

110TH CONGRESS
1ST SESSION

S. 1432

To amend the Food Stamp Act of 1977 and the Richard B. Russell National School Lunch Act to improve access to healthy foods, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 17, 2007

Mr. BROWN (for himself, Mrs. CLINTON, Mr. KERRY, Mr. SANDERS, and Mr. REED) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To amend the Food Stamp Act of 1977 and the Richard B. Russell National School Lunch Act to improve access to healthy foods, 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; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Food Outreach and Opportunity Development for a
6 Healthy America Act of 2007”.

7 (b) TABLE OF CONTENTS.—The table of contents of
8 this Act is as follows:

Sec. 1. Short title; table of contents.

Sec. 2. Findings.

TITLE I—FOOD STAMP PROGRAM

- Sec. 101. Assistance for community food projects.
 Sec. 102. Food Stamp nutrition education.

TITLE II—NATIONAL SCHOOL LUNCH PROGRAM

- Sec. 201. Fresh fruit and vegetable program.
 Sec. 202. Farm-to-cafeteria program.
 Sec. 203. Purchases of locally produced foods.

TITLE III—FARMLAND PROTECTION PROGRAM

- Sec. 301. Farmland protection program.

TITLE IV—MISCELLANEOUS

- Sec. 401. Farmers' Market Promotion Program Plus.
 Sec. 402. Seniors farmers' market nutrition program.
 Sec. 403. Healthy food enterprise development program.

1 **SEC. 2. FINDINGS.**

2 Congress finds that—

3 (1) diabetes, heart disease, and other diet-re-
 4 lated diseases can be reduced in part by improved
 5 access to affordable healthy foods, including fresh
 6 fruit and vegetables;

7 (2) increasing the availability of healthy and
 8 fresh food in schools, hospitals, and underserved
 9 communities is an important aspect of improving
 10 overall health and food security in the United
 11 States;

12 (3) strengthening local and regional food sys-
 13 tems—

14 (A) is necessary for the long-term provi-
 15 sion of fresh and healthy food to underserved
 16 communities; and

1 (B) helps support family farmers and the
 2 communities of the farmers by providing alter-
 3 native marketing channels for the agricultural
 4 products of the farmers;

5 (4) local and regional food systems that supply
 6 underserved communities should be provided Federal
 7 financial and technical support, with a focus on—

8 (A) locally-led food access initiatives;

9 (B) infrastructure needs, such as food
 10 processing, transportation, and marketing;

11 (C) direct farmer-to-consumer marketing
 12 activities, such as farmers’ markets;

13 (D) the protection of productive farmland
 14 in close proximity to urban areas, which is nec-
 15 essary to grow food; and

16 (E) access to fresh fruit and vegetables for
 17 school children.

18 **TITLE I—FOOD STAMP** 19 **PROGRAM**

20 **SEC. 101. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

21 Section 25 of the Food Stamp Act of 1977 (7 U.S.C.
 22 2034) is amended—

23 (1) in subsection (b)(2)(B)—

24 (A) by striking “\$5,000,000” and inserting
 25 “\$30,000,000”; and

1 (B) by striking “2007” and inserting
 2 “2013”; and
 3 (2) in subsection (h)(4)—
 4 (A) by striking “\$200,000” and inserting
 5 “\$500,000”; and
 6 (B) by striking “2007” and inserting
 7 “2013”.

8 **SEC. 102. FOOD STAMP NUTRITION EDUCATION.**

9 (a) DEFINITION OF FOOD STAMP NUTRITION EDU-
 10 CATION.—Section 3 of the Food Stamp Act of 1977 (7
 11 U.S.C. 2012) is amended by adding at the end the fol-
 12 lowing:

13 “(v) FOOD STAMP NUTRITION EDUCATION.—The
 14 term ‘food stamp nutrition education’ means direct edu-
 15 cation, group activities, community health promotion, and
 16 comprehensive public health approaches (including mar-
 17 keting, mass media, public-private partnerships, policy,
 18 systems and environmental changes, and evaluation)
 19 that—

20 “(1) promote healthy eating;

21 “(2) make healthy food and physical activity
 22 choices more desired, affordable, and accessible;

23 “(3) are designed to reach large numbers of
 24 low-income households; and

1 “(4) support behavior change consistent with
 2 the most recent Dietary Guidelines for Americans
 3 published under section 301 of the National Nutri-
 4 tion Monitoring and Related Research Act of 1990
 5 (7 U.S.C. 5341), including promotion of a diet rich
 6 in fruits and vegetables, whole grains, and low-fat
 7 milk products.”.

8 (b) ADMINISTRATION.—Section 11(e)(1)(A) of the
 9 Food Stamp Act of 1977 (7 U.S.C. 2020(e)(1)(A)) is
 10 amended by inserting “, and provide food stamp nutrition
 11 education” after “program”.

12 (c) FUNDING.—Section 18(a) of the Food Stamp Act
 13 of 1977 (7 U.S.C. 2027(a)) is amended by adding at the
 14 end the following:

15 “(4) NUTRITION EDUCATION.—Of the amounts
 16 made available to carry out this Act under para-
 17 graph (1), the Secretary shall use not less than
 18 \$100,000,000 for each of fiscal years 2008 through
 19 2013 to provide food stamp nutrition education in
 20 accordance with section 11(e)(1)(A).”.

21 **TITLE II—NATIONAL SCHOOL** 22 **LUNCH PROGRAM**

23 **SEC. 201. FRESH FRUIT AND VEGETABLE PROGRAM.**

24 Section 18(g) of the Richard B. Russell National
 25 School Lunch Act (42 U.S.C. 1769(g)) is amended—

1 (1) in paragraph (1)—

2 (A) in the matter preceding subparagraph
3 (A), by striking “July 2004” and inserting
4 “July 2007”; and

5 (B) by striking subparagraphs (A) and (B)
6 and inserting the following:

7 “(A) 100 elementary schools or secondary
8 schools in each State;

9 “(B) additional elementary schools or sec-
10 ondary schools in each State, in accordance
11 with the proportion that—

12 “(i) the student population of the
13 State; bears to

14 “(ii) the total student population of
15 all States; and”;

16 (2) in paragraph (3)(A), by striking “paragraph
17 (1)(B)” and inserting “paragraph (1)”;

18 (3) in subparagraphs (A) and (B) of paragraph
19 (5) by striking “2008” each place it appears and in-
20 serting “2011”; and

21 (4) in paragraph (6)(B)—

22 (A) in clause (i)—

23 (i) by striking “October 1, 2004” and
24 inserting “October 1, 2007”; and

(ii) by striking “\$9,000,000” and inserting “\$300,000,000”; and

(B) by adding at the end the following:

“(iii) ADMINISTRATIVE EXPENSES.—
For fiscal year 2008 and each fiscal year thereafter, of amounts made available to carry out this subsection, the Secretary may use not more than 1 percent for administrative expenses of carrying out this subsection.

“(iv) STATE ADMINISTRATIVE COSTS.—

“(I) IN GENERAL.—Subject to subclause (II), for fiscal year 2008 and each fiscal year thereafter, of amounts made available to a State to carry out this subsection, the State may use not more than 5 percent for administrative expenses of carrying out this subsection.

“(II) REQUIREMENT.—To be eligible to use funds under subclause (I), a State shall submit to the Secretary a plan indicating the manner in which the State intends to use the funds.

1 “(v) FEDERAL REQUIREMENTS.—Not
 2 later than 1 year after the date of enact-
 3 ment of this clause, and periodically there-
 4 after as the Secretary determines to be ap-
 5 propriate, the Secretary shall establish re-
 6 quirements for States in administering this
 7 subsection.”.

8 **SEC. 202. FARM-TO-CAFETERIA PROGRAM.**

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

15 **SEC. 203. PURCHASES OF LOCALLY PRODUCED FOODS.**

16 Section 9(j) of the Richard B. Russell National
 17 School Lunch Act (42 U.S.C. 1758(j)) is amended—

18 (1) in paragraph (1)—

19 (A) by striking “IN GENERAL” and insert-
 20 ing “PURCHASES”; and

21 (B) by striking subparagraph (A) and in-
 22 serting the following:

23 “(A) allow institutions described in para-
 24 graph (3)(A) to use geographical preferences in
 25 bidding and procurement programs to purchase,

1 in addition to other food purchases, locally pro-
 2 duced foods for meal programs;”;

3 (C) in subparagraph (B), by striking
 4 “and” at the end;

5 (D) in subparagraph (C), by striking the
 6 period at the end and inserting “; and”; and

7 (E) by inserting after subparagraph (C)
 8 the following:

9 “(D) submit to Congress an annual report
 10 on the implementation of this subsection.”;

11 (2) by redesignating paragraph (2) as para-
 12 graph (6); and

13 (3) by inserting after paragraph (1) the fol-
 14 lowing:

15 “(2) DEPARTMENT OF DEFENSE.—Notwith-
 16 standing any other provision of law, the Secretary of
 17 Defense may elect to use a geographic preference to
 18 purchase locally produced agricultural products
 19 for—

20 “(A) the Defense Supply Center Philadel-
 21 phia;

22 “(B) the Department of Defense Farm to
 23 School Program;

24 “(C) the Department of Defense Fresh
 25 Fruit and Vegetable Program;

1 “(D) the service academies of the Depart-
2 ment of Defense;

3 “(E) Department of Defense domestic de-
4 pendent schools;

5 “(F) other Department of Defense schools
6 under chapter 108 of title 10, United States
7 Code;

8 “(G) commissary and exchange stores of
9 the Department of Defense; and

10 “(H) morale, welfare, and recreation facili-
11 ties operated by the Department of Defense.

12 “(3) DEPARTMENT OF AGRICULTURE AND RE-
13 LATED ENTITIES.—

14 “(A) IN GENERAL.—Notwithstanding any
15 other provision of law, the Secretary or the
16 head of any school, local educational agency, or
17 other entity, as applicable, may elect to use a
18 geographic preference to purchase locally pro-
19 duced agricultural products for—

20 “(i) the school breakfast program es-
21 tablished by section 4 of the Child Nutri-
22 tion Act of 1966 (42 U.S.C. 1773);

23 “(ii) the school lunch program estab-
24 lished under this Act;

1 “(iii) the summer food service pro-
2 gram for children established under section
3 13; and

4 “(iv) the child and adult care food
5 program established under section 17.

6 “(B) REPORT.—The head of any school,
7 local educational agency, or other entity partici-
8 pating in a program described in subparagraph
9 (A) that makes an election under that subpara-
10 graph shall submit to the Secretary a report de-
11 scribing any case in which the school, local edu-
12 cational agency, or other entity pays an amount
13 in excess of an amount equal to 10 percent
14 more than the lowest applicable bid to purchase
15 locally produced agricultural products.

16 “(4) TREATMENT OF CERTAIN BIDS.—On mak-
17 ing an election under paragraph (2) or (3), the Sec-
18 retary, the Secretary of Defense, or the head of any
19 school, local educational agency, or other entity par-
20 ticipating in a program described in paragraph
21 (3)(A) may—

22 “(A) include in the text of any bid a de-
23 scription of the election; and

24 “(B) select any bid involving a locally pro-
25 duced agricultural product, regardless of wheth-

1 er the bid is the lowest bid relating to the agri-
2 cultural product.

3 “(5) REVIEW.—The Secretary and the Sec-
4 retary of Defense shall periodically review each elec-
5 tion to use a geographic preference under this sub-
6 section to prevent fraud or abuse.”.

7 **TITLE III—FARMLAND** 8 **PROTECTION PROGRAM**

9 **SEC. 301. FARMLAND PROTECTION PROGRAM.**

10 (a) DEFINITIONS.—Section 1238H of the Food Secu-
11 rity Act of 1985 (16 U.S.C. 3838h) is amended—

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

14 “(2) ELIGIBLE LAND.—

15 “(A) IN GENERAL.—The term ‘eligible
16 land’ means land on a farm or ranch that is—

17 “(i) cropland;

18 “(ii) rangeland;

19 “(iii) grassland;

20 “(iv) pasture land; or

21 “(v) forest land that is an incidental
22 part of an agricultural operation, as deter-
23 mined by the Secretary.”;

24 (2) by redesignating paragraph (4) as para-
25 graph (5);

1 (3) by inserting after paragraph (3) the fol-
2 lowing:

3 “(4) PERMANENT CONSERVATION EASEMENT.—
4 The term ‘permanent conservation easement’ means
5 a conservation easement or other interest in eligible
6 land that—

7 “(A) is for the primary purpose of pro-
8 tecting the agricultural production capacity of
9 the eligible land; and

10 “(B) is permanent or for the maximum du-
11 ration allowed under State law.”; and

12 (4) by adding at the end the following:

13 “(6) QUALIFIED STATE OR LOCAL ENTITY.—
14 The term ‘qualified State or local entity’ means a
15 public or private entity that—

16 “(A) operates a farm and ranch land pro-
17 tection program that—

18 “(i) has for at least 3 calendar or fis-
19 cal years used or provided public or private
20 funds to purchase permanent conservation
21 easements on not less than 10 farms or
22 ranches;

23 “(ii) has the necessary authority
24 under State law, as well as the technical
25 and financial capacity—

1 “(I) to monitor and enforce the
 2 terms of the permanent conservation
 3 easements so that the purpose of the
 4 permanent conservation easements is
 5 carried out for the maximum allow-
 6 able duration; or

7 “(II) in the case of a govern-
 8 mental entity, to require other public
 9 or private holders of the permanent
 10 conservation easements acquired with
 11 public funding to hold, monitor, and
 12 enforce the permanent conservation
 13 easements for the purpose described
 14 in subclause (I); and

15 “(iii) has financial control policies to
 16 ensure that, on average, the purchase price
 17 of the permanent conservation easements
 18 does not exceed the appraised fair market
 19 value of the permanent conservation ease-
 20 ments; and

21 “(B) is an eligible entity.”.

22 (b) FARMLAND PROTECTION.—Section 1238I of the
 23 Food Security Act of 1985 (16 U.S.C. 3838i) is amend-
 24 ed—

1 (1) by redesignating subsections (b) and (c) as
2 subsections (e) and (f), respectively;

3 (2) by striking subsection (a) and inserting the
4 following:

5 “(a) PROGRAM.—

6 “(1) IN GENERAL.—The Secretary, acting
7 through the Natural Resources Conservation Service,
8 shall carry out a farm and ranch land protection
9 program under which the Secretary shall facilitate
10 and provide funding for the purchase of conservation
11 easements or other interests in eligible land for the
12 purpose of protecting the agricultural production ca-
13 pacity of the land and related conservation values by
14 limiting incompatible nonagricultural uses of the
15 land.

16 “(2) PRIORITY.—In carrying out the program,
17 the Secretary shall give the highest priority to pro-
18 tecting farm and ranch land with prime, unique, or
19 other productive soils that are at risk of non-
20 agricultural development.

21 “(b) GRANTS.—

22 “(1) IN GENERAL.—The Secretary, acting
23 through the Natural Resources Conservation Service,
24 shall use funds made available to carry out this sub-
25 chapter to award grants to qualified State or local

1 entities for the purchase of conservation easements
2 and other interests in land.

3 “(2) DISTRIBUTION.—The Secretary shall dis-
4 tribute grants described in paragraph (1) among
5 States based on—

6 “(A) the demonstrated need for farm and
7 ranch land protection; and

8 “(B) the relative contribution of funds pro-
9 vided by State or local entities for the protec-
10 tion of farm and ranch land.

11 “(3) USE OF GRANTS.—A qualified State or
12 local entity that receives a grant under this sub-
13 section—

14 “(A) may use the grant funds to purchase
15 1 or more conservation easements, regardless of
16 whether the qualified State or local entity has
17 a pending purchase offer for any of the con-
18 versation easements at the time of receiving the
19 grant;

20 “(B) shall use the grant funds only for the
21 purchase of conservation easements and other
22 interests in land; and

23 “(C) may use an amount equal to not more
24 than 10 percent of the amount of the grant for
25 reasonable costs of purchasing and enforcing

1 conservation easements and other interests in
2 land.

3 “(4) REMAINING FUNDS.—Any funds remaining
4 after grants are distributed to qualified State or
5 local entities shall be available to other eligible enti-
6 ties as matching funds for individual purchases of
7 conservation easements and other interests in land.

8 “(c) GRANT AGREEMENTS.—

9 “(1) IN GENERAL.—The Secretary, acting
10 through the Natural Resources Conservation Service,
11 may enter into agreements with qualified State or
12 local entities, under which a State or local entity
13 may purchase conservation easements using a com-
14 bination of the funds of the entity and grant funds
15 made available by the Secretary under subsection
16 (b).

17 “(2) TERMS AND CONDITIONS.—

18 “(A) IN GENERAL.—Subject to subpara-
19 graph (B), an agreement described in para-
20 graph (1) shall stipulate the terms and condi-
21 tions under which qualified State or local enti-
22 ties shall use grant funds distributed by the
23 Secretary under subsection (b).

24 “(B) REQUIREMENTS.—Each agreement
25 shall—

1 “(i) authorize the State or local entity
2 to determine the criteria and priorities of
3 the entity for purchasing conservation
4 easements and other interests in land;

5 “(ii) authorize the State or local enti-
6 ty to establish terms and conditions for
7 conservation easements and other interests
8 in land, if—

9 “(I) the terms and conditions are
10 adequate under State law to achieve
11 and permit effective enforcement of
12 the conservation purposes of the con-
13 servation easements or other interests;
14 and

15 “(II) the State or local entity in-
16 cludes in the terms and conditions a
17 requirement consistent with the pur-
18 poses of the program regarding the
19 impervious surfaces to be permitted
20 for any conservation easement or
21 other interest in land purchased using
22 a grant provided under this section;

23 “(iii) not require a Federal contingent
24 right of enforcement or reversionary inter-

1 est in the conservation easement or other
2 interest in land; and

3 “(iv) permit qualified entities to use
4 an amount equal to not more than 10 per-
5 cent of the amount of the grant for reason-
6 able costs of purchasing and enforcing con-
7 servation easements and other interests in
8 land..

9 “(d) INDIVIDUAL PURCHASES.—

10 “(1) IN GENERAL.—The Secretary may enter
11 into agreements with eligible entities under which
12 the Secretary shall provide matching funds to the el-
13 igible entities for the purpose of purchasing con-
14 servation easements or other interests in land on in-
15 dividual farm and ranch properties.

16 “(2) REQUIREMENTS.—An agreement described
17 in paragraph (1) shall—

18 “(A) include such terms and conditions as
19 the Secretary considers appropriate to ensure
20 that the purposes of the farmland protection
21 program are carried out;

22 “(B) not require a Federal contingent right
23 of enforcement or reversionary interest in the
24 conservation easement or other interest in land,
25 if—

1 “(i) the conservation easement or
 2 other interest in land is held by a State or
 3 local agency; or

4 “(ii) a qualified State or local entity
 5 will hold a contingent right of enforcement
 6 in the conservation easement or other in-
 7 terest.”.

8 (3) in subsection (e) (as redesignated by para-
 9 graph (1))—

10 (A) by striking “Any highly” and inserting
 11 the following:

12 “(1) IN GENERAL.—Notwithstanding subsection
 13 (c)(2)(B)(ii), subject to paragraph (2), any highly”;
 14 and

15 (B) by adding at the end the following:

16 “(2) PERMANENT CONSERVATION EASE-
 17 MENTS.—In the case of a permanent conservation
 18 easement, the Secretary may not require the conver-
 19 sion of cropland to less intensive uses if, under the
 20 conservation plan, soil erosion can be reduced to ‘T’
 21 or below.”; and

22 (4) in paragraph (1)(A) of subsection (f) (as re-
 23 designated by paragraph (1))—

24 (A) by striking “section 1241(d)” and in-
 25 serting “1241(a)(4)”;

(B) by striking “shall not exceed 50 percent” and inserting the following: “shall not exceed—

“(i) 50 percent”;

(C) by striking the period at the end and inserting “; or”; and

(D) by adding at the end the following:

“(ii) if a qualified conservation contribution, as defined by section 170(h) of the Internal Revenue Code of 1986, of at least 25 percent of the market value is made by the landowner in connection with the purchase of a conservation easement or other interest in land, $\frac{2}{3}$ of the actual cost of purchasing the conservation easement or other interest in land.”.

TITLE IV—MISCELLANEOUS

SEC. 401. FARMERS’ MARKET PROMOTION PROGRAM PLUS.

(a) FINDINGS.—Congress finds that—

(1) agricultural direct farmer-to-consumer marketing activities, including farmers’ markets, roadside stands, on-farm markets, community-supported agriculture, Internet, mail order, and other similar direct order marketing activities, significantly enhance the ability of agricultural producers to retain

1 a greater share of the retail value of the products of
 2 the producers;

3 (2) direct farmer-to-consumer marketing activi-
 4 ties are a crucial component of the current and fu-
 5 ture viability of small- and mid-sized family farms
 6 and ranches, including those owned by beginning
 7 and socially disadvantaged farmers and ranchers;
 8 and

9 (3) agricultural direct marketing activities con-
 10 tribute to the health and well-being of consumers in
 11 rural, urban, and Indian tribal communities by pro-
 12 viding access to healthy, fresh, and affordable food.

13 (b) PROGRAM.—The Farmer-to-Consumer Direct
 14 Marketing Act of 1976 (7 U.S.C. 3001 et seq.) is amended
 15 by inserting after section 6 the following:

16 **“SEC. 6A. FARMERS’ MARKET PROMOTION PROGRAM PLUS.**

17 “(a) ESTABLISHMENT.—The Secretary shall carry
 18 out a program, to be known as the ‘Farmers’ Market Pro-
 19 motion Program Plus’ (referred to in this section as the
 20 ‘Program’), to make grants to eligible entities for projects
 21 to establish, expand, and promote the full spectrum of di-
 22 rect farmer-to-consumer marketing opportunities.

23 “(b) PROGRAM PURPOSES.—

24 “(1) IN GENERAL.—The purposes of the Pro-
 25 gram are—

1 “(A) to increase domestic consumption of
 2 agricultural commodities by improving and ex-
 3 panding, or assisting in the improvement and
 4 expansion of, direct farmer-to-consumer mar-
 5 keting opportunities;

6 “(B) to develop, or aid in the development
 7 of, new direct farmer-to-consumer marketing
 8 opportunities; and

9 “(C) to increase direct farmer-to-consumer
 10 direct marketing opportunities in underserved
 11 areas by providing, to the maximum extent
 12 practicable, not less than 25 percent of grants
 13 to projects in underserved areas, as determined
 14 by the Secretary.

15 “(2) LIMITATIONS.—An eligible entity shall not
 16 use a grant or other assistance provided under the
 17 Program for the purchase, construction, or rehabili-
 18 tation of a building or structure.

19 “(c) ELIGIBLE ENTITIES.—An entity shall be eligible
 20 to receive a grant under the Program if the entity is—

21 “(1) composed of 2 or more agricultural pro-
 22 ducers that produce and sell products through a
 23 common distribution channel;

24 “(2) an agricultural cooperative or producer as-
 25 sociation or network;

- 1 “(3) a local government;
- 2 “(4) a nonprofit corporation;
- 3 “(5) a public benefit corporation;
- 4 “(6) an economic development corporation;
- 5 “(7) a regional farmers’ market authority; or
- 6 “(8) such other entity as the Secretary may
- 7 designate.

8 “(d) ELIGIBLE ACTIVITIES.—An eligible entity may
 9 use a grant provided under this section to carry out activi-
 10 ties relating to—

- 11 “(1) farmers’ markets;
- 12 “(2) roadside stands;
- 13 “(3) community-supported agriculture;
- 14 “(4) supporting the use of electronic benefits
- 15 transfer systems at farmers’ markets and, where
- 16 feasible, other direct market enterprises;
- 17 “(5) pick-your-own operations;
- 18 “(6) direct Internet and mail order sales;
- 19 “(7) producer-owned agritourism activities fa-
- 20 cilitating the direct sale of agricultural products; and
- 21 “(8) other similar ventures, as determined by
- 22 the Secretary.

23 “(e) CRITERIA AND GUIDELINES.—The Secretary
 24 shall establish criteria and guidelines for the submission,

1 evaluation, and funding of proposed projects under the
2 Program.

3 “(f) FUNDING.—Of the funds of the Commodity
4 Credit Corporation, the Secretary shall use to carry out
5 this section \$25,000,000 for each of fiscal years 2008
6 through 2013.”.

7 **SEC. 402. SENIORS FARMERS’ MARKET NUTRITION PRO-**
8 **GRAM.**

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

11 (1) by striking subsection (a) and inserting the
12 following:

13 “(a) ESTABLISHMENT.—Of funds available to the
14 Commodity Credit Corporation, the Secretary of Agri-
15 culture (referred to in this section as the ‘Secretary’) shall
16 use to carry out and expand a seniors farmers’ market
17 nutrition program—

18 “(1) \$20,000,000 for fiscal year 2008;

19 “(2) \$30,000,000 for fiscal year 2009;

20 “(3) \$45,000,000 for fiscal year 2010;

21 “(4) \$60,000,000 for fiscal year 2011; and

22 “(5) not less than \$75,000,000 for fiscal year
23 2012 and each fiscal year thereafter.”;

24 (2) by redesignating subsection (c) as sub-
25 section (d); and

1 (3) by inserting after subsection (b) the fol-
 2 lowing:

3 “(c) ELIGIBLE PARTICIPANTS; BENEFITS LEVELS.—
 4 Regulations issued pursuant to subsection (d)—

5 “(1) shall allow for participation by participants
 6 in farmers’ markets, roadside stands, and commu-
 7 nity supported agriculture programs; and

8 “(2) shall not limit the ability of any State or
 9 regional program to set benefit levels for individual
 10 seniors.”.

11 **SEC. 403. HEALTHY FOOD ENTERPRISE DEVELOPMENT**
 12 **PROGRAM.**

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

16 **“SEC. 204. HEALTHY FOOD ENTERPRISE DEVELOPMENT**
 17 **PROGRAM.**

18 “(a) PURPOSE.—The purpose of this section is to
 19 promote the health and well-being of all people in the
 20 United States, particularly school-aged children, low-in-
 21 come populations, and individuals residing in underserved
 22 communities, by increasing the availability and afford-
 23 ability of healthy foods, such as fresh fruit and vegetables,
 24 which, when produced, processed, and packaged locally or
 25 regionally, can significantly enhance the income of agricul-

1 tural producers by increasing the share of the producers
2 of the final retail price of the foods.

3 “(b) DEFINITIONS.—In this section:

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

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

11 “(A) a small or midsized processor, dis-
12 tributor, wholesaler, or retail food outlet;

13 “(B) a group of producers operating as a
14 legally recognized marketing alliance;

15 “(C) a producer-owned cooperative;

16 “(D) a nonprofit organization;

17 “(E) an economic development or commu-
18 nity development corporation;

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

20 and

21 “(G) an academic institution.

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

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

6 “(A) information is typically conveyed to
 7 the end-use consumer regarding the product or-
 8 igin, production practices, or other valuable in-
 9 formation;

10 “(B) the income of the producer is in-
 11 creased through maximization of the share of
 12 the retail food price retained by the producer;

13 “(C) consumers are provided with afford-
 14 able agricultural products produced, processed,
 15 and distributed in the locality or region of the
 16 consumers;

17 “(D) the produce has been shipped not
 18 greater than $\frac{1}{2}$ of the current average distance
 19 of all food produced and consumed in the
 20 United States, as determined by the Secretary;
 21 and

22 “(E) environmental integrity and social
 23 welfare are maintained and enhanced, respec-
 24 tively, throughout the supply chain with respect
 25 to the product.

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 “(c) 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 locally or regionally produced
24 food products that are processed and distrib-
25 uted near the point of final retail purchase;

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

3 “(C) include features effectively targeting
4 participation by socially disadvantaged farmers
5 or ranchers or beginning farmers or ranchers;

6 “(D) increase employment opportunities in
7 underserved communities; or

8 “(E) establish and maintain satisfactory
9 environmental and labor standards, including
10 worker protection.

11 “(5) MAXIMUM AMOUNT.—The amount of a
12 grant provided under this subsection shall not exceed
13 \$250,000.

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

16 “(7) REPORTS.—

17 “(A) IN GENERAL.—Each eligible entity
18 that receives a grant under this subsection shall
19 submit to the Secretary an annual report de-
20 scribing the results and progress of each feasi-
21 bility study to ensure sufficient progress is
22 achieved with respect to the goals of the
23 projects carried out by the eligible entity.

24 “(B) PUBLIC AVAILABILITY.—The Sec-
25 retary shall ensure that any information con-

1 tained in a report under subparagraph (A) re-
 2 lating to consumer preference or producer avail-
 3 ability is made available to the public.

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

10 “(d) ENTERPRISE DEVELOPMENT LOAN PRO-
 11 GRAM.—

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

18 “(2) COORDINATION WITH OTHER AGENCIES.—
 19 In carrying out the program under this subsection,
 20 the Secretary shall coordinate, with respect to the
 21 development of the program, reviews of applications,
 22 and implementation, with the Rural Business Coop-
 23 erative Service.

24 “(3) APPLICATION.—To be eligible to receive a
 25 loan or loan guarantee under this subsection, an eli-

1 gible entity or individual producer shall submit to
 2 the Secretary an application at such time, in such
 3 manner, and containing such information as the Sec-
 4 retary may require.

5 “(4) REQUIREMENTS.—

6 “(A) PRIORITY.—In providing loans and
 7 loan guarantees under this subsection, the Sec-
 8 retary shall give priority to applications that
 9 represent—

10 “(i) projects that convey locally or re-
 11 gionally produced food products that are
 12 processed and distributed near the point of
 13 final retail purchase;

14 “(ii) partnerships of 2 or more eligible
 15 entities;

16 “(iii) socially disadvantaged farmers
 17 or ranchers or beginning farmers or ranch-
 18 ers;

19 “(iv) projects that increase employ-
 20 ment opportunities in underserved commu-
 21 nities; or

22 “(v) projects that establish and main-
 23 tain clear environmental and labor stand-
 24 ards, including worker protection.

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

6 “(5) DIRECT LOANS.—

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

9 “(i) on an annual and competitive
 10 basis;

11 “(ii) after conducting a review of ap-
 12 plicable applications in accordance with
 13 subsection (c)(3);

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

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

18 “(v) in an amount equal to not more
 19 than \$1,500,000, as adjusted to reflect
 20 changes for the 12-month period ending
 21 the preceding November 30 in the Con-
 22 sumer Price Index for All Urban Con-
 23 sumers published by the Bureau of Labor
 24 Statistics of the Department of Labor.

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

3 “(i) shall be equivalent to the interest
4 rate of securities of the United States
5 Treasury of comparable maturity as of the
6 date on which the loan is provided;

7 “(ii) may be offered as a variable rate
8 to allow lower-interest payments until an
9 eligible entity is able to pay higher-interest
10 payments, subject to the condition that the
11 total interest rate does not exceed the
12 standard interest rate of the Department
13 of the Treasury, as in existence on the
14 date on which the loan is approved; and

15 “(iii) shall not change, in the aggregate,
16 during the term of the loan.

17 “(C) REPAYMENT.—An eligible entity or
18 individual producer shall repay the Secretary an
19 amount equal to the amount of the loan received
20 by the eligible entity or individual producer
21 (including interest) by not later than 15
22 years after the date on which the loan is provided.
23

24 “(D) UNDERSERVED COMMUNITIES.—The
25 Secretary shall defer repayment of a loan (in-

cluding interest) provided to an eligible entity located in an underserved community for the 3-year period beginning on the date on which the loan is provided.

“(6) LOAN GUARANTEES.—

“(A) RATES.—

“(i) IN GENERAL.—Except as provided in clauses (ii) and (iii), the rate of a loan guarantee provided under this subsection shall be not less than 80 percent and not more than 90 percent.

“(ii) CERTAIN RECIPIENTS.—The rate of a loan guarantee provided under this subsection to an eligible entity that serves primarily a majority of socially disadvantaged farmers or ranchers or beginning farmers or ranchers, as determined by the Secretary, shall be not less than 95 percent.

“(iii) CERTAIN PROJECTS.—The rate of a loan guarantee provided under this subsection for a project that, as determined by the Secretary, will result in increased employment in a low-income community, an economic empowerment zone,

1 or such other similar area as the Secretary
 2 may designate, shall be not less than 95
 3 percent.

4 “(B) ELIGIBLE LENDERS.—For purposes
 5 of loan guarantees under this paragraph, eligi-
 6 ble lender institutions include—

7 “(i) community development financial
 8 institutions;

9 “(ii) community development banks;

10 “(iii) credit unions;

11 “(iv) banks owned by Indian tribes;

12 and

13 “(v) such other institutions as the
 14 Secretary may designate to ensure equi-
 15 table access to loan guarantees—

16 “(I) in each State; and

17 “(II) to Indian tribal organiza-
 18 tions.

19 “(C) MAXIMUM AMOUNT.—The amount of
 20 a loan guaranteed under this subsection shall
 21 not exceed \$1,500,000, as adjusted to reflect
 22 changes for the 12-month period ending the
 23 preceding November 30 in the Consumer Price
 24 Index for All Urban Consumers published by

1 the Bureau of Labor Statistics of the Depart-
2 ment of Labor.

3 “(7) USE OF FUNDS.—An eligible entity or in-
4 dividual producer shall use funds provided pursuant
5 to a loan or loan guarantee under this subsection to
6 develop processing, distribution, and information in-
7 frastructure for locally or regionally produced food,
8 in accordance with the purpose of this section, in-
9 cluding through—

10 “(A) construction of new infrastructure;

11 “(B) rehabilitation of existing infrastruc-
12 ture;

13 “(C) activities to support the development
14 of marketing networks and alliances;

15 “(D) development of information infra-
16 structure, including websites;

17 “(E) purchases of equipment for proc-
18 essing, distribution, transportation, storage,
19 and other related purposes; and

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

22 “(8) FUNDING.—On October 1, 2008, and on
23 each October 1 thereafter through October 1, 2013,
24 out of any funds in the Treasury not otherwise ap-
25 propriated, the Secretary of the Treasury shall

1 transfer to the Secretary to carry out this subsection
 2 \$35,000,000, to remain available until expended, of
 3 which—

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

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

10 “(e) GRANT AND LOAN PROGRAM REQUIREMENTS.—

11 “(1) TECHNICAL ASSISTANCE AND OUT-
 12 REACH.—

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

14 “(i) provide to the public information
 15 relating to the grant and loan programs
 16 under this section; and

17 “(ii) provide technical assistance to—

18 “(I) socially disadvantaged farm-
 19 ers or ranchers;

20 “(II) Indian tribal organizations;

21 “(III) low-income populations;

22 and

23 “(IV) other underserved commu-
 24 nities and producers.

“(B) SERVICE PROVIDERS.—In carrying out subparagraph (A), the Secretary may enter into contracts, on a competitive basis, with entities that, as determined by the Secretary—

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

“(ii) include, in the governance structure of the entity, 2 or more members representing the targeted communities served by the entity; and

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

“(I) researchers;

“(II) practitioners; and

“(III) other interested parties.

“(C) FUNDING.—On October 1, 2008, and on each October 1 thereafter through October 1, 2013, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this paragraph not less than \$200,000 and not more than an amount equal to 5 percent of the funds required to carry out

1 this program, to remain available until ex-
2 pended.

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

5 “(A) shall not give preference to any entity
6 based on an agricultural commodity produced
7 or supported by the entity; and

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

11 “(3) REPORT.—Not less frequently than once
12 each year, the Secretary shall submit to Congress a
13 report that describes the programs (including the
14 level of participation in each program) under this
15 section, including information relating to—

16 “(A) projects carried out under this sec-
17 tion;

18 “(B) characteristics of the agricultural
19 producers and communities served by the
20 projects;

21 “(C) the benefits of the projects;

22 “(D) data necessary to comply with—

23 “(i) section 2501A of the Food, Agri-
24 culture, Conservation, and Trade Act of
25 1990 (7 U.S.C. 2279–1); or

1 “(ii) section 8(b)(5)(B) of the Soil
2 Conservation and Domestic Allotment Act
3 (16 U.S.C. 590h(b)(5)); and
4 “(E) outreach and technical assistance ac-
5 tivities carried out by the Secretary under para-
6 graph (1).”.

○