
14 the profitability and competitiveness of mid-
15 sized family farms, that are not larger than
16 family farms, as defined in regulations pursu-
17 ant to section 302 of the Consolidated Farm
18 and Rural Development;

19 “(B) obtains agreement from the eligible
20 agricultural producer group, farmer or rancher
21 cooperative, or majority-controlled producer-
22 based business venture engaged in the value
23 chain in the method for price determination;
24 and

1 “(C) adheres to clear and transparent so-
2 cial, environmental, economic, and consumer
3 standards and equitable business practices
4 throughout all parts of the supply network.

5 “(3) SOCIALLY DISADVANTAGED FARMER.—The
6 term ‘socially disadvantaged farmer’ has the mean-
7 ing given the term in section 355(e) of the Consoli-
8 dated Farm and Rural Development Act (7 U.S.C.
9 2003 (e)).

10 “(b) GRANT PROGRAM.—From amounts made avail-
11 able to carry out this section, the Secretary shall award
12 competitive grants—

13 “(1) to an eligible independent producer (as de-
14 termined by the Secretary) of a value-added agricul-
15 tural product to assist the producer—

16 “(A) in developing a business plan for via-
17 ble marketing opportunities for the value-added
18 agricultural product; or

19 “(B) in developing strategies that are in-
20 tended to create marketing opportunities for
21 the producer;

22 “(2) to an eligible agricultural producer group,
23 farmer or rancher cooperative, or majority-controlled
24 producer-based business venture (as determined by
25 the Secretary) to assist the entity—

1 “(A) in developing a business plan for via-
2 ble marketing opportunities in emerging mar-
3 kets for a value-added agricultural product; or

4 “(B) in developing strategies that are in-
5 tended to create marketing opportunities in
6 emerging markets for the value-added agricul-
7 tural product; and

8 “(3) to nonprofit organizations, educational in-
9 stitutions, and units of government to assist pro-
10 ducers and groups eligible under paragraph (A) or
11 (B) by—

12 “(A) providing training or technical assist-
13 ance; or

14 “(B) conducting outreach on the avail-
15 ability of the program and application require-
16 ments.

17 “(c) GRANT AMOUNTS AND ALLOCATIONS.—

18 “(1) IN GENERAL.—Except as provided in para-
19 graph (2), the total amount provided under this sec-
20 tion to a grant recipient shall not exceed \$500,000.

21 “(2) FEASIBILITY STUDY GRANTS.—The total
22 amount provided under this section to a grant recipi-
23 ent for a feasibility study grant shall not exceed
24 \$100,000.

1 “(3) MAJORITY-CONTROLLED PRODUCER-BASED
2 BUSINESS VENTURES.—The amount of grants pro-
3 vided to majority-controlled producer-based business
4 ventures under subsection (b)(2) for a fiscal year
5 may not exceed 10 percent of the amount of funds
6 that are used to make grants for the fiscal year
7 under this section.

8 “(4) FARM AND RANCH-BASED RENEWABLE EN-
9 ERGY.—The amount of grants provided for farm and
10 ranch-based renewable energy conservation and gen-
11 eration for a fiscal year may not exceed 15 percent
12 of the amount of funds that are used to make grants
13 for the fiscal year under this section.

14 “(5) MID-TIER VALUE CHAINS.—To the max-
15 imum extent practicable, the amount of grants pro-
16 vided for mid-tier value chains for a fiscal year shall
17 be not less than 15 percent of the amount of funds
18 that are used to make grants for the fiscal year
19 under this section.

20 “(6) SOCIALLY DISADVANTAGED FARMERS AND
21 RANCHERS.—To the maximum extent practicable,
22 the amount of grants provided for projects which in-
23 clude the significant participation of socially dis-
24 advantaged farmers and ranchers for a fiscal year
25 shall be not less than 10 percent of the amount of

1 funds that are used to make grants for the fiscal
2 year under this section.

3 “(7) TRAINING, TECHNICAL ASSISTANCE, AND
4 OUTREACH.—The amount of grants provided to non-
5 profit organizations, educational institutions, and
6 units of government under subsection (b)(3) for a
7 fiscal year may not exceed 10 percent of the amount
8 of funds that are used to make grants for the fiscal
9 year under this section.

10 “(8) SMALL AND INDIVIDUAL PRODUCER
11 GRANTS.—The Secretary may provide for separate
12 funding pools for proposals requesting less than
13 \$50,000 grants and for individual producer grants.

14 “(d) GRANTEE STRATEGIES.—A recipient of a grant
15 under this section shall use the grant—

16 “(1) to develop a business plan or perform a
17 feasibility study to establish a viable marketing op-
18 portunity for a value-added agricultural product; or

19 “(2) to provide capital to establish alliances or
20 business ventures that allow the producer of the
21 value-added agricultural product to better compete
22 in domestic or international markets.

23 “(e) PRIORITY.—

24 “(1) IN GENERAL.—In awarding grants the
25 Secretary shall give the priority to projects that—

1 “(A) are 100 percent producer owned;

2 “(B) contribute to increasing the number
3 and quality of self-employment opportunities in
4 farming and ranching by increasing value-added
5 opportunities for beginning farmers and ranch-
6 ers, socially disadvantaged farmers and ranch-
7 ers, and other operations that are not larger
8 than family farms, as defined in regulations
9 pursuant to section 302 of the Consolidated
10 Farm and Rural Development Act;

11 “(C) help retain and enhance small and
12 medium-sized farms and ranches and preserve
13 productive farm and ranch lands;

14 “(D) conserve and enhance the quality of
15 land, water, and energy resources, wildlife habi-
16 tat, and other landscape values and amenities
17 in rural areas; and

18 “(E) support new ventures that do not
19 have well-established market or product devel-
20 opment staffs and budgets.

21 “(2) MID-TIER VALUE CHAIN GRANTS.—In
22 awarding grants pursuant to subsection (b)(2), the
23 Secretary shall give priority to projects that facili-
24 tate partnerships that may involve businesses, co-

1 operatives, non-profit organizations, agencies, and
2 educational institutions.

3 “(3) REGIONAL BALANCE.—In awarding grants
4 the Secretary shall to the maximum extent prac-
5 ticable ensure that all States and regions are able to
6 participate.

7 “(f) TERM.—A grant under this section shall have
8 a term that does not exceed three years.

9 “(g) SIMPLIFIED APPLICATION.—The Secretary shall
10 offer a simplified application form and process for project
11 proposals requesting less than \$50,000.

12 “(h) FUNDING.—Not later than 30 days after the
13 date of enactment of the Local Food and Farm Support
14 Act, on October 1, 2008, and on each October 1 thereafter
15 through October 1, 2012, of the funds of the Commodity
16 Credit Corporation, the Secretary shall make available to
17 carry out this section \$60,000,000. Such amounts shall
18 remain available until expended.

19 **“SEC. 232. FAMILY FARMER AND RANCHER VIABILITY AND**
20 **INNOVATION FUND.**

21 “(a) ESTABLISHMENT.—The Secretary shall estab-
22 lish a demonstration program to be known as the ‘Family
23 Farmer and Rancher Viability and Innovation Fund’
24 under which the Secretary shall make grants to groups
25 of producers who operate not larger than family farms,

1 as defined in regulations pursuant to section 302 of the
2 Consolidated Farm and Rural Development Act, for inno-
3 vative strategies, other than marketing value-added agri-
4 cultural products, that enhance viability, profitability, and
5 competitiveness through joint efforts.

6 “(b) FUNDING.—Of the amounts made available
7 under section 231(h) for each fiscal year, the Secretary
8 shall use to carry out this section—

9 “(1) not less than \$2 million for fiscal year
10 2008;

11 “(2) not less than \$3 million for fiscal year
12 2009; and

13 “(3) not less than \$10 million for fiscal years
14 2010 through 2012.”.

15 **SEC. 3. HEALTHY FOOD ENTERPRISE DEVELOPMENT PRO-**
16 **GRAM.**

17 Title II of the Specialty Crops Competitiveness Act
18 of 2004 (Public Law 108–465) is amended by adding at
19 the end the following:

20 **“SEC. 204. HEALTHY FOOD ENTERPRISE DEVELOPMENT**
21 **PROGRAM.**

22 “(a) FINDINGS.—Congress makes the following find-
23 ings:

24 “(1) The average distance fresh foods, espe-
25 cially fresh fruits and vegetables, travel from point

1 of production to point of retail sale has increased
2 over the past three decades to at least 1,500 miles
3 as referenced in a 2003 report from Iowa State Uni-
4 versity.

5 “(2) It is in the public interest that agricultural
6 producers, including small and mid-sized family
7 farms and ranches, socially disadvantaged farmers
8 and ranchers, and beginning farmers and ranchers,
9 have access to a local and regional processors and
10 distributors to foster competitive markets and im-
11 prove farm and ranch profitability.

12 “(3) Improving producer access to processing,
13 distribution, and other marketing services can sig-
14 nificantly enhance consumer access to affordable lo-
15 cally and regionally-produced foods.

16 “(4) Increasing the availability of locally and
17 regionally-produced food is especially in important
18 for improving food access in underserved commu-
19 nities.

20 “(5) Renewal of local and regional food systems
21 will encourage the preservation of farm and ranch
22 lands and spur natural resource and environmental
23 improvements.

24 “(b) PURPOSE.—The purpose of this section is to
25 support farm and ranch income by significantly enhancing

1 a producer’s share of the final retail product price through
2 improved access to competitive processing and distribution
3 systems which deliver affordable, locally and regionally
4 produced foods to consumers, improve food access in un-
5 derserved communities, and help save farm and ranch land
6 and protect natural resources.

7 “(c) DEFINITIONS.—In this section:

8 “(1) BEGINNING FARMER OR RANCHER.—The
9 term ‘beginning farmer or rancher’ has the meaning
10 given the term ‘qualified beginning farmer or ranch-
11 er’ in section 343(a) of the Consolidated Farm and
12 Rural Development Act (7 U.S.C. 1991(a)).

13 “(2) ELIGIBLE ENTITY.—The term ‘eligible en-
14 tity’ includes—

15 “(A) a small or midsize processor, dis-
16 tributor, wholesaler, or retail food outlet;

17 “(B) a group of producers operating as a
18 legally recognized marketing alliance;

19 “(C) a producer-owned cooperative;

20 “(D) a nonprofit organization;

21 “(E) an economic development or commu-
22 nity development corporation;

23 “(F) a unit of State or local government;

24 and

25 “(G) an academic institution.

1 “(3) INDIAN TRIBE.—The term ‘Indian tribe’
2 has the meaning given the term in section 4 of the
3 Indian Self-Determination and Education Assistance
4 Act (25 U.S.C. 450b).

5 “(4) LOCALLY OR REGIONALLY PRODUCED
6 FOOD.—The term ‘locally or regionally produced
7 food’ means any agricultural product distributed
8 within the locality or region in which the agricultural
9 product is produced in a manner that ensures that—

10 “(A) typically convey information regard-
11 ing the product origin, production practices, or
12 other similar information which is a source of
13 value to the end-use consumer;

14 “(B) the income of the producer is in-
15 creased through maximization of the share of
16 the retail food price retained by the producer;

17 “(C) consumers are provided with afford-
18 able agricultural products produced, processed,
19 and distributed in the locality or region of the
20 consumers; and

21 “(D) have traveled at least less than half
22 of the current average distance of all food pro-
23 duced and consumed in the United States as
24 determined by the Secretary

1 “(5) SECRETARY.—The term ‘Secretary’ means
2 the Secretary of Agriculture.

3 “(6) SOCIALLY DISADVANTAGED FARMER OR
4 RANCHER.—The term ‘socially disadvantaged farmer
5 or rancher’ has the meaning given the term in sec-
6 tion 355(e) of the Consolidated Farm and Rural De-
7 velopment Act (7 U.S.C. 2003(e)).

8 “(7) UNDERSERVED COMMUNITY.—The term
9 ‘underserved community’ includes any community
10 that may have, as determined by the Secretary—

11 “(A) limited access to affordable, healthy
12 foods, including fresh fruits and vegetables, in
13 grocery retail stores or farmer-to-consumer di-
14 rect markets;

15 “(B) high incidences of diet-related dis-
16 eases, including obesity;

17 “(C) high rates of hunger or food insecu-
18 rity; or

19 “(D) severe or persistent poverty in urban
20 or rural communities, including Indian tribal
21 communities.

22 “(d) GRANT PROGRAM.—

23 “(1) ESTABLISHMENT.—The Secretary, acting
24 through the head of the market services branch of
25 the Agricultural Marketing Service, shall establish a

1 program under which the Secretary shall provide
2 grants, on a competitive basis, to eligible entities to
3 conduct enterprise feasibility studies (including stud-
4 ies of consumer preference), in accordance with the
5 purpose of this section.

6 “(2) APPLICATION.—To be eligible to receive a
7 grant under this subsection, an eligible entity shall
8 submit to the Secretary an application at such time,
9 in such manner, and containing such information as
10 the Secretary may require.

11 “(3) COORDINATION WITH OTHER AGENCIES.—
12 In carrying out the program under this subsection,
13 the Secretary shall coordinate, with respect to the
14 development of the program and reviews of grant
15 applications, with—

16 “(A) the Cooperative State Research, Edu-
17 cation, and Extension Service; and

18 “(B) the Rural Business Cooperative Serv-
19 ice.

20 “(4) PRIORITY.—In providing grants under this
21 subsection, the Secretary shall give priority to appli-
22 cations with proposed projects that—

23 “(A) convey food products produced, proc-
24 essed, distributed near to point of final retail
25 purchase, with the total distance a food product

1 travels to the point of retail purchase as a
2 measure of product freshness and compliance
3 with the purpose in subsection (b);

4 “(B) are from partnerships of 2 or more
5 eligible entities;

6 “(C) include features effectively targeting
7 participation by socially disadvantaged farmers
8 or ranchers or beginning farmers or ranchers;

9 “(D) increase employment opportunities in
10 underserved communities;

11 “(E) support small and mid-sized farm vi-
12 ability and increase farming opportunities; or

13 “(F) establish and maintain satisfactory
14 environmental and labor standards, including
15 worker protection.

16 “(5) MAXIMUM AMOUNT.—The amount of a
17 grant provided under this subsection shall not exceed
18 \$250,000.

19 “(6) TERM.—A grant provided under this sub-
20 section shall have a term of not more than 3 years.

21 “(7) REPORTS.—

22 “(A) IN GENERAL.—Each eligible entity
23 that receives a grant under this subsection shall
24 submit to the Secretary an annual report de-
25 scribing the results and progress of each feasi-

1 bility study to ensure sufficient progress is
2 achieved with respect to the goals of the
3 projects carried out by the eligible entity.

4 “(B) PUBLIC AVAILABILITY.—The Sec-
5 retary shall ensure that any information con-
6 tained in a report under subparagraph (A) re-
7 lating to consumer preference or producer avail-
8 ability is made available to the public.

9 “(8) FUNDING.—On October 1, 2008, and on
10 each October 1 thereafter through October 1, 2013,
11 out of any funds in the Treasury not otherwise ap-
12 propriated, the Secretary of the Treasury shall
13 transfer to the Secretary to carry out this subsection
14 \$5,000,000, to remain available until expended.

15 “(e) ENTERPRISE DEVELOPMENT LOAN PRO-
16 GRAM.—

17 “(1) ESTABLISHMENT.—The Secretary, acting
18 through the Agricultural Marketing Service, shall es-
19 tablish a program under which the Secretary shall
20 provide loans and loan guarantees to eligible entities
21 and individual producers for use in accordance with
22 paragraph (6).

23 “(2) COORDINATION WITH OTHER AGENCIES.—
24 In carrying out the program under this subsection,
25 the Secretary shall coordinate, with respect to the

1 development of the program, reviews of applications,
2 and implementation with the Rural Business Coop-
3 erative Service.

4 “(3) APPLICATION.—To be eligible to receive a
5 loan or loan guarantee under this subsection, an eli-
6 gible entity or individual producer shall submit to
7 the Secretary an application at such time, in such
8 manner, and containing such information as the Sec-
9 retary may require.

10 “(4) REQUIREMENTS.—

11 “(A) PRIORITY.—In providing loans and
12 loan guarantees under this subsection, the Sec-
13 retary shall give priority to applications with
14 proposed projects that—

15 “(i) convey food products produced,
16 processed, distributed near to point of final
17 retail purchase, with the total distance a
18 food product travels to the point of retail
19 purchase as a measure of product
20 freshness and compliance with the purpose
21 in subsection (b);

22 “(ii) are from partnerships of 2 or
23 more eligible entities;

24 “(iii) include features effectively tar-
25 geting participation by socially disadvan-

1 tagged farmers or ranchers or beginning
2 farmers or ranchers;

3 “(iv) increase employment opportuni-
4 ties in underserved communities;

5 “(v) establish and maintain clear envi-
6 ronmental and labor standards, including
7 worker protection; or

8 “(vi) support small and mid-sized
9 farm viability and increase farming oppor-
10 tunities.

11 “(B) LIMITATION.—The Secretary shall
12 ensure that no recipient of a loan or loan guar-
13 antee under this subsection holds, or signifi-
14 cantly benefits from, more than 1 loan or guar-
15 antee for the term of the loan or guarantee.

16 “(5) DIRECT LOANS.—

17 “(A) IN GENERAL.—The Secretary shall
18 provide loans under this subsection—

19 “(i) on an annual and competitive
20 basis;

21 “(ii) after conducting a review of ap-
22 plicable applications in accordance with
23 subsection (c)(3);

24 “(iii) in a manner that is economically
25 sound, as determined by the Secretary;

1 “(iv) that may be subordinated to
2 loans made by local private lenders; and

3 “(v) in an amount equal to not more
4 than \$1,500,000, as adjusted to reflect
5 changes for the 12-month period ending
6 the preceding November 30 in the Con-
7 sumer Price Index for All Urban Con-
8 sumers published by the Bureau of Labor
9 Statistics of the Department of Labor.

10 “(B) INTEREST RATE.—The interest rate
11 of a loan provided under this subsection—

12 “(i) shall be equivalent to the interest
13 rate of securities of the United States
14 Treasury of comparable maturity as of the
15 date on which the loan is provided;

16 “(ii) may be offered as a variable rate
17 to allow lower-interest payments until an
18 eligible entity is able to pay higher-interest
19 payments, subject to the condition that the
20 total interest rate does not exceed the
21 standard interest rate of the Department
22 of the Treasury, as in existence on the
23 date on which the loan is approved; and

24 “(iii) shall not change, in the aggre-
25 gate, during the term of the loan.

1 “(C) REPAYMENT.—An eligible entity or
2 individual producer shall repay the Secretary an
3 amount equal to the amount of the loan re-
4 ceived by the eligible entity or individual pro-
5 ducer (including interest) by not later than 15
6 years after the date on which the loan is pro-
7 vided.

8 “(D) UNDERSERVED COMMUNITIES.—The
9 Secretary shall defer repayment of a loan (in-
10 cluding interest) provided to an eligible entity
11 located in an underserved community for the 3-
12 year period beginning on the date on which the
13 loan is provided.

14 “(6) LOAN GUARANTEES.—

15 “(A) RATES.—

16 “(i) IN GENERAL.—Except as pro-
17 vided in clauses (ii) and (iii), the rate of a
18 loan guarantee provided under this sub-
19 section shall be not less than 80 percent
20 and not more than 90 percent.

21 “(ii) CERTAIN RECIPIENTS.—The rate
22 of a loan guarantee provided under this
23 subsection to an eligible entity that serves
24 primarily a majority of socially disadvan-
25 tagged farmers or ranchers or beginning

1 farmers or ranchers, as determined by the
2 Secretary, shall be not less than 95 per-
3 cent.

4 “(iii) CERTAIN PROJECTS.—The rate
5 of a loan guarantee provided under this
6 subsection for a project that, as deter-
7 mined by the Secretary, will result in in-
8 creased employment in a low-income com-
9 munity, an economic empowerment zone,
10 or such other similar area as the Secretary
11 may designate, shall be not less than 95
12 percent.

13 “(B) ELIGIBLE LENDERS.—For purposes
14 of loan guarantees under this paragraph, eligi-
15 ble lender institutions include—

16 “(i) community development financial
17 institutions;

18 “(ii) community development banks;

19 “(iii) credit unions;

20 “(iv) banks owned by Indian tribes;

21 and

22 “(v) such other institutions as the
23 Secretary may designate to ensure equi-
24 table access to loan guarantees—

25 “(I) in each State; and

1 “(II) to Indian tribal organiza-
2 tions.

3 “(C) MAXIMUM AMOUNT.—The amount of
4 a loan guaranteed under this subsection shall
5 not exceed \$1,500,000, as adjusted to reflect
6 changes for the 12-month period ending the
7 preceding November 30 in the Consumer Price
8 Index for All Urban Consumers published by
9 the Bureau of Labor Statistics of the Depart-
10 ment of Labor.

11 “(7) USE OF FUNDS.—An eligible entity or in-
12 dividual producer shall use funds provided pursuant
13 to a loan or loan guarantee under this subsection to
14 develop processing, distribution, and information in-
15 frastructure for locally or regionally produced food,
16 in accordance with the purpose of this section, in-
17 cluding through—

18 “(A) construction of new infrastructure;

19 “(B) rehabilitation of existing infrastruc-
20 ture;

21 “(C) activities to support the development
22 of marketing networks and alliances;

23 “(D) development of information infra-
24 structure, including websites;

1 “(E) purchases of equipment for proc-
2 essing, distribution, transportation, storage,
3 and other related purposes; and

4 “(F) other activities, as the Secretary de-
5 termines to be appropriate.

6 “(8) FUNDING.—On October 1, 2008, and on
7 each October 1 thereafter through October 1, 2013,
8 out of any funds in the Treasury not otherwise ap-
9 propriated, the Secretary of the Treasury shall
10 transfer to the Secretary to carry out this subsection
11 \$35,000,000, to remain available until expended, of
12 which—

13 “(A) not less than \$15,000,000 shall be
14 used for each fiscal year to provide loans under
15 paragraph (4); and

16 “(B) not less than \$10,000,000 shall be
17 used for each fiscal year to provide loan guar-
18 antees under paragraph (5).

19 “(f) GRANT AND LOAN PROGRAM REQUIREMENTS.—

20 “(1) TECHNICAL ASSISTANCE AND OUT-
21 REACH.—

22 “(A) IN GENERAL.—The Secretary shall—

23 “(i) provide to the public information
24 relating to the grant and loan programs
25 under this section; and

1 “(ii) provide technical assistance to—

2 “(I) socially disadvantaged farm-
3 ers or ranchers;

4 “(II) Indian tribal organizations;

5 “(III) low-income populations;

6 and

7 “(IV) other underserved commu-
8 nities and producers.

9 “(B) SERVICE PROVIDERS.—In carrying
10 out subparagraph (A), the Secretary may enter
11 into contracts, on a competitive basis, with enti-
12 ties that, as determined by the Secretary—

13 “(i) demonstrate experience in serving
14 socially disadvantaged farmers or ranchers
15 and other underserved communities and
16 producers;

17 “(ii) include, in the governance struc-
18 ture of the entity, 2 or more members rep-
19 resenting the targeted communities served
20 by the entity; and

21 “(iii) will share information developed
22 or used by the entity with—

23 “(I) researchers;

24 “(II) practitioners; and

25 “(III) other interested parties.

1 “(C) FUNDING.—On October 1, 2008, and
2 on each October 1 thereafter through October
3 1, 2013, out of any funds in the Treasury not
4 otherwise appropriated, the Secretary of the
5 Treasury shall transfer to the Secretary to
6 carry out this paragraph not less than
7 \$200,000 and not more than an amount equal
8 to 5 percent of the funds required to carry out
9 this program, to remain available until ex-
10 pended.

11 “(2) LIMITATIONS.—For purposes of the pro-
12 grams under this section, the Secretary—

13 “(A) shall not give preference to any entity
14 based on an agricultural commodity produced
15 or supported by the entity; and

16 “(B) shall encourage, to the maximum ex-
17 tent practicable, projects that use infrastructure
18 efficiently for more than 1 agricultural product.

19 “(3) REPORT.—Not less frequently than once
20 each year, the Secretary shall submit to Congress a
21 report that describes the programs (including the
22 level of participation in each program) under this
23 section, including information relating to—

24 “(A) projects carried out under this sec-
25 tion;

1 “(B) characteristics of the agricultural
2 producers and communities served by the
3 projects;

4 “(C) the benefits of the projects;

5 “(D) data necessary to comply with—

6 “(i) section 2501A of the Food, Agri-
7 culture, Conservation, and Trade Act of
8 1990 (7 U.S.C. 2279–1); or

9 “(ii) section 8(b)(5)(B) of the Soil
10 Conservation and Domestic Allotment Act
11 (16 U.S.C. 590h(b)(5)); and

12 “(E) outreach and technical assistance ac-
13 tivities carried out by the Secretary under para-
14 graph (1).”.

15 **SEC. 4. DIRECT FARMER TO CONSUMER MARKETING AS-**
16 **SISTANCE PROGRAM.**

17 Section 6 of the Farmers-to-Consumers Direct Mar-
18 keting Act of 1976 (7 U.S.C. 3005) is amended to read
19 as follows:

20 **“SEC. 6. DIRECT FARMER TO CONSUMER MARKETING AS-**
21 **SISTANCE PROGRAM.**

22 “(a) FINDINGS.—The Congress finds that—

23 “(1) agricultural direct farmer to consumer
24 marketing activities, including farmers markets,
25 roadside stands, community supported agriculture,

1 internet, mail-order, and other similar direct order
2 marketing activities significantly enhance the ability
3 of agricultural producers to retain a greater share of
4 their products' retail value;

5 “(2) direct farmer-to-consumer marketing ac-
6 tivities are a crucial component of the current and
7 future viability of small and mid-sized farms and
8 ranches, and beginning and socially disadvantaged
9 farmers and ranchers; and

10 “(3) agricultural direct marketing activities
11 contribute to the health and well-being of consumers
12 in rural, urban, and tribal communities by providing
13 access to healthy, fresh, and affordable food.

14 “(b) ESTABLISHMENT.—The Secretary shall carry
15 out a program, to be known as the ‘Direct to Consumer
16 Marketing Assistance Program’ (referred to in this section
17 as the ‘Program’), to make grants to eligible entities for
18 projects to establish, expand, and promote farmers’ mar-
19 kets, and other farmer to consumer direct marketing op-
20 portunities.

21 “(c) PROGRAM PURPOSES.—The purposes of the Pro-
22 gram are—

23 “(1) to increase domestic consumption of agri-
24 cultural commodities by improving and expanding,

1 or assisting in the improvement and expansion of di-
2 rect producer to consumer marketing opportunities;

3 “(2) to develop, or aid in the development of,
4 new direct producer to consumer marketing opportu-
5 nities;

6 “(3) to increase direct producer to consumer di-
7 rect marketing opportunities in underserved areas by
8 providing, to the maximum extent possible, not less
9 than twenty-five percent of program grants to
10 projects in areas determined underserved by the Sec-
11 retary.

12 “(d) ELIGIBLE ENTITIES.—An entity shall be eligible
13 to receive a grant under the Program if the entity is—

14 “(1) two or more farmers and or farm vendors
15 who sell their own products through a common
16 channel of distribution;

17 “(2) producer networks and associations;

18 “(3) a local government;

19 “(4) a nonprofit corporation;

20 “(5) a public benefit corporation;

21 “(6) an economic development corporation;

22 “(7) a regional farmers’ market authority; or

23 “(8) such other entity as the Secretary may
24 designate.

1 “(e) ELIGIBLE ACTIVITIES.—Eligible direct farmer-
2 to-consumer activities include—

3 “(1) farmers markets;

4 “(2) roadside stands;

5 “(3) community supported agriculture;

6 “(4) activities to support the use of EBT at
7 farmers markets and, where feasible, other direct
8 market enterprises;

9 “(5) pick your own operations;

10 “(6) internet and mail-order sales with eligible
11 entities qualifying as producer networks and associa-
12 tions under this section limited to those engaged in
13 emerging markets;

14 “(7) producer-run agritourism activities facili-
15 tating the direct sale of agricultural products; and

16 “(8) other similar ventures as determined by
17 the Secretary.

18 “(f) LIMITATIONS.—An eligible entity may not use a
19 grant or other assistance provided under this Program for
20 the purchase, construction, or rehabilitation of a building
21 or structure.

22 “(g) CRITERIA AND GUIDELINES.—The Secretary
23 shall establish criteria and guidelines for the submission,
24 evaluation, and funding of proposed projects under the
25 Program.

1 “(h) FUNDING.—Not later than 30 days after the
 2 date of enactment of the Local Food and Farm Support
 3 Act, on October 1, 2008, and on each October 1 thereafter
 4 through October 1, 2012, of the funds of the Commodity
 5 Credit Corporation, the Secretary shall make available to
 6 carry out this subsection \$25,000,000. Such funds shall
 7 remain available until expended.”.

8 **SEC. 5. WIC FARMER’S MARKET NUTRITION PROGRAM.**

9 Section 17(m)(9)(A) of the Child Nutrition Act of
 10 1966 (42 U.S.C. 1786(m)(9)(A)) is amended—

11 (1) in clause (i), by striking “2009” and insert-
 12 ing “2013”; and

13 (2) by striking clause (ii) and inserting the fol-
 14 lowing:

15 “(ii) MANDATORY FUNDING.—Of the funds of the
 16 Commodity Credit Corporation, the Secretary shall make
 17 available to carry out this subsection \$20,000,000 for fis-
 18 cal year 2008, \$30,000,000 for fiscal year 2009,
 19 \$45,000,000 for fiscal year 2010, \$60,000,000 for fiscal
 20 year 2011, and not less than \$75,000,000 for fiscal year
 21 2012 and each fiscal year thereafter. Such funds shall re-
 22 main available until expended.”.

23 **SEC. 6. SENIOR FARMERS’ MARKET NUTRITION PROGRAM.**

24 Section 4402 of the Farm Security and Rural Invest-
 25 ment Act of 2002 (7 U.S.C. 3007) is amended—

1 (1) in subsection (a) by striking “\$5,000,000”
2 and all that follows through “2007”, and inserting
3 “\$20,000,000 for fiscal year 2008, \$30,000,000 for
4 fiscal year 2009, \$45,000,000 for fiscal year 2010,
5 \$60,000,000 for fiscal year 2011, and not less than
6 \$75,000,000 for fiscal year 2012 and each fiscal
7 year thereafter”, and

8 (2) in subsection (b)—

9 (A) in paragraph (2) by striking “and” at
10 the end,

11 (B) in paragraph (3) by striking the period
12 at the end and inserting “; and”, and

13 (C) by adding at the end the following:

14 “(4) to promote the transition to organic and
15 other environmentally beneficial food production sys-
16 tems.”; and

17 (3) by adding at the end the following new sub-
18 section:

19 “(d) ELIGIBLE PARTICIPANTS; BENEFITS LEVELS.—

20 The regulations required by subsection (c)

21 “(1) shall allow for participation by farmers
22 markets, and roadside stands, community supported
23 agriculture programs; and

1 “(2) shall not limit the ability of State or re-
 2 gional programs to set benefit levels per individual
 3 senior.”.

4 **SEC. 7. COMMUNITY FOOD PROJECT COMPETITIVE**
 5 **GRANTS.**

6 (a) **AUTHORITY TO PROVIDE ASSISTANCE.**—Section
 7 25(b) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b))
 8 is amended—

9 (1) in paragraph (1) by striking “From
 10 amounts made available to carry out this Act, the
 11 Secretary may” and inserting “The Secretary shall”;
 12 and

13 (2) by striking paragraph (2) and inserting the
 14 following:

15 “(2) **FUNDING AMOUNTS.**—From amounts
 16 made available to carry out this Act, the Secretary
 17 shall use \$60,500,000 for each of fiscal years 2008
 18 through 2013 to make grants under this section.”.

19 (b) **PREFERENCE FOR CERTAIN PROJECTS.**—Section
 20 25(d) of the Food Stamp Act of 1977 (7 U.S.C. 2034(d))
 21 is amended—

22 (1) in paragraph (3) by striking “or” at the
 23 end;

24 (2) in paragraph (4) by striking the period at
 25 the end and inserting “; or”; and

1 (3) by adding at the end the following:

2 “(5) serve special project needs in areas of—

3 “(A) transportation and processing for ex-
4 panding institutional and emergency food serv-
5 ice demand for local food;

6 “(B) retail access to healthy foods in un-
7 derserved markets;

8 “(C) integration of urban and metro-area
9 food production in food projects; and

10 “(D) technical assistance for youth, so-
11 cially disadvantaged individuals, and limited re-
12 source groups.”.

13 (c) MATCHING FUNDS REQUIREMENTS.—Section
14 25(e)(1) of the Food Stamp Act of 1977 (7 U.S.C.
15 2034(e)(1)) is amended by striking “50” and inserting
16 “75”.

17 (d) TERM OF GRANT.—Section 25(f)(2) of the Food
18 Stamp Act of 1977 (7 U.S.C. 2034(f)(2)) is amended by
19 striking “3” and inserting “5”.

20 (e) FUNDING.—Section 25(h)(4) of the Food Stamp
21 Act of 1977 (7 U.S.C. 2034(h)(4)) is amended—

22 (1) by striking “fiscal years 2003 through
23 2007” and inserting “fiscal years 2008 through
24 2013”; and

1 (2) by striking “\$200,000” and inserting
2 “\$500,000”.

3 **SEC. 8. AUTHORIZATION LEVEL FOR FARM-TO-CAFETERIA**
4 **ACTIVITIES.**

5 Section 18 of the Richard B. Russell National School
6 Lunch Act (42 U.S.C. 1769) is amended in subsection
7 (i)(2) by striking “such sums as are necessary” and all
8 that follows through the period at the end and inserting
9 “to carry out this subsection \$20,000,000 for each of fis-
10 cal years 2008 through 2013.”.

11 **SEC. 9. PURCHASES OF LOCALLY PRODUCED FOODS.**

12 (a) IN GENERAL.—The Secretary shall—

13 (1) allow institutions participating in the school
14 lunch program under this Act, the Department of
15 Defense Farm to School Program and the programs
16 established by the Child Nutrition Act of 1966 (42
17 U.S.C. 1773) to use geographic preferences in their
18 bidding and procurement programs to purchase, in
19 addition to other food purchases, locally produced
20 foods for meal programs;

21 (2) advise institutions participating in a pro-
22 gram described in paragraph (1) of the policy de-
23 scribed in that subparagraph and post information
24 concerning the policy on the website maintained by
25 the Secretary;

1 (3) in accordance with requirements established
2 by the Secretary, provide startup grants to not more
3 than 200 institutions to defray the initial costs of
4 equipment, materials, and storage facilities, and
5 similar costs, incurred in carrying out the policy de-
6 scribed in paragraph (1);

7 (4) report to Congress annually concerning im-
8 plementation of this section.

9 (b) CLARIFICATION REGARDING GEOGRAPHIC PREF-
10 ERENCES.—Nothing in this Act or any other provision of
11 law shall be construed to preempt, prohibit, or otherwise
12 limit the authority of institutions participating in the pro-
13 grams described in subsection (a)(1) of this section from
14 using geographic preferences in their bidding and procure-
15 ment programs to purchase, in addition to other food pur-
16 chases, locally produced foods for meal programs.

17 (c) AUTHORIZATION OF APPROPRIATIONS.—

18 (1) IN GENERAL.—There is authorized to be
19 appropriated to carry out this section \$400,000 for
20 each of fiscal years 2007 through 2012 to remain
21 available until expended.

22 (2) LIMITATION.—No amounts may be made
23 available to carry out this section unless specifically
24 provided by an appropriation Act.

1 **SEC. 10. SCHOOL PREFERENCE STUDY.**

2 The Secretary of Agriculture shall carry out a study
3 on the preferences of elementary and secondary schools
4 for commodity distribution, including the extent to which
5 such schools prefer commodity distribution to include
6 fresh fruits and vegetables, and submit to Congress a re-
7 port on the results of the study. The report shall include
8 an analysis of the logistical issues that would impede ef-
9 forts to increase the extent to which commodity distribu-
10 tion to schools includes fresh fruits and vegetables, and
11 shall include recommendations for improving the avail-
12 ability of fresh fruits and vegetables to schools.

13 **SEC. 11. FOOD STAMP FRUIT AND VEGETABLE INCENTIVE**
14 **PROGRAM.**

15 (a) ESTABLISHMENT.—There is hereby established a
16 demonstration project within the Food Stamp Program to
17 provide incentives for program participants to purchase
18 more fruits and vegetables. This demonstration project
19 shall be available to all States that submit to the Secretary
20 a plan that meets the requirements of this section. Ap-
21 proved projects that meet plan requirements may operate
22 within a State for a period of up to five years but not
23 beyond September 30, 2012.

24 (b) STATE PLAN REQUIREMENTS.—State proposals
25 to operate a fruit and vegetable incentive demonstration
26 project shall provide a description of the following:

1 (1) the incentive mechanism that will be imple-
2 mented and how it will be implemented;

3 (2) the categories of fruit and vegetable pur-
4 chases to which the incentive will apply;

5 (3) the plan to inform food stamp consumers of
6 the incentive and of the categories of fruits and
7 vegetables to which the incentive applies;

8 (4) the nutrition education activities that will
9 be conducted to support the incentive;

10 (5) the methodology to be used to evaluate the
11 impact of the incentive on the food purchases of food
12 stamp households when utilizing Food Stamp Pro-
13 gram benefits;

14 (6) the plan to meet the following assurances:

15 (A) that if project incentives apply to fresh
16 fruits and/or fresh vegetables, the incentive will
17 be operative in established farmers' markets for
18 food stamp consumers who purchase fruits or
19 vegetables in those venues;

20 (B) that operation of the demonstration
21 project at the point of sale will not cause food
22 stamp consumers to be delayed or to be identi-
23 fied to the general public as Food Stamp Pro-
24 gram participants;

1 (C) that food retailers and farmers' market
2 vendors approved to accept food stamp pur-
3 chases have participated in the planning of the
4 operation of the incentive mechanism at point
5 of purchase;

6 (D) that no more than 25 percent of the
7 federal funds expended by or pursuant to the
8 State agency plan will be utilized for adminis-
9 trative, educational and or evaluative purposes;
10 and

11 (E) that the State agency will provide
12 quarterly reports on the administrative costs of
13 the project and annual reports on the impact of
14 the project on food stamp purchases of fruits
15 and vegetables;

16 (c) PLAN APPROVAL.—The Secretary shall approve
17 State fruit and vegetable incentive demonstration project
18 proposals that adequately address the required elements.

19 (d) INCENTIVE MECHANISM.—A State submitting a
20 proposed plan for the fruit and vegetable demonstration
21 project shall select one of the following incentive mecha-
22 nisms for implementation—

23 (1) bonus payments, not to exceed 10 percent
24 of purchases of qualifying fruits and vegetables,
25 which will be credited to the electronic benefit ac-

1 count of the food stamp consumer and may be used
2 to make additional purchases; or

3 (2) bonus vouchers, not to exceed the value of
4 10 percent of purchases of qualifying fruits and
5 vegetables, which may be used to purchase addi-
6 tional fruits or vegetables.

7 (e) CATEGORIES OF FRUITS AND VEGETABLES.—A
8 State submitting a proposed plan for the fruit and vege-
9 table demonstration project shall apply the incentive
10 mechanism to one or more of the following food categories:

- 11 (1) fresh fruits;
- 12 (2) fresh vegetables;
- 13 (3) canned fruits;
- 14 (4) canned vegetables;
- 15 (5) frozen fruits;
- 16 (6) frozen vegetables;
- 17 (7) dried fruits;
- 18 (8) dried vegetables.

19 A food product that consists of one or more reconstituted
20 or reprocessed fruits or vegetables, or which consists of
21 less than 100 percent fruit juice, may not be included in
22 a State's plan of food products to which the incentive ap-
23 plies.

24 (f) ADMINISTRATIVE COSTS.—The Secretary shall re-
25 imburse all State administrative costs related to the oper-

1 ation and evaluation of a demonstration project. No State
2 administrative cost share may be required.

3 (g) EVALUATION.—On or before January 1, 2012,
4 the Secretary shall report to Congress on the impact of
5 the incentives implemented by the States on total food
6 purchases by food stamp consumers.

7 **SEC. 12. INDEPENDENT EVALUATION OF DEPARTMENT OF**
8 **AGRICULTURE COMMODITY PURCHASE**
9 **PROCESS.**

10 (a) EVALUATION REQUIRED.—The Secretary of Agri-
11 culture shall arrange to have performed an independent
12 evaluation of the commodity purchasing processes (and
13 the statutory and regulatory authority underlying such
14 processes) used by the Department of Agriculture to re-
15 move surplus commodities from the market and support
16 commodity prices and producer incomes, especially with
17 regard to activities under section 32 of the Act of August
18 24, 1935 (7 U.S.C. 612c) and the importance of increas-
19 ing purchases of perishable specialty crops.

20 (b) SUBMISSION OF RESULTS.—Not later than one
21 year after the date of the enactment of this Act, the Sec-
22 retary of Agriculture shall submit to Congress a report
23 on the results of the evaluation.

24 **SEC. 13. URBAN AGRICULTURE PRODUCTION PROGRAM.**

25 (a) FINDINGS.—

1 (1) Urban agriculture production serves health,
2 food security, economic and community development
3 goals.

4 (2) Urban communities at risk for obesity,
5 Type II diabetes and other chronic diet related dis-
6 eases benefit from the access to fresh agricultural
7 products and gardens where good nutritional behav-
8 ior and healthy food choices are modeled.

9 (3) Community and school gardens and other
10 urban agriculture enterprises are entry points for
11 new food system workers and farmers who value
12 healthy food choices.

13 (b) PURPOSE.—To improve food security, address
14 obesity, increase access to healthy food and nutrition edu-
15 cation in low income areas, grow the number of urban ag-
16 ricultural enterprises, community and school gardens, and
17 the services provided to them.

18 (c) ESTABLISHMENT.—The Secretary, acting
19 through the Natural Resources Conservation Service
20 (NRCS) and in cooperation with Cooperative State Re-
21 search, Education and Extension Service (CSREES) and
22 other agencies as appropriate, establish an Urban Agri-
23 culture Production Program which will promote agricul-
24 tural production capacity in metropolitan counties.

1 (d) ASSISTANCE.—In carrying out this program, the
2 Secretary shall—

3 (1) provide urban agriculture production
4 grants, provide technical assistance and carry out in-
5 formation and education programs to foster food
6 production in towns and cities; and

7 (2) provide a priority for projects seeking to di-
8 rect fresh produce to food insecure communities and
9 neighborhoods surrounding production sites.

10 (e) FUNDING AMOUNTS.—From amounts made avail-
11 able to carry out this section the Secretary shall use
12 \$5,000,000 for each of fiscal years 2008 through 2012
13 to make grants under this section.

14 (f) ELIGIBLE ENTITIES.—To be eligible for a grant
15 under subsection (b), a private nonprofit entity, must—

16 (1) have experience in areas of—

17 (A) planning, constructing and maintain-
18 ing public community or school gardens; and

19 (B) nonprofit entrepreneurial youth or job
20 skills training in low-income communities;

21 (2) demonstrate competency to implement a
22 project, provide fiscal accountability, collect data,
23 and prepare reports and other necessary documenta-
24 tion; and

1 (3) demonstrate a willingness to share informa-
2 tion with researchers, practitioners, and other inter-
3 ested parties.

4 (g) PREFERENCE FOR CERTAIN PROJECTS.—In se-
5 lecting urban agriculture production projects to receive as-
6 sistance under subsection (b), the Secretary shall give a
7 preference to projects designed to—

8 (1) develop and strengthen linkages between
9 urban producers, community-based organizations,
10 private businesses, schools and other public institu-
11 tions and agencies;

12 (2) operate in underserved markets and low in-
13 come neighborhoods; and

14 (3) engage with youth, the elderly, and immi-
15 grant communities.

16 (h) MATCHING FUNDS REQUIREMENTS.—

17 (1) REQUIREMENTS.—The Federal share of the
18 cost of establishing or carrying out a community
19 food project that receives assistance under sub-
20 section (b) may not exceed 75 percent of the cost of
21 the project during the term of the grant.

22 (2) CALCULATION.—In providing for the non-
23 Federal share of the cost of carrying out a commu-
24 nity food project, the entity receiving the grant shall
25 provide for the share through a payment in cash or

1 in kind, fairly evaluated, including facilities, equip-
2 ment, or services.

3 (3) SOURCES.—An entity may provide for the
4 non-Federal share through State government, local
5 government, or private sources.

6 (i) TERM OF GRANT.—

7 (1) SINGLE GRANT.—An urban food project
8 may be supported by only a single grant under sub-
9 section (b).

10 (2) TERM.—The term of a grant under sub-
11 section (b) may not exceed 3 years.

12 (j) TECHNICAL ASSISTANCE AND RELATED INFOR-
13 MATION.—In carrying out this section, the Secretary may
14 provide technical assistance regarding urban food projects,
15 processes, and development to any entity seeking the as-
16 sistance.

○