

113TH CONGRESS
1ST SESSION

S. 679

To promote local and regional farm and food systems, and for other purposes.

IN THE SENATE OF THE UNITED STATES

APRIL 9, 2013

Mr. BROWN (for himself, Mr. CASEY, Mr. COWAN, Mrs. GILLIBRAND, Ms. MIKULSKI, Mr. DURBIN, Mr. HARKIN, Mr. LEAHY, Mr. TESTER, Mr. WYDEN, and Mrs. SHAHEEN) introduced the following bill; which was read twice and referred to the Committee on Agriculture, Nutrition, and Forestry

A BILL

To promote local and regional farm and food systems, 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 “Local Farms, Food, and Jobs Act of 2013”.

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

Sec. 1. Short title; table of contents.

TITLE I—NUTRITION

Sec. 101. Retailers.

- Sec. 102. Demonstration projects on acceptance of benefits of mobile transactions.
- Sec. 103. Use of benefits for purchase of community-supported agriculture share.
- Sec. 104. Additional authority for purchase of fresh fruits, vegetables, and other specialty food crops.
- Sec. 105. Encouraging locally and regionally grown and raised food.
- Sec. 106. Assistance for community food projects.
- Sec. 107. Senior farmers' market nutrition program.
- Sec. 108. Hunger-free communities.
- Sec. 109. Food and Nutrition Agriculture Service Learning Program.

TITLE II—CREDIT

- Sec. 201. Loans to local and regional food producers.
- Sec. 202. Clarification of the mission of the farm credit system to recognize the economic benefits of supporting young, beginning, and small farmers and ranchers, and contributions of local and regional farm and food systems.
- Sec. 203. Young, beginning, and small farmers and ranchers and locally or regionally produced agricultural products.

TITLE III—RURAL DEVELOPMENT

- Sec. 301. Availability of rural business opportunity grants for local and regional food systems.
- Sec. 302. Clarification on allowed partnerships for certain community facilities grants and loans.
- Sec. 303. Availability of rural business enterprise grants for value-added processing, aggregation, distribution, storage, and marketing in connection with production agriculture.
- Sec. 304. Making improvements to business and industry direct and guaranteed loans to benefit producers of local or regionally produced agricultural food products.
- Sec. 305. Value-added agricultural product market development grants.

TITLE IV—RESEARCH, EDUCATION, AND RELATED MATTERS

- Sec. 401. Agriculture and food research initiative.
- Sec. 402. Local and regional food system enterprise facilitation.
- Sec. 403. Conventional breeding initiative.
- Sec. 404. National genetics resources program.

TITLE V—HORTICULTURE

- Sec. 501. Farmers market and local food promotion program.
- Sec. 502. Specialty crop block grants.
- Sec. 503. Study on local food production and program evaluation.

TITLE VI—CROP INSURANCE

- Sec. 601. Research and development authority.
- Sec. 602. Whole farm risk management insurance.
- Sec. 603. Approval of costs for research and development.
- Sec. 604. Crop insurance for organic crops.
- Sec. 605. Nationwide expansion of agricultural management assistance program and inclusion of organic certification cost share assistance.

TITLE VII—MISCELLANEOUS

Sec. 701. Technical assistance.

Sec. 702. Guidance.

Sec. 703. Labels and public information on label content.

Sec. 704. Meat and poultry processing report.

TITLE I—NUTRITION

SEC. 101. RETAILERS.

(a) DEFINITION OF RETAIL FOOD STORE.—Section 3(p) of the Food and Nutrition Act of 2008 (7 U.S.C. 2012(p)) is amended—

(1) in paragraph (1)(A) by striking “at least 2” and inserting “at least 3”; and

(2) in paragraph (4) by inserting “or agricultural producers who market agricultural products directly to consumers” after “venture”.

(b) ALTERNATIVE BENEFIT DELIVERY.—Section 7(f) of the Food and Nutrition Act of 2008 (7 U.S.C. 2016(f)) is amended—

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

“(2) IMPOSITION OF COSTS.—

“(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require participating retailers (including restaurants participating in a State option restaurant program intended to serve the elderly, disabled, and homeless) to pay 100 percent of the costs

of acquiring, and arrange for the implementation of, electronic benefit transfer point-of-sale equipment and supplies.

“(B) EXEMPTIONS.—The Secretary may exempt from subparagraph (A)—

“(i) farmers’ markets and other direct farmer-to-consumer marketing outlets, military commissaries, nonprofit food buying cooperatives, and establishments, organizations, programs, or group living arrangements described in paragraphs (5), (7), and (8) of section 3(k); and

“(ii) establishments described in paragraphs (3), (4), and (9) of section 3(k), other than restaurants participating in a State option restaurant program.”; and

(2) by adding at the end the following:

“(4) TERMINATION OF MANUAL VOUCHERS.—

“(A) IN GENERAL.—Effective beginning on the effective date of this paragraph, except as provided in subparagraph (B), no State shall issue manual vouchers to a household that receives supplemental nutrition assistance under this Act or allow retailers to accept manual vouchers as payment, unless the Secretary de-

1 termines that the manual vouchers are nec-
2 essary, such as in the event of an electronic
3 benefit transfer system failure or a disaster sit-
4 uation.

5 “(B) EXEMPTIONS.—The Secretary may
6 exempt categories of retailers or individual re-
7 tailers from subparagraph (A) based on criteria
8 established by the Secretary.

9 “(5) UNIQUE IDENTIFICATION NUMBER RE-
10 QUIRED.—In an effort to enhance the antifraud pro-
11 tections of the program, the Secretary shall require
12 all parties providing electronic benefit transfer serv-
13 ices to provide for and maintain a unique terminal
14 identification number information through the sup-
15 plemental nutrition assistance program electronic
16 benefit transfer transaction routing system. In devel-
17 oping the regulations implementing this paragraph,
18 the Secretary shall consider existing commercial
19 practices for other point-of-sale debit transactions.
20 The Secretary shall issue proposed regulations im-
21 plementing this paragraph not earlier than 2 years
22 after the date of enactment of this paragraph.”.

23 (c) ELECTRONIC BENEFIT TRANSFERS.—Section
24 7(h)(3)(B) of the Food and Nutrition Act of 2008 (7
25 U.S.C. 2016(h)(3)(B)) is amended by striking “is oper-

1 ational—” and all that follows through “(ii) in the case
 2 of other participating stores,” and inserting “is oper-
 3 ational”.

4 (d) APPROVAL OF RETAIL FOOD STORES AND
 5 WHOLESALE FOOD CONCERNS.—Section 9 of the Food
 6 and Nutrition Act of 2008 (7 U.S.C. 2018) is amended—

7 (1) in the second sentence of subsection (a)(1)
 8 by striking “; and (C)” and inserting “; (C) whether
 9 the applicant is located in an area with significantly
 10 limited access to food; and (D)”;

11 (2) in subsection (b) by adding at the end the
 12 following:

13 “(3) RETAIL FOOD STORES WITH SIGNIFICANT
 14 SALES OF EXCLUDED ITEMS.—

15 “(A) IN GENERAL.—No retail food store
 16 for which at least 45 percent of the total sales
 17 of the retail food store is from the sale of ex-
 18 cluded items described in section 3(k)(1) may
 19 be authorized to accept and redeem benefits un-
 20 less the Secretary determines that the partici-
 21 pation of the retail food store is required for
 22 the effective and efficient operation of the sup-
 23 plemental nutrition assistance program.

24 “(B) APPLICATION.—Subparagraph (A)
 25 shall be effective—

1 “(i) in the case of retail food stores
 2 applying to be authorized for the first
 3 time, beginning on the date that is 1 year
 4 after the effective date of this paragraph;
 5 and

6 “(ii) in the case of retail food stores
 7 participating in the program on the effec-
 8 tive date of this paragraph, during periodic
 9 reauthorization in accordance with sub-
 10 section (a)(2)(A).”; and

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

12 “(g) EBT SERVICE REQUIREMENT.—An approved
 13 retail food store shall provide adequate EBT service as
 14 described in section 7(h)(3)(B).”.

15 **SEC. 102. DEMONSTRATION PROJECTS ON ACCEPTANCE OF**
 16 **BENEFITS OF MOBILE TRANSACTIONS.**

17 Section 7(h) of the Food and Nutrition Act of 2008
 18 (7 U.S.C. 2016(h)) is amended by adding at the end the
 19 following:

20 “(14) DEMONSTRATION PROJECTS ON ACCEPT-
 21 ANCE OF BENEFITS OF MOBILE TRANSACTIONS.—

22 “(A) IN GENERAL.—The Secretary shall
 23 pilot the use of mobile technologies determined
 24 by the Secretary to be appropriate to test the
 25 feasibility and implications for program integ-

1 rity, by allowing retail food stores, farmers
2 markets, and other direct producer-to-consumer
3 marketing outlets to accept benefits from recipi-
4 ents of supplemental nutrition assistance
5 through mobile transactions.

6 “(B) DEMONSTRATION PROJECTS.—To be
7 eligible to participate in a demonstration project
8 under subsection (a), a retail food store, farm-
9 ers market, or other direct producer-to-con-
10 sumer marketing outlet shall submit to the Sec-
11 retary for approval a plan that includes—

12 “(i) a description of the technology;

13 “(ii) the manner by which the retail
14 food store, farmers market or other direct
15 producer-to-consumer marketing outlet will
16 provide proof of the transaction to house-
17 holds;

18 “(iii) the provision of data to the Sec-
19 retary, consistent with requirements estab-
20 lished by the Secretary, in a manner that
21 allows the Secretary to evaluate the impact
22 of the demonstration on participant access,
23 ease of use, and program integrity; and

24 “(iv) such other criteria as the Sec-
25 retary may require.

“(C) DATE OF COMPLETION.—The demonstration projects under this paragraph shall be completed and final reports submitted to the Secretary by not later than July 1, 2016.

“(D) REPORT TO CONGRESS.—The Secretary shall submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that includes a finding, based on the data provided under subparagraph (C) whether or not implementation in all States is in the best interest of the supplemental nutrition assistance program.”.

SEC. 103. USE OF BENEFITS FOR PURCHASE OF COMMUNITY-SUPPORTED AGRICULTURE SHARE.

Section 10 of the Food and Nutrition Act of 2008 (7 U.S.C. 2019) is amended in the first sentence by inserting “agricultural producers who market agricultural products directly to consumers shall be authorized to redeem benefits for the initial cost of the purchase of a community-supported agriculture share for an appropriate time in advance of food delivery as determined by the Secretary,” after “food so purchased,”.

1 **SEC. 104. ADDITIONAL AUTHORITY FOR PURCHASE OF**
 2 **FRESH FRUITS, VEGETABLES, AND OTHER**
 3 **SPECIALTY FOOD CROPS.**

4 Section 10603 of the Farm Security and Rural In-
 5 vestment Act of 2002 (7 U.S.C. 612c–4) is amended—

6 (1) in subsection (b), by striking “2012” and
 7 inserting “2018”;

8 (2) by redesignating subsection (c) as sub-
 9 section (e); and

10 (3) by inserting after subsection (b) the fol-
 11 lowing new subsections:

12 “(c) LOCAL PREFERENCE IN MEMORANDUM OF
 13 AGREEMENT.—To the maximum extent practicable, a
 14 memorandum of agreement between the Secretary of Agri-
 15 culture and the Secretary of Defense related to the pur-
 16 chase of fresh fruits and vegetables under this section
 17 shall require that fruits and vegetables purchased under
 18 the agreement be locally grown (as determined by the Sec-
 19 retary).

20 “(d) PILOT GRANT PROGRAM FOR PURCHASE OF
 21 FRESH FRUITS AND VEGETABLES.—

22 “(1) IN GENERAL.—Using amounts made avail-
 23 able to carry out subsection (b), the Secretary of Ag-
 24 riculture shall conduct a pilot program under which
 25 the Secretary will give not more than five partici-
 26 pating States the option of receiving a grant in an

1 amount equal to the value of the commodities that
2 the participating State would otherwise receive
3 under this section for each of fiscal years 2014
4 through 2018.

5 “(2) USE OF GRANT FUNDS.—A participating
6 State receiving a grant under this subsection may
7 use the grant funds solely to purchase fresh fruits
8 and vegetables for distribution to schools and service
9 institutions in the State that participate in the food
10 service programs under the Richard B. Russell Na-
11 tional School Lunch Act (42 U.S.C. 1751 et seq.)
12 and the Child Nutrition Act of 1966 (42 U.S.C.
13 1771 et seq.). To the maximum extent practicable,
14 the fruits and vegetables shall be locally grown, as
15 determined by the State.

16 “(3) SELECTION OF PARTICIPATING STATES.—
17 The Secretary shall select participating States from
18 applications submitted by the States.

19 “(4) REPORTING REQUIREMENTS.—

20 “(A) SCHOOL AND SERVICE INSTITUTION
21 REQUIREMENT.—Schools and service institu-
22 tions in a participating State shall keep records
23 of purchases of fresh fruits and vegetables
24 made using the grant funds and report such
25 records to the State.

1 “(B) STATE REQUIREMENT.—Each par-
 2 ticipating State shall submit to the Secretary a
 3 report on the success of the pilot program in
 4 the State, including information on—

5 “(i) the amount and value of each
 6 type of fresh fruit and vegetable purchased
 7 by the State; and

8 “(ii) the benefit provided by such pur-
 9 chases in conducting the school food serv-
 10 ice in the State, including meeting school
 11 meal requirements.”.

12 **SEC. 105. ENCOURAGING LOCALLY AND REGIONALLY**
 13 **GROWN AND RAISED FOOD.**

14 (a) COMMODITY PURCHASE STREAMLINING.—The
 15 Secretary of Agriculture (in this section referred to as the
 16 “Secretary”) may permit each school food authority with
 17 a low annual commodity entitlement value, as determined
 18 by the Secretary, to elect to substitute locally and region-
 19 ally grown and raised food for the authority’s allotment,
 20 in whole or in part, of commodity assistance under section
 21 6(b) of the Richard B. Russell National School Lunch Act
 22 (42 U.S.C. 1755(b)) for the school lunch program under
 23 such Act, if—

24 (1) the election is requested by the school food
 25 authority;

1 (2) the Secretary determines that the election
 2 will reduce State and Federal administrative costs,
 3 such as costs related to transportation, technology,
 4 and overhead; and

5 (3) the election will provide the school food au-
 6 thority with greater flexibility to purchase locally
 7 and regionally grown and raised foods.

8 (b) FARM-TO-SCHOOL DEMONSTRATION
 9 PROJECTS.—

10 (1) IN GENERAL.—The Secretary of Agriculture
 11 may establish and carry out farm-to-school dem-
 12 onstration programs under which school food au-
 13 thorities, agricultural producers producing for local
 14 and regional markets, and other farm to school
 15 stakeholders will collaborate with the Agriculture
 16 Marketing Service to source food for the school
 17 lunch program under the Richard B. Russell Na-
 18 tional School Lunch Act (42 U.S.C. 1751 et seq.)
 19 from local farmers and ranchers in lieu of the com-
 20 modity assistance provided under section 6(b) of the
 21 Richard B. Russell National School Lunch Act (42
 22 U.S.C. 1755(b)) to such school food authorities for
 23 the school lunch program.

24 (2) REQUIREMENTS.—

1 (A) IN GENERAL.—A demonstration pro-
2 gram carried out under this subsection shall—

3 (i) facilitate and increase the purchase
4 of unprocessed and minimally processed lo-
5 cally and regionally grown and raised agri-
6 cultural products to be served under the
7 school lunch program;

8 (ii) test methods to improve procure-
9 ment, transportation, and meal preparation
10 processes;

11 (iii) assess whether administrative
12 costs can be saved through increased
13 school authority flexibility to source locally
14 and regionally produced foods; and

15 (iv) undertake rigorous evaluation and
16 share information about results, including
17 cost savings, with the Department of Agri-
18 culture, other school food authorities, agri-
19 cultural producers producing for the local
20 and regional market, and the general pub-
21 lic.

22 (B) PLANS.—The Secretary shall require
23 demonstration program participants to provide
24 to the Secretary detailed plans with respect to

1 how the participants will meet the requirements
2 of this subsection.

3 (3) LENGTH.—The Secretary shall conduct
4 each demonstration program under this subsection
5 for not less than 3 school years and not more than
6 5 years, except in the case of a demonstration pro-
7 gram that requires additional time to meet the re-
8 quirements under paragraph (2)(A), as determined
9 by the Secretary.

10 (4) COORDINATION.—The Secretary shall co-
11 ordinate among relevant agencies of the Department
12 of Agriculture and non-governmental organizations
13 with appropriate expertise to facilitate the provision
14 of training and technical assistance necessary to the
15 successful implementation of demonstration pro-
16 grams under this subsection.

17 (5) NUMBER.—The Secretary shall carry out at
18 least 10 demonstration programs under this sub-
19 section.

20 (6) DIVERSITY AND BALANCE.—In carrying out
21 demonstration programs under this subsection, the
22 Secretary shall, to the maximum extent practicable,
23 ensure—

24 (A) geographical diversity;

1 (B) that at least half of the demonstration
2 programs are completed in collaboration with
3 school food authorities with small annual com-
4 modity entitlements, as determined by the Sec-
5 retary;

6 (C) that at least half of the demonstration
7 programs are completed in rural or tribal com-
8 munities; and

9 (D) equitable treatment of school food au-
10 thorities with a high percentage of students eli-
11 gible for free or reduced price lunches under the
12 Richard B. Russell National School Lunch Act
13 (42 U.S.C. 1751 et seq.).

14 (7) DATA ANALYSIS.—With respect to each
15 demonstration program carried out under this sub-
16 section, the Secretary shall ensure that participants
17 of the demonstration program collect data on how
18 the program met the requirements of paragraph
19 (2)(A) in a manner that will enable the aggregation
20 and analysis of such data.

21 (8) REPORT TO CONGRESS.—Not later than
22 January 1, 2018, the Secretary shall provide to the
23 Committee on Agriculture of the House of Rep-
24 resentatives and the Committee on Agriculture, Nu-
25 trition, and Forestry of the Senate, and a report on

1 the demonstration programs carried out under this
2 subsection, including—

3 (A) an analysis of the data collected under
4 paragraph (7);

5 (B) a summary of the efforts of the De-
6 partment of Agriculture to increase the avail-
7 ability and use of locally and regionally grown
8 foods by school food authorities through the
9 commodity assistance provided to such authori-
10 ties under section under section 6(b) of the
11 Richard B. Russell National School Lunch Act
12 (42 U.S.C. 1755(b)); and

13 (C) a determination of whether a dem-
14 onstration program carried out under this sec-
15 tion or any aspect of such a program should be-
16 come an option for school food authorities
17 based on outcomes, such as children’s nutri-
18 tional health status, economic benefits to par-
19 ticipating agricultural producers and the local
20 economy, school meal participation rates, and
21 an all-inclusive comparison of administrative
22 cost of the commodity assistance described in
23 subparagraph (B) and such demonstration pro-
24 gram.

1 **SEC. 106. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.**

2 Section 25 of the Food and Nutrition Act of 2008
3 (7 U.S.C. 2034) is amended—

4 (1) in subsection (b)(2)(B)—

5 (A) by striking “\$5,000,000” and inserting
6 “\$10,000,000”; and

7 (B) by striking “2008” and inserting
8 “2014”; and

9 (2) in subsection (f)(2), by striking “3” and in-
10 serting “5”.

11 **SEC. 107. SENIOR FARMERS’ MARKET NUTRITION PRO-**
12 **GRAM.**

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

15 (1) in subsection (a)—

16 (A) by striking “\$20,600,000” and insert-
17 ing “\$25,000,000”;

18 (B) by striking “2008” and inserting
19 “2014”; and

20 (C) by striking “2012” and inserting
21 “2018”; and

22 (2) in subsection (b)(1), by inserting “maple
23 syrup,” after “honey,”.

24 **SEC. 108. HUNGER-FREE COMMUNITIES.**

25 Section 4405 of the Food, Conservation, and Energy
26 Act of 2008 (7 U.S.C. 7517) is amended—

1 (1) in subsection (a)—

2 (A) by striking paragraph (1) and insert-
3 ing the following:

4 “(1) ELIGIBLE ENTITY.—

5 “(A) COLLABORATIVE GRANTS.—In sub-
6 section (b), the term ‘eligible entity’ means a
7 public food program service provider or non-
8 profit organization, including an emergency
9 feeding organization, that has collaborated or
10 will collaborate with 1 or more local partner or-
11 ganizations to achieve at least 1 hunger-free
12 communities goal.

13 “(B) INCENTIVE GRANTS.—In subsection
14 (c), the term ‘eligible entity’ means a nonprofit
15 organization (including an emergency feeding
16 organization), an agricultural cooperative, pro-
17 ducer network or association, community health
18 organization, public benefit corporation, eco-
19 nomic development corporation, farmers’ mar-
20 ket, community-supported agriculture program,
21 buying club, supplemental nutrition assistance
22 program retail food store, a State, local, or trib-
23 al agency, and any other entity the Secretary
24 designates.”; and

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

1 “(4) SUPPLEMENTAL NUTRITION ASSISTANCE
2 PROGRAM.—The term ‘supplemental nutrition assist-
3 ance program’ means the supplemental nutrition as-
4 sistance program established under the Food and
5 Nutrition Act of 2008 (7 U.S.C. 2011 et seq.).

6 “(5) UNDERSERVED COMMUNITY.—The term
7 ‘underserved community’ has the meaning given the
8 term in section 25 of the Food and Nutrition Act of
9 2008 (7 U.S.C. 2034).”;

10 (2) in subsection (b)(1)(A), by striking “not
11 more than 50 percent of any funds made available
12 under subsection (e)” and inserting “funds made
13 available under subsection (d)(1)”; and

14 (3) by striking subsections (c), (d), and (e) and
15 inserting the following:

16 “(c) HUNGER-FREE COMMUNITIES INCENTIVE
17 GRANTS.—

18 “(1) AUTHORIZATION.—

19 “(A) IN GENERAL.—In each of the years
20 specified in subsection (d), the Secretary shall
21 make grants to eligible entities in accordance
22 with paragraph (2).

23 “(B) FEDERAL SHARE.—The Federal
24 share of the cost of carrying out an activity

under this subsection shall not exceed 50 percent of the total cost of the activity.

“(C) NON-FEDERAL SHARE.—

“(i) IN GENERAL.—The non-Federal share of the cost of an activity under this subsection may be provided—

“(I) in cash or in-kind contributions as determined by the Secretary, including facilities, equipment, or services; and

“(II) by a State or local government or a private source.

“(ii) LIMITATION.—In the case of a for-profit entity, the non-Federal share described in clause (i) shall not include services of an employee, including salaries paid or expenses covered by the employer.

“(2) CRITERIA.—

“(A) IN GENERAL.—For purposes of this subsection, an eligible entity is a governmental agency or nonprofit organization that—

“(i) meets the application criteria set forth by the Secretary; and

“(ii) proposes a project that, at a minimum—

1 “(I) has the support of the State
2 agency;

3 “(II) would increase the purchase
4 of fruits and vegetables by low-income
5 consumers participating in the supple-
6 mental nutrition assistance program
7 by providing incentives at the point of
8 purchase;

9 “(III) agrees to participate in the
10 evaluation described in paragraph (4);

11 “(IV) ensures that the same
12 terms and conditions apply to pur-
13 chases made by individuals with bene-
14 fits issued under this Act and incen-
15 tives provided for in this subsection as
16 apply to purchases made by individ-
17 uals who are not members of house-
18 holds receiving benefits, such as pro-
19 vided for in section 278.2(b) of title 7,
20 Code of Federal Regulations (or a
21 successor regulation); and

22 “(V) includes effective and effi-
23 cient technologies for benefit redemp-
24 tion systems that may be replicated in
25 other for States and communities.

“(B) PRIORITY.—In awarding grants under this section, the Secretary shall give priority to projects that—

“(i) maximize the share of funds used for direct incentives to participants;

“(ii) use direct-to-consumer sales marketing;

“(iii) demonstrate a track record of designing and implementing successful nutrition incentive programs that connect low-income consumers and agricultural producers;

“(iv) provide locally or regionally produced fruits and vegetables;

“(v) are located in underserved communities; or

“(vi) address other criteria as established by the Secretary.

“(3) APPLICABILITY.—

“(A) IN GENERAL.—The value of any benefit provided to a participant in any activity funded under this subsection shall not be considered income or resources for any purpose under any Federal, State, or local law.

1 “(B) PROHIBITION ON COLLECTION OF
2 SALES TAXES.—Each State shall ensure that no
3 State or local tax is collected on a purchase of
4 food under this subsection.

5 “(C) NO LIMITATION ON BENEFITS.—A
6 grant made available under this subsection shall
7 not be used to carry out any project that limits
8 the use of benefits under the Food and Nutri-
9 tion Act of 2008 (7 U.S.C. 2011 et seq.) or any
10 other Federal nutrition law.

11 “(D) HOUSEHOLD ALLOTMENT.—Assist-
12 ance provided under this subsection to house-
13 holds receiving benefits under the supplemental
14 nutrition assistance program shall not—

15 “(i) be considered part of the supple-
16 mental nutrition assistance program bene-
17 fits of the household; or

18 “(ii) be used in the collection or dis-
19 position of claims under section 13 of the
20 Food and Nutrition Act of 2008 (7 U.S.C.
21 2022).

22 “(4) EVALUATION.—

23 “(A) INDEPENDENT EVALUATION.—The
24 Secretary shall provide for an independent eval-

1 uation of projects selected under this subsection
 2 that measures the impact of each project on—

3 “(i) improving the nutrition and
 4 health status of participating households
 5 receiving incentives under this subsection;
 6 and

7 “(ii) increasing fruit and vegetable
 8 purchases in participating households.

9 “(B) REQUIREMENT.—The independent
 10 evaluation under subparagraph (A) shall use
 11 rigorous methodologies capable of producing
 12 scientifically valid information regarding the ef-
 13 fectiveness of a project.

14 “(C) COSTS.—The Secretary may use
 15 funds not to exceed 10 percent of the funding
 16 provided to carry out this section to pay costs
 17 associated with administering, monitoring, and
 18 evaluating each project.

19 “(d) FUNDING.—

20 “(1) AUTHORIZATION OF APPROPRIATIONS.—
 21 There is authorized to be appropriated to carry out
 22 subsection (b) \$5,000,000 for each of fiscal years
 23 2014 through 2018.

1 “(2) MANDATORY FUNDING.—Of the funds of
2 the Commodity Credit Corporation, the Secretary
3 shall use to carry out subsection (c)—

4 “(A) \$15,000,000 for fiscal year 2014;

5 “(B) \$20,000,000 for each of fiscal years
6 2015 through 2017; and

7 “(C) \$25,000,000 for fiscal year 2018.”.

8 **SEC. 109. FOOD AND NUTRITION AGRICULTURE SERVICE**
9 **LEARNING PROGRAM.**

10 (a) IN GENERAL.—Subtitle D of the Department of
11 Agriculture Reorganization Act of 1994 (7 U.S.C. 6951)
12 is amended by adding at the end the following:

13 **“SEC. 242. FOOD AND AGRICULTURE SERVICE LEARNING**
14 **PROGRAM.**

15 “(a) ESTABLISHMENT.—The Secretary shall estab-
16 lish a Food and Agriculture Service Learning Program (in
17 this section referred to as the ‘Program’) to increase
18 knowledge of agriculture and improve the nutritional
19 health of children.

20 “(b) PURPOSES.—The purposes of the Program
21 are—

22 “(1) to increase capacity for food, garden, and
23 nutrition education within host organizations or enti-
24 ties, school cafeterias, and in the classroom;

1 “(2) to complement and build upon the efforts
2 of the farm to school programs implemented under
3 section 18(g) of the Richard B. Russell National
4 School Lunch Act (42 U.S.C. 1769(g));

5 “(3) to support the implementation of the regu-
6 lations to update meal patterns and nutrition stand-
7 ards promulgated under section 4(b)(3) of the Rich-
8 ard B. Russell National School Lunch Act (42
9 U.S.C. 1753(b)(3));

10 “(4) to carry out activities that advance the nu-
11 tritional health of children and nutrition education
12 in elementary schools and secondary schools;

13 “(5) to build on activities carried out by the
14 Food and Nutrition Service and the Corporation for
15 National and Community Service by providing funds
16 to establish new approved national service positions
17 for a national service program; and

18 “(6) to further expand the impact of the efforts
19 described in paragraphs (1) through (5) through co-
20 ordination with the National Institute of Food and
21 Agriculture.

22 “(c) ELIGIBILITY.—To carry out the Program, the
23 Secretary may make awards to an organization or other
24 entity that, as determined by the Secretary—

1 “(1) has a proven track record in carrying out
2 the activities described in subsection (b);

3 “(2) is carrying out or otherwise supporting a
4 national service program that receives assistance
5 from the Corporation for National and Community
6 Service under subtitle C of title I of the National
7 and Community Service Act of 1990 (42 U.S.C.
8 12571 et seq.);

9 “(3) works in underserved rural and urban
10 communities;

11 “(4) teaches and engages children in experien-
12 tial learning about agriculture, gardening, nutrition,
13 cooking, and where food comes from; and

14 “(5) facilitates a connection between elementary
15 schools and secondary schools and agricultural pro-
16 ducers in the local and regional area.

17 “(d) ACCOUNTABILITY.—

18 “(1) IN GENERAL.—The Secretary may require
19 an organization or other entity receiving an award
20 under subsection (c), or another qualified entity, to
21 collect and report any data on the activities carried
22 out by the Program as the Secretary determines nec-
23 essary.

24 “(2) EVALUATION.—The Secretary shall—

1 “(A) conduct regular evaluation of the ac-
2 tivities carried out by the Program; and

3 “(B) submit to the Committee on Agri-
4 culture of the House of Representatives and the
5 Committee on Agriculture, Nutrition, and For-
6 estry of the Senate a report that includes a de-
7 scription of the results of an evaluation con-
8 ducted under subparagraph (A).

9 “(e) FUNDING.—

10 “(1) IN GENERAL.—Of the funds of the Com-
11 modity Credit Corporation, the Secretary shall use
12 to carry out this section \$25,000,000, to remain
13 available until expended.

14 “(2) USE OF CERTAIN FUNDS.—Of the funds
15 made available to carry out this section for a fiscal
16 year, 20 percent shall be made available to the Na-
17 tional Institute of Food and Agriculture to offset
18 costs associated with hosting, training, and over-
19 seeing individuals in approved national service posi-
20 tions for the Program.

21 “(3) MAINTENANCE OF EFFORT.—Funds made
22 available under paragraph (1) shall be used only to
23 supplement, not to supplant, the amount of Federal
24 funding otherwise expended for nutrition, research,
25 and extension programs of the Department.

1 “(f) DEFINITIONS.—For purposes of this section:

2 “(1) APPROVED NATIONAL SERVICE POSI-
3 TION.—The term ‘approved national service position’
4 has the meaning given the term in section 101 of the
5 National and Community Service Act of 1990 (42
6 U.S.C. 12511)).

7 “(2) ESEA TERMS.—The terms ‘elementary
8 school’ and ‘secondary school’ have the meanings
9 given the terms in section 9101 of the Elementary
10 and Secondary Education Act of 1965 (20 U.S.C.
11 7801).”.

12 (b) CONFORMING AMENDMENT.—Section 296(b) of
13 the Department of Agriculture Reorganization Act of
14 1994 (7 U.S.C. 7014(b)) is amended—

15 (1) in paragraph (6)(C), by striking “or” at the
16 end;

17 (2) in paragraph (7), by striking the period at
18 the end and inserting “or”; and

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

20 “(8) the authority of the Secretary to carry out
21 activities described in section 242.”.

1 **TITLE II—CREDIT**
 2 **SEC. 201. LOANS TO LOCAL AND REGIONAL FOOD PRO-**
 3 **DUCERS.**

4 Subtitle D of the Consolidated Farm and Rural De-
 5 velopment Act (7 U.S.C. 1981 et seq.) is amended by in-
 6 serting after section 333C the following new section:

7 **“SEC. 333D. LOANS TO LOCAL AND REGIONAL FOOD PRO-**
 8 **DUCERS.**

9 “(a) IN GENERAL.—The Secretary shall make and
 10 guarantee loans under this title to eligible producers for
 11 the production of locally or regionally produced agricul-
 12 tural food products (as defined in section 310B(g)(9)), in-
 13 cluding qualified producers engaged in direct-to-consumer
 14 marketing, direct-to-institution marketing, or direct-to-
 15 store marketing, businesses or activities that produce a
 16 value-added agricultural product (as defined in section
 17 231(a) of the Agricultural Risk Protection Act of 2000
 18 (7 U.S.C. 1632a(a)), mid-tier value chains (as defined in
 19 such section 231(a)), and other local and regional market
 20 outlets.

21 “(b) TRAINING.—The Secretary shall ensure that
 22 loan officers processing loans under this section receive
 23 appropriate training to serve borrowers and potential bor-
 24 rowers engaged in local and regional food production.

25 “(c) VALUATION.—

1 “(1) IN GENERAL.—The Secretary shall develop
 2 ways to determine unit prices (or other appropriate
 3 forms of valuation) for crops and other agricultural
 4 products, the end use of which is intended to be in
 5 locally or regionally produced agricultural food prod-
 6 ucts, to facilitate lending to local and regional food
 7 producers.

8 “(2) PRICE HISTORY.—The Secretary shall im-
 9 plement a mechanism for local and regional food
 10 producers to establish price history for the crops and
 11 other agricultural products produced by such pro-
 12 ducers.

13 “(d) OUTREACH.—The Secretary shall develop and
 14 implement an outreach strategy to engage and provide
 15 loan services to local and regional food producers.”.

16 **SEC. 202. CLARIFICATION OF THE MISSION OF THE FARM**
 17 **CREDIT SYSTEM TO RECOGNIZE THE ECO-**
 18 **NOMIC BENEFITS OF SUPPORTING YOUNG,**
 19 **BEGINNING, AND SMALL FARMERS AND**
 20 **RANCHERS, AND CONTRIBUTIONS OF LOCAL**
 21 **AND REGIONAL FARM AND FOOD SYSTEMS.**

22 Section 1.1 of the Farm Credit Act of 1971 (12
 23 U.S.C. 2001) is amended by adding at the end the fol-
 24 lowing:

1 “(d) Recognizing that the vitality of United States
 2 agriculture and rural communities depends on the contin-
 3 ued entry of young, beginning, and small farmers and
 4 ranchers into agriculture, many of whom will operate
 5 farms with local and regional food product distribution,
 6 it is declared to be the policy of the Congress and an objec-
 7 tive of this Act that the Farm Credit System should en-
 8 deavor to serve the credit and related needs of these indi-
 9 viduals and the businesses on which they rely and that
 10 are necessary to the growth and vitality of local and re-
 11 gional farm and food systems.”.

12 **SEC. 203. YOUNG, BEGINNING, AND SMALL FARMERS AND**
 13 **RANCHERS AND LOCALLY OR REGIONALLY**
 14 **PRODUCED AGRICULTURAL PRODUCTS.**

15 (a) CREDIT FOR YOUNG, BEGINNING, AND SMALL
 16 FARMERS.—Section 4.19(a) of the Farm Credit Act of
 17 1971 (12 U.S.C. 2207(a)) is amended—

18 (1) in the first sentence by inserting “and for
 19 the production of locally or regionally produced agri-
 20 cultural food products (as defined in section
 21 310B(g)(10)(A) of the Consolidated Farm and
 22 Rural Development Act)” before the period; and

23 (2) by inserting after the second sentence the
 24 following: “Each such program shall include initia-
 25 tives and may include grants to support current and

1 future borrowers by helping to organize, build, ex-
 2 pand, or improve infrastructure and markets for lo-
 3 cally or regionally produced agricultural food prod-
 4 ucts (as so defined).”.

5 (b) Section 4.19 of such Act (12 U.S.C. 2207(b)) is
 6 amended by adding at the end the following:

7 “(c) The Farm Credit Administration shall submit to
 8 the Committee on Agriculture of the House of Representa-
 9 tives and the Committee on Agriculture, Nutrition, and
 10 Forestry of the Senate an annual report that contains a
 11 summary and analysis of the operations and achievements
 12 of the Farm Credit System as a whole in meeting the ob-
 13 jectives of this section. The Farm Credit Administration
 14 shall notify the Congress whenever a program is out of
 15 compliance with this section, and indicate in the notice
 16 the steps the Farm Credit Administration is taking in re-
 17 sponse.”.

18 **TITLE III—RURAL** 19 **DEVELOPMENT**

20 **SEC. 301. AVAILABILITY OF RURAL BUSINESS OPPOR-** 21 **TUNITY GRANTS FOR LOCAL AND REGIONAL** 22 **FOOD SYSTEMS.**

23 Section 306(a)(11) of the Consolidated Farm and
 24 Rural Development Act (7 U.S.C. 1926(a)(11)) is amend-
 25 ed—

1 (1) in subparagraph (A)—

2 (A) in clause (i), by inserting “domestic
3 and” before “export”;

4 (B) in clause (iv), by striking “and” at the
5 end;

6 (C) in clause (v)—

7 (i) by inserting “domestic and” before
8 “international”; and

9 (ii) by striking the period and insert-
10 ing “; and”; and

11 (D) by adding at the end the following:

12 “(vi) to develop enterprises and busi-
13 ness ventures that build sustainable local
14 and regional food systems, including
15 through processing, aggregation, distribu-
16 tion, storage, or marketing businesses in
17 connection with production agriculture.”;
18 and

19 (2) in subparagraph (D), by striking “2008
20 through 2012” and inserting “2014 through 2018”.

21 **SEC. 302. CLARIFICATION ON ALLOWED PARTNERSHIPS**
22 **FOR CERTAIN COMMUNITY FACILITIES**
23 **GRANTS AND LOANS.**

24 (a) COMMUNITY FACILITIES GRANT PROGRAM.—

25 Section 306(a)(19) of the Consolidated Farm and Rural

1 Development Act (7 U.S.C. 1926(a)(19)) is amended by
2 adding at the end the following new subparagraph:

3 “(D) PARTNERSHIPS ALLOWED.—An asso-
4 ciation, unit of general local government, non-
5 profit corporation, or Indian tribe that receives
6 a grant under this paragraph may partner with
7 philanthropic or for-profit entities in developing
8 specific essential community facilities in rural
9 areas.”.

10 (b) LOAN GUARANTEES FOR WATER, WASTEWATER,
11 AND ESSENTIAL COMMUNITY FACILITIES LOANS.—Sec-
12 tion 306(a)(24) of the Consolidated Farm and Rural De-
13 velopment Act (7 U.S.C. 1926(a)(24)) is amended by add-
14 ing at the end the following new subparagraph:

15 “(C) PARTNERSHIPS ALLOWED.—The re-
16 cipient of a loan guarantee under this para-
17 graph may partner with philanthropic or for-
18 profit entities in servicing, or providing addi-
19 tional credit with respect to, a loan described in
20 subparagraph (A).”.

1 **SEC. 303. AVAILABILITY OF RURAL BUSINESS ENTERPRISE**
 2 **GRANTS FOR VALUE-ADDED PROCESSING,**
 3 **AGGREGATION, DISTRIBUTION, STORAGE,**
 4 **AND MARKETING IN CONNECTION WITH PRO-**
 5 **DUCTION AGRICULTURE.**

6 Section 310B of the Consolidated Farm and Rural
 7 Development Act (7 U.S.C. 1932) is amended—

8 (1) in subsection (a)(2)—

9 (A) in subparagraph (C), by striking
 10 “and” at the end;

11 (B) in subparagraph (D), by striking the
 12 period and inserting “; and”; and

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

14 “(E) value-added processing, aggregation,
 15 distribution, storage, or marketing in connec-
 16 tion with production agriculture.”; and

17 (2) in subsection (c)(1)(B)(ii), by inserting “,
 18 aggregation, distribution, storage, or marketing”
 19 after “processing”.

20 **SEC. 304. MAKING IMPROVEMENTS TO BUSINESS AND IN-**
 21 **DUSTRY DIRECT AND GUARANTEED LOANS**
 22 **TO BENEFIT PRODUCERS OF LOCAL OR RE-**
 23 **GIONALLY PRODUCED AGRICULTURAL FOOD**
 24 **PRODUCTS.**

25 Section 310B(g) of the Consolidated Farm and Rural
 26 Development Act (7 U.S.C. 1932(g)) is amended—

1 (1) in paragraph (6)(A)—

2 (A) in clause (i), by striking “value-added
3 processing” and all that follows through the
4 semicolon and inserting “value-added proc-
5 essing, distribution, aggregation, storage, or
6 marketing of agricultural food products that
7 create new opportunities for agricultural pro-
8 ducers;”; and

9 (B) in clause (iii), by striking “subsection
10 (a)(2)(A)” and inserting “this subsection”; and
11 (2) in paragraph (9)(B)—

12 (A) in clause (i), by inserting “in rural or
13 non-rural areas” after “entities”;

14 (B) by striking clauses (ii) and (iii) and in-
15 serting the following new clauses:

16 “(ii) PRIORITY.—In making or guar-
17 anteeing a loan under clause (i), the Sec-
18 retary shall give priority to projects that
19 will—

20 “(I) result in increased access to
21 locally or regionally grown food in un-
22 derserved communities;

23 “(II) create new market opportu-
24 nities for local or regional agricultural
25 producers; or

1 “(III) support strategic economic
 2 and community development regional
 3 economic development plans on a
 4 multijurisdictional basis.

5 “(iii) GUARANTEE FEE.—In guaran-
 6 teeing a loan under clause (i), the Sec-
 7 retary may waive, reduce, or incorporate
 8 into the amount of the guarantee made
 9 under such clause, the fee that would oth-
 10 erwise be imposed under paragraph (5)
 11 with respect to such guarantee.”;

12 (C) by redesignating clauses (iv) and (v) as
 13 clauses (v) and (vi), respectively;

14 (D) by inserting after clause (iii) the fol-
 15 lowing new clause:

16 “(iv) OUTREACH.—The Secretary
 17 shall develop and implement an outreach
 18 plan to publicize the availability of loans
 19 and loan guarantees under this paragraph,
 20 working closely with rural cooperative de-
 21 velopment centers, credit unions, commu-
 22 nity development financial institutions, re-
 23 gional economic development authorities,
 24 and other financial and economic develop-
 25 ment entities.”;

1 (E) in clause (v) (as redesignated by sub-
2 paragraph (C))—

3 (i) in the matter preceding subclause
4 (I), by inserting “, and publish on the
5 internet,” after “Senate”;

6 (ii) by redesignating subclauses (I)
7 and (II) as subclauses (II) and (III), re-
8 spectively;

9 (iii) by inserting before subclause (II),
10 the following new subclause:

11 “(I) summary information on
12 each such project;”; and

13 (iv) in subclause (II) (as redesignated
14 by clause (ii)), by inserting “and agricul-
15 tural producers” after “communities”; and
16 (F) in clause (vi)(I) (as so redesignated),
17 by striking “2012” and inserting “2018”.

18 **SEC. 305. VALUE-ADDED AGRICULTURAL PRODUCT MAR-**
19 **KET DEVELOPMENT GRANTS.**

20 (a) DEFINITIONS.—Section 231(a) of the Agricul-
21 tural Risk Protection Act of 2000 (7 U.S.C. 1632a(a)(3))
22 is amended—

23 (1) in paragraph (3)—

24 (A) in the matter preceding subparagraph

25 (A), by inserting “(including networks that op-

1 erate through food distribution centers that co-
 2 ordinate agricultural production and the aggre-
 3 gation, storage, processing, distribution, and
 4 marketing of locally or regionally produced agri-
 5 cultural products)” after “products”; and

6 (B) in subparagraph (A), by striking “a
 7 family farm” and inserting “family farms”; and

8 (2) in paragraph (5)(A)(v), by inserting “or as
 9 part of a mid-tier value chain” before the semicolon.

10 (b) GRANT PROGRAM.—Section 231(b) of the Agri-
 11 cultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b))
 12 is amended—

13 (1) in paragraph (1)—

14 (A) in the matter preceding subparagraph

15 (A)—

16 (i) by striking “paragraph (7)” and
 17 inserting “paragraph (8)”; and

18 (ii) by inserting “, using a peer review
 19 process,” before “shall”; and

20 (B) in subparagraph (A)(i), by inserting
 21 “or conducting a feasibility study” after “busi-
 22 ness plan”;

23 (2) by striking paragraph (6) and inserting the
 24 following new paragraph:

1 “(6) PRIORITY.—In awarding grants under this
2 subsection, the Secretary shall—

3 “(A) in the case of grants awarded under
4 paragraph (1)(A), give priority to—

5 “(i) operators of small- and medium-
6 sized farms and ranches that are struc-
7 tured as family farms; or

8 “(ii) beginning farmers and ranchers
9 or socially disadvantaged farmers and
10 ranchers; and

11 “(B) in the case of grants awarded under
12 paragraph (1)(B), give priority to projects that,
13 as determined through peer review, best con-
14 tribute to—

15 “(i) increasing opportunities for oper-
16 ators of small- and medium-sized farms
17 and ranches that are structured as family
18 farms; or

19 “(ii) creating opportunities for begin-
20 ning farmers and ranchers or socially dis-
21 advantaged farmers and ranchers.”;

22 (3) by redesignating paragraph (7) as para-
23 graph (8);

24 (4) by inserting after paragraph (6) the fol-
25 lowing new paragraph:

1 “(7) OUTREACH AND TECHNICAL ASSIST-
 2 ANCE.—The Secretary shall develop and implement
 3 an outreach and technical assistance strategy to as-
 4 sist recipients of a grant under this subsection reach
 5 and serve underserved States and communities (as
 6 determined by the Secretary).”; and

7 (5) in paragraph (8) (as redesignated by para-
 8 graph (3))—

9 (A) by striking subparagraph (A) and in-
 10 serting the following new subparagraph:

11 “(A) MANDATORY FUNDING.—Of the
 12 funds of the Commodity Credit Corporation, the
 13 Secretary shall make available to carry out this
 14 subsection—

15 “(i) \$15,000,000 for the period of fis-
 16 cal years 2008 through 2013, to remain
 17 available until expended; and

18 “(ii) \$20,000,000 for each of fiscal
 19 years 2014 through 2018, to remain avail-
 20 able until expended.”;

21 (B) in subparagraph (B), by striking
 22 “2012” and inserting “2018”; and

23 (C) by striking subparagraph (C) and in-
 24 serting the following new subparagraph:

25 “(C) PRIORITY FUNDING.—

1 “(i) IN GENERAL.—The Secretary
 2 shall, to the maximum extent practicable,
 3 reserve not less than two-thirds of the
 4 amounts made available for each fiscal
 5 year under this paragraph to fund grants
 6 with respect to which priority is given
 7 under paragraph (6).

8 “(ii) RESERVATION OF FUNDS FOR
 9 PROJECTS TO BENEFIT BEGINNING FARM-
 10 ERS OR RANCHERS, SOCIALLY DISADVAN-
 11 TAGED FARMERS OR RANCHERS, AND MID-
 12 TIER VALUE CHAINS.—

13 “(I) IN GENERAL.—The Sec-
 14 retary shall reserve 10 percent of the
 15 amounts made available for each fiscal
 16 year under this paragraph to fund
 17 projects that benefit beginning farm-
 18 ers or ranchers or socially disadvan-
 19 taged farmers or ranchers.

20 “(II) MID-TIER VALUE
 21 CHAINS.—The Secretary shall reserve
 22 10 percent of the amounts made avail-
 23 able for each fiscal year under this
 24 paragraph to fund applications of eli-
 25 gible entities described in paragraph

1 (1) that propose to develop mid-tier
2 value chains.

3 “(III) UNOBLIGATED
4 AMOUNTS.—Any amounts in the re-
5 serves for a fiscal year established
6 under subclauses (I) and (II) that are
7 not obligated by the date on which the
8 Secretary completes the review proc-
9 ess for applications submitted under
10 this section in the fiscal year shall be
11 available to the Secretary to make
12 grants under this subsection to eligi-
13 ble entities in any State, as deter-
14 mined by the Secretary.”.

15 **TITLE IV—RESEARCH, EDU-**
16 **CATION, AND RELATED MAT-**
17 **TERS**

18 **SEC. 401. AGRICULTURE AND FOOD RESEARCH INITIATIVE.**

19 Subsection (b) of the Competitive, Special, and Fa-
20 cilities Research Grant Act (7 U.S.C. 450i(b)) is amend-
21 ed—

22 (1) in paragraph (1), by striking “food and ag-
23 ricultural sciences” and all that follows through the
24 period at the end and inserting the following: “food
25 and agricultural sciences (as defined under section

1 1404 of the National Agricultural Research, Extension,
2 and Teaching Policy Act of 1977 (7 U.S.C.
3 3103))—

4 “(A) in the case of a grant made under
5 paragraph (6), to an entity described in sub-
6 paragraphs (A), (B), (C), or (D) of such para-
7 graph; and

8 “(B) in the case of any other grant made
9 under this subsection, to any eligible entity de-
10 scribed in paragraph (7), including a grant
11 made for—

12 “(i) fundamental research (as defined
13 in section 251(f)(1) of the Department of
14 Agriculture Reorganization Act of 1994 (7
15 U.S.C. 6971(f)(1)));

16 “(ii) applied research (as defined in
17 such section 251(f)(1));

18 “(iii) integrated research conducted
19 pursuant to section 406 of the Agricultural
20 Research, Extension, and Education Re-
21 form Act of 1998 (7 U.S.C. 7626); or

22 “(iv) integrated research so conducted
23 that is applied or fundamental research.”;

24 (2) in paragraph (2)—

1 (A) in subparagraph (A)(iii), by striking
 2 “conventional breeding, including cultivar and
 3 breed development,” and inserting “public
 4 cultivar development through conventional
 5 breeding with no requirement or preference for
 6 the use of marker-assisted or genomic selection
 7 methods, including”;

8 (B) in subparagraph (B)(iv), by striking
 9 “conventional breeding, including breed develop-
 10 ment,” and inserting “public breed development
 11 through conventional breeding with no require-
 12 ment or preference for the use of marker-as-
 13 sisted or genomic selection methods, including”;
 14 and

15 (C) in subparagraph (F)—

16 (i) in clause (v), by striking “and” at
 17 the end;

18 (ii) in clause (vi), by striking the pe-
 19 riod at the end and inserting “; and”; and

20 (iii) by adding at the end the fol-
 21 lowing new clause:

22 “(vii) new approaches to advance sys-
 23 tems that enhance the markets for, and
 24 policy related to, locally or regionally pro-
 25 duced agricultural food products, as de-

1 fined in section 310B(g)(9)(A) of the Con-
 2 solidated Farm and Rural Development
 3 Act (7 U.S.C. 1932(g)(9)(A)).”;

4 (3) in paragraph (4)(A), by inserting “, includ-
 5 ing by conducting each fiscal year at least 1 sepa-
 6 rate request for applications for grants for research
 7 on public cultivar development through conventional
 8 breeding as described in paragraph (2)” before the
 9 semicolon at the end;

10 (4) by redesignating paragraph (11) as para-
 11 graph (12);

12 (5) by inserting after paragraph (10) the fol-
 13 lowing new paragraph:

14 “(11) DEFINITIONS.—In this subsection:

15 “(A) CONVENTIONAL BREEDING.—The
 16 term ‘conventional breeding’ means the develop-
 17 ment of new varieties of an organism through
 18 controlled mating and selection without the use
 19 of transgenic methods.

20 “(B) PUBLIC BREED.—The term ‘public
 21 breed’ means a breed that is the commercially
 22 available uniform end product of a publicly
 23 funded breeding program that—

1 “(i) has been sufficiently tested to
 2 demonstrate improved characteristics and
 3 stable performance; and

4 “(ii) remains in the public domain for
 5 research purposes.

6 “(C) PUBLIC CULTIVAR.—The term ‘public
 7 cultivar’ means a cultivar that is the commer-
 8 cially available uniform end product of a pub-
 9 licly funded breeding program that—

10 “(i) has been sufficiently tested to
 11 demonstrate improved characteristics and
 12 stable performance; and

13 “(ii) remains in the public domain for
 14 research purposes.”; and

15 (6) in paragraph (12)(A) (as redesignated by
 16 paragraph (4)), in the matter preceding clause (i),
 17 by striking “2012” and inserting “2018”.

18 **SEC. 402. LOCAL AND REGIONAL FOOD SYSTEM ENTER-**
 19 **PRISE FACILITATION.**

20 Section 502 of the Rural Development Act of 1972
 21 (7 U.S.C. 2662) is amended by inserting after subsection
 22 (e) the following new subsection:

23 “(f) LOCAL AND REGIONAL FARM AND FOOD SYS-
 24 TEM ENTERPRISE FACILITATION.—

1 “(1) IN GENERAL.—The Secretary shall estab-
2 lish a local and regional farm and food system enter-
3 prise facilitation initiative to increase training and
4 technical assistance for purposes of building sustain-
5 able local and regional food systems, the activities of
6 which may include—

7 “(A) providing practical, reliable, and
8 timely information to entrepreneurs and entre-
9 preneurial development organizations con-
10 cerning business management, business plan-
11 ning, microenterprise, marketing, and entrepre-
12 neurial education and training related to the
13 development of local and regional farm and food
14 system enterprises;

15 “(B) providing training and technical as-
16 sistance to newly operational and growing local
17 and regional farm and food system businesses;

18 “(C) establishing networks of entrepre-
19 neurial support through partnerships among en-
20 trepreneurs, local business communities, all lev-
21 els of government, nonprofit organizations, col-
22 leges and universities, and other sectors; and

23 “(D) providing technical assistance for the
24 preparation of grant and loan applications sub-

mitted for purposes of carrying out an activity referred to in subparagraphs (A), (B), or (C).

“(2) ENTERPRISE FACILITATORS.—

“(A) IN GENERAL.—In carrying out the initiative established under paragraph (1), the Secretary shall establish in the National Institute of Food and Agriculture the position of enterprise facilitator (referred to in this subsection as an ‘enterprise facilitator’) to perform the duties specified in subparagraph (C).

“(B) PRIORITY.—In allocating funds made available to carry out this subsection, the Secretary shall give priority to enterprise facilitators located in areas that—

“(i) have high participation rates for the supplemental nutrition assistance program established under the Food and Nutrition Act of 2008 (7 U.S.C. 2011 et seq.); and

“(ii) are rural areas (as defined in section 343(13) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(13))).

“(C) DUTIES.—An enterprise facilitator shall, to the maximum extent practicable—

1 “(i) identify and organize local and
 2 regional food producers and entrepreneurs
 3 into entities that are able to deliver local
 4 and regional food into local markets;

5 “(ii) develop partnerships with local
 6 and regional organizations and institutions
 7 to train entrepreneurs and facilitate new
 8 enterprises, including partnerships eligible
 9 for or that have received a grant under
 10 paragraph (3);

11 “(iii) assist local and regional agricul-
 12 tural producers and processors, including
 13 new producers and processors, with mar-
 14 keting and distribution of local and re-
 15 gional food products;

16 “(iv) identify and work to remove bar-
 17 riers to the movement of local and regional
 18 food products into the marketplace;

19 “(v) work with local expanded food
 20 and nutrition education programs, schools
 21 and other local institutions, and individuals
 22 to assist in the development of food aggre-
 23 gation, processing, distribution, and stor-
 24 age skills in the locality or region involved;

1 “(vi) provide technical assistance in
 2 the preparation of grant and loan applica-
 3 tions submitted for purposes of carrying
 4 out an activity referred to in paragraph
 5 (1); and

6 “(vii) work with private sources of
 7 funding and other Federal and State agen-
 8 cies to acquire funds for such purposes
 9 through grants and loans.

10 “(3) GRANTS.—

11 “(A) AUTHORITY.—In carrying out the ini-
 12 tiative established under paragraph (1), the
 13 Secretary shall award grants to eligible entities,
 14 on a competitive basis, to provide training or
 15 technical assistance for purposes of building
 16 sustainable local and regional food systems.

17 “(B) ELIGIBILITY.—An eligible entity
 18 under this paragraph is a collaborative State,
 19 tribal, local, or regionally based network or
 20 partnership of public or private entities, includ-
 21 ing a network or partnership of—

22 “(i) colleges and universities, includ-
 23 ing cooperative extension colleges and uni-
 24 versities;

25 “(ii) nonprofit organizations;

1 “(iii) Federal, State, local, and tribal
2 governmental entities; or

3 “(iv) any other appropriate entities,
4 as determined by the Secretary.

5 “(C) APPLICATION.—An eligible entity
6 seeking a grant under this paragraph shall sub-
7 mit to the Secretary an application in such time
8 and in such manner and containing such infor-
9 mation as the Secretary may require, including
10 information on any project the entity intends to
11 carry out using grant funds.

12 “(D) PRIORITY.—In awarding grants
13 under this paragraph, the Secretary shall give
14 priority to applications submitted by eligible en-
15 tities that are led by or include non-profit com-
16 munity-based organizations with expertise in
17 providing training or technical assistance to
18 local and regional food producers.

19 “(E) CONSIDERATION OF PROJECTS.—In
20 awarding grants under this paragraph, the Sec-
21 retary shall consider, with respect to a project
22 included in an application submitted under sub-
23 paragraph (C)—

24 “(i) the relevance of the project to the
25 initiative established under paragraph (1);

1 “(ii) the appropriateness of the design
2 of the project;

3 “(iii) the likelihood of achieving the
4 objectives of the project;

5 “(iv) the inclusion of entrepreneurs
6 and community leaders in the project;

7 “(v) the availability of enterprise
8 facilitators to assist with the project;

9 “(vi) adequacy of plans for outreach,
10 evaluation, reporting, and communication;
11 and

12 “(vii) the national or regional applica-
13 bility of the findings and outcomes of the
14 project.

15 “(F) TERM.—The term of a grant pro-
16 vided under this paragraph shall be not more
17 than three years.”.

18 **SEC. 403. CONVENTIONAL BREEDING INITIATIVE.**

19 (a) IN GENERAL.—Section 251(e) of the Department
20 of Agriculture Reorganization Act of 1994 (7 U.S.C.
21 6971(e)) is amended by adding at the end the following
22 new paragraph:

23 “(6) CONVENTIONAL PLANT AND ANIMAL
24 BREEDING SPECIAL INITIATIVE.—

1 “(A) IN GENERAL.—The Under Secretary
2 shall establish a special initiative within the Re-
3 search, Education, and Extension Office to co-
4 ordinate research activities at the Department
5 relating to conventional plant and animal breed-
6 ing.

7 “(B) WORKING GROUP.—In carrying out
8 the special initiative established under subpara-
9 graph (A), the Under Secretary shall establish
10 a working group that reports to the Under Sec-
11 retary, to be comprised of individuals who are
12 responsible for the management or administra-
13 tion of public breeding programs in the Depart-
14 ment from each of the following agencies within
15 the Department:

16 “(i) The National Institute of Food
17 and Agriculture.

18 “(ii) The Agricultural Research Serv-
19 ice.

20 “(iii) The Economic Research Service.

21 “(iv) The National Agricultural Sta-
22 tistics Service.

23 “(C) DUTIES OF WORKING GROUP.—The
24 working group shall—

1 “(i) coordinate conventional plant and
2 animal breeding research being conducted
3 at or funded by an agency described in
4 subparagraph (B);

5 “(ii) carry out ongoing analysis and
6 tracking activities for public grants to en-
7 sure that a diverse range of crop and ani-
8 mal breeding needs are being met in a
9 timely and transparent manner;

10 “(iii) coordinate and collaborate with
11 the National Genetics Resource Advisory
12 Council established pursuant to section
13 1632 of the Food, Agriculture, Conserva-
14 tion, and Trade Act of 1990 (7 U.S.C.
15 5841);

16 “(iv) maximize the delivery of public
17 cultivars and public breeds and ensure the
18 efficient coordination of the activities of
19 the working group and the activities of
20 each of—

21 “(I) the Agricultural Research
22 Service;

23 “(II) the National Institute of
24 Food and Agriculture;

1 “(III) the National Genetic Re-
2 sources Advisory Council;

3 “(IV) genetic resource conserva-
4 tion centers;

5 “(V) land-grant colleges and uni-
6 versities (as defined in section 1404 of
7 the National Agricultural Research,
8 Extension, and Teaching Policy Act of
9 1977 (7 U.S.C. 3103));

10 “(VI) nongovernmental organiza-
11 tions with interests or expertise in
12 conventional breeding; and

13 “(VII) public and private conven-
14 tional plant and animal breeders; and

15 “(v) evaluate conventional public plant
16 and animal breeding activities and out-
17 comes to make recommendations to the
18 Under Secretary on the adequacy of
19 human and financial resources needed to
20 ensure that the next generation of public
21 breeders and agricultural breeders are pre-
22 pared to meet the challenges of the future.

23 “(D) ADVISORY BOARD.—The Under Sec-
24 retary shall establish an advisory board whose
25 primary duty will be to make recommendations

1 to the working group established under sub-
 2 paragraph (B) on matters related to the duties
 3 specified in subparagraph (C). The advisory
 4 board shall be comprised of individuals with ex-
 5 pertise in conventional plant and animal breed-
 6 ing including representatives from each of the
 7 following:

8 “(i) The Agricultural Research Serv-
 9 ice.

10 “(ii) The National Institute of Food
 11 and Agriculture.

12 “(iii) Private foundations and non-
 13 profit organizations that have expertise in
 14 conventional plant and animal breeding.

15 “(iv) Private agricultural research and
 16 technology transfer firms.

17 “(v) Land-grant colleges and univer-
 18 sities.

19 “(E) DEFINITIONS.—The terms ‘conven-
 20 tional breeding’, ‘public cultivar’, and ‘public
 21 breed’ have the meaning given such terms in
 22 paragraph (11) of subsection (b) of the of the
 23 Competitive, Special, and Facilities Research
 24 Grant Act (7 U.S.C. 450i(b)).”.

1 (b) CONFORMING AMENDMENT.—Section 296(b) of
 2 the Department of Agriculture Reorganization Act of
 3 1994 (7 U.S.C. 7014(b)), as amended by section 109(b),
 4 is further amended—

5 (1) in paragraph (7) (as amended by such sec-
 6 tion 109(b)), by striking “or” at the end;

7 (2) in paragraph (8), (as amended by such sec-
 8 tion 109(b)), by striking the period at the end and
 9 inserting “; or”; and

10 (3) by adding at the end the following new
 11 paragraph:

12 “(9) the authority of the Secretary to establish
 13 a conventional plant and animal breeding special ini-
 14 tiative under section 251(e).”.

15 **SEC. 404. NATIONAL GENETICS RESOURCES PROGRAM.**

16 Section 1632(d) of the Food, Agriculture, Conserva-
 17 tion, and Trade Act of 1990 (7 U.S.C. 5841(d)) is amend-
 18 ed—

19 (1) in paragraph (5), by striking “and” after
 20 the semicolon at the end;

21 (2) by redesignating paragraph (6) as para-
 22 graph (7); and

23 (3) by inserting after paragraph (5) the fol-
 24 lowing new paragraph:

1 “(6) establish a national strategic germplasm
 2 assessment and use plan to meet food security goals
 3 for the future; and”.

4 **TITLE V—HORTICULTURE**

5 **SEC. 501. FARMERS MARKET AND LOCAL FOOD PRO-** 6 **MOTION PROGRAM.**

7 Section 6 of the Farmer-to-Consumer Direct Mar-
 8 keting Act of 1976 (7 U.S.C. 3005) is amended—

9 (1) in the section heading, by adding “AND
 10 LOCAL FOOD” after “MARKET”;

11 (2) in subsection (a)—

12 (A) by inserting “and Local Food” after
 13 “Market”;

14 (B) by striking “farmers’ markets and to
 15 promote”; and

16 (C) by inserting “and local food capacity
 17 development” before the period at the end;

18 (3) in subsection (b), by striking paragraph (1)
 19 and inserting the following:

20 “(1) IN GENERAL.—The purposes of the Pro-
 21 gram are to increase domestic consumption of and
 22 access to locally and regionally produced agricultural
 23 products by developing, improving, expanding, and
 24 providing outreach, training, and technical assist-

1 ance to, or assisting in the development, improve-
 2 ment and expansion of—

3 “(A) domestic farmers’ markets, roadside
 4 stands, community-supported agriculture pro-
 5 grams, agritourism activities, and other direct
 6 producer-to-consumer market opportunities; and

7 “(B) local and regional food enterprises
 8 that are not direct producer-to-consumer mar-
 9 kets but process, distribute, aggregate, store,
 10 and market locally or regionally produced food
 11 products.”;

12 (4) in subsection (c)(1)—

13 (A) by inserting “or other agricultural
 14 business entity” after “cooperative”; and

15 (B) by inserting “, including a community
 16 supported agriculture network or association”
 17 after “association”;

18 (5) by redesignating subsection (e) as sub-
 19 section (f);

20 (6) by inserting after subsection (d) the fol-
 21 lowing new subsection:

22 “(e) PRIORITIES.—In providing grants under the
 23 Program, priority shall be given to applications that in-
 24 clude projects that—

25 “(1) benefit underserved communities;

1 “(2) develop market opportunities for small and
2 mid-sized farm and ranch operations; and

3 “(3) include a strategic plan to maximize the
4 use of funds to build capacity for local and regional
5 food systems in a community.”; and

6 (7) in subsection (f) (as redesignated by para-
7 graph (5))—

8 (A) in paragraph (1)—

9 (i) in the heading, by striking “FIS-
10 CAL YEARS 2008 THROUGH 2012” and in-
11 serting “COMMODITY CREDIT CORPORA-
12 TION FUNDING FOR FISCAL YEARS 2008
13 THROUGH 2012 AND 2014 THROUGH 2018”;

14 (ii) in subparagraph (B), by striking
15 “and” after the semicolon at the end;

16 (iii) in subparagraph (C), by striking
17 the period at the end and inserting “;
18 and”; and

19 (iv) by adding at the end the fol-
20 lowing:

21 “(D) \$20,000,000 for each of fiscal years
22 2014 through 2018.”;

23 (B) by striking paragraphs (2) and (4);

24 (C) by redesignating paragraph (3) as
25 paragraph (4);

1 (D) by inserting after paragraph (1) the
 2 following new paragraphs:

3 “(2) AUTHORIZATION OF APPROPRIATIONS.—In
 4 addition to funds made available under paragraph
 5 (1), there is authorized to be appropriated to carry
 6 out this section \$20,000,000 for each of fiscal years
 7 2013 through 2018.

8 “(3) USE OF FUNDS.—

9 “(A) IN GENERAL.—Of the funds made
 10 available to carry out the Program for each fis-
 11 cal year, to the maximum extent practicable, 50
 12 percent shall be used for the purposes described
 13 in subsection (b)(1)(A) and 50 percent shall be
 14 used for the purposes described in subsection
 15 (b)(1)(B).

16 “(B) COST SHARE.—To be eligible to re-
 17 ceive a grant for a project described in sub-
 18 section (b)(1)(B), a recipient shall provide a
 19 match in the form of cash or in-kind contribu-
 20 tions in an amount equal to 25 percent of the
 21 total cost of the project.”; and

22 (E) by adding at the end the following new
 23 paragraphs:

24 “(5) ADMINISTRATIVE EXPENSES.—Not more
 25 than 10 percent of the total amount made available

1 to carry out this section for a fiscal year may be
2 used for administrative expenses.

3 “(6) LIMITATIONS.—An eligible entity may not
4 use a grant or other assistance provided under the
5 Program for the purchase, construction, or rehabili-
6 tation of a building or structure.”.

7 **SEC. 502. SPECIALTY CROP BLOCK GRANTS.**

8 (a) DEFINITIONS.—Section 3 of the Specialty Crops
9 Competitiveness Act of 2004 (7 U.S.C. 1621 note) is
10 amended—

11 (1) by redesignating paragraphs (1), (2), and
12 (3) as paragraphs (2), (3), and (4), respectively; and
13 (2) by inserting before paragraph (2), as redes-
14 igned by paragraph (1) of this subsection, the fol-
15 lowing new paragraph:

16 “(1) The term ‘locally or regionally produced
17 food’ has the meaning given the term ‘locally or re-
18 gionally produced agricultural food products’ in sec-
19 tion 310B(g)(9)(A)(i) of the Consolidated Farm and
20 Rural Development Act (7 U.S.C.
21 1932(g)(9)(A)(i)).”.

22 (b) AVAILABILITY AND PURPOSES OF GRANTS.—
23 Subsection (a) of section 101 of such Act is amended—

24 (1) in the heading, by striking “PURPOSE” and
25 inserting “PURPOSES”;

1 (2) by striking “2005 through 2012” and in-
 2 serting “2013 through 2018”; and

3 (3) by striking “solely to enhance” and all that
 4 follows and inserting “to increase the consumption
 5 and availability of specialty crops, including those
 6 that are locally or regionally produced, and to in-
 7 crease the profitability, ecological sustainability, and
 8 competitiveness of specialty crop production.”.

9 (c) PREFERENCE.—Such section 101 is further
 10 amended—

11 (1) by redesignating subsections (g), (h), (i),
 12 and (j) as subsections (i), (j), (k), and (m), respec-
 13 tively; and

14 (2) by inserting after subsection (f) the fol-
 15 lowing new subsection:

16 “(g) PREFERENCE.—In using grant funds provided
 17 under this section, the State receiving the grant shall give
 18 a preference to proposals that demonstrate ability to have
 19 direct positive impact on—

20 “(1) farm profitability and sustainability;

21 “(2) improved distribution capacity for locally
 22 or regionally produced foods; or

23 “(3) increased domestic consumption and af-
 24 fordability of edible specialty crops, particularly in
 25 low-income communities; and”.

1 (d) TRANSPARENCY.—Such section 101 is further
 2 amended by inserting after subsection (g), as added by
 3 subsection (c) of this section, the following new subsection:

4 “(h) TRANSPARENCY.—Each State receiving a grant
 5 under this section shall, in a timely manner, publish on
 6 an Internet website summary information about all grants
 7 received under this section and reports on the implementa-
 8 tion of projects funded by such grants.”.

9 (e) USE OF GRANT FUNDS.—Such section 101 is fur-
 10 ther amended by inserting after subsection (k), as redesign-
 11 nated by subsection (e)(1) of this section, the following
 12 new subsection:

13 “(l) USE OF GRANT FUNDS.—The Secretary shall
 14 consider expansion of the grant program under this sec-
 15 tion to include traditional foods of federally recognized In-
 16 dian tribes and other minority communities and may pub-
 17 lish appropriate guidance to States receiving grants under
 18 this section regarding any such expansion.”.

19 **SEC. 503. STUDY ON LOCAL FOOD PRODUCTION AND PRO-**
 20 **GRAM EVALUATION.**

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

22 (1) collect data on the production and mar-
 23 keting of locally or regionally produced agricultural
 24 food products;

1 (2) facilitate interagency collaboration and data
 2 sharing on programs related to local and regional
 3 food systems; and

4 (3) monitor the effectiveness of programs de-
 5 signed to expand or facilitate local food systems.

6 (b) REQUIREMENTS.—In carrying out this section,
 7 the Secretary shall—

8 (1) collect and distribute comprehensive report-
 9 ing of prices of locally or regionally produced agri-
 10 cultural food products;

11 (2) conduct surveys and analysis and publish
 12 reports relating to the production, handling, dis-
 13 tribution, retail sales, and trend studies (including
 14 consumer purchasing patterns) of or on locally or re-
 15 gionally produced agricultural food products;

16 (3) evaluate the effectiveness of existing pro-
 17 grams in growing local and regional food systems,
 18 including—

19 (A) the impact of local food systems on job
 20 creation and economic development;

21 (B) the level of participation in the Farm-
 22 ers' Market and Local Food Promotion Pro-
 23 gram established under section 6 of the Farm-
 24 er-to-Consumer Direct Marketing Act of 1976
 25 (7 U.S.C. 3005), including the percentage of

1 projects funded in comparison to applicants and
 2 the types of eligible entities receiving funds;

3 (C) the ability for participants to leverage
 4 private capital and a synopsis of the places
 5 from which non-Federal funds are derived; and

6 (D) any additional resources required to
 7 aid in the development or expansion of local
 8 and regional food systems;

9 (4) expand the Agricultural Resource Manage-
 10 ment Survey to include questions on locally or re-
 11 gionally produced agricultural food products;

12 (5) seek to establish or expand private-public
 13 partnerships to facilitate, to the maximum extent
 14 practicable, the collection of data on locally or re-
 15 gionally produced agricultural food products, includ-
 16 ing the development of a nationally coordinated and
 17 regionally balanced evaluation of the redevelopment
 18 of locally or regionally produced food systems;

19 (6) form an interagency work group that in-
 20 cludes representatives from—

21 (A) the Agricultural Marketing Service;

22 (B) the Agricultural Research Service;

23 (C) the Economic Research Service;

24 (D) the Food and Nutrition Service;

1 (E) the Food Safety and Inspection Serv-
 2 ice;

3 (F) the National Agricultural Statistics
 4 Service;

5 (G) the National Institute of Food and Ag-
 6 riculture; and

7 (H) other agencies that are involved in
 8 data collection and research on locally or re-
 9 gionally produced agricultural food products;
 10 and

11 (7) authorize the National Agricultural Statis-
 12 tics Service to create and administer—

13 (A) a follow up survey to the Census of
 14 Agriculture to collect detailed data on producers
 15 who indicated that the producers sell to mar-
 16 kets for locally or regionally produced agricul-
 17 tural food products; and

18 (B) a survey for the purpose of collecting
 19 market data, including sales by product type
 20 and supply chain or sourcing data, from all ven-
 21 dors, including retail and wholesale vendors, of
 22 locally and regionally produced agricultural food
 23 products.

24 (c) REPORT.—Not later than one year after the date
 25 of enactment of this Act, and annually thereafter until

1 September 30, 2018, the Secretary shall submit to the
 2 Committee on Agriculture of the House of Representatives
 3 and the Committee on Agriculture, Nutrition, and For-
 4 estry of the Senate a report describing the progress that
 5 has been made in implementing this section and identi-
 6 fying any additional needs related to developing local and
 7 regional food systems.

8 (d) FUNDING.—

9 (1) IN GENERAL.—Of the funds of the Com-
 10 modity Credit Corporation, the Secretary shall use
 11 to carry out this section \$5,000,000, to remain
 12 available until expended.

13 (2) ADDITIONAL FUNDING.—In addition to the
 14 funds made available under (1), there are authorized
 15 to be appropriated to carry out this section
 16 \$5,000,000 for each of fiscal years 2014 through
 17 2018, to remain available until expended.

18 **TITLE VI—CROP INSURANCE**

19 **SEC. 601. RESEARCH AND DEVELOPMENT AUTHORITY.**

20 (a) IN GENERAL.—Section 522(c) of the Federal
 21 Crop Insurance Act (7 U.S.C. 1522(c)) is amended—

22 (1) in the subsection heading, by striking
 23 “CONTRACTING”;

24 (2) in paragraph (1), in the matter preceding
 25 subparagraph (A), by striking “may enter into con-

1 tracts to carry out research and development to”
 2 and inserting “may conduct activities or enter into
 3 contracts to carry out research and development to
 4 maintain or improve existing policies or develop new
 5 policies to”;

6 (3) in paragraph (2)—

7 (A) in subparagraph (A), by inserting
 8 “conduct research and development or” after
 9 “The Corporation may”; and

10 (B) by striking subparagraph (B) and in-
 11 serting the following new paragraph:

12 “(B) CONSULTATION.—Before conducting
 13 research and development or entering into a
 14 contract under subparagraph (A), the Corpora-
 15 tion shall follow the consultation requirements
 16 described in section 508(h)(4)(E).”;

17 (4) in paragraph (5), by inserting “after expert
 18 review in accordance with section 505(e) and proce-
 19 dures of the Board” after “approved by the Board”;
 20 and

21 (5) in paragraph (6), by striking “a pasture,
 22 range, and forage program” and inserting “policies
 23 that increase participation by producers of under-
 24 served agricultural commodities, including sweet sor-

1 ghum, sorghum for biomass, specialty crops, sugar-
2 cane, and dedicated energy crops”.

3 (b) FUNDING.—Section 522(e) of the Federal Crop
4 Insurance Act (7 U.S.C. 1522(e)) is amended—

5 (1) in paragraph (2)—

6 (A) in the paragraph heading, by striking
7 “CONTRACTING” and inserting “CONDUCTING
8 AND CONTRACTING FOR RESEARCH AND DEVEL-
9 OPMENT”;

10 (B) in subparagraph (A), by inserting
11 “conduct research and development and” after
12 “the Corporation may use to”; and

13 (C) in subparagraph (B), by inserting
14 “conduct research and development and” after
15 “for the fiscal year to”;

16 (2) in paragraph (3), in the matter preceding
17 subparagraph (A), by striking “to provide either re-
18 imbursement payments or contract payments”; and

19 (3) by striking paragraph (4).

20 **SEC. 602. WHOLE FARM RISK MANAGEMENT INSURANCE.**

21 Section 522(c) of the Federal Crop Insurance Act (7
22 U.S.C. 1522(c)) is amended by adding at the end the fol-
23 lowing new paragraph:

24 “(18) WHOLE FARM DIVERSIFIED RISK MAN-
25 AGEMENT INSURANCE PLAN.—

1 “(A) IN GENERAL.—The Corporation shall
2 conduct activities or enter into contracts to
3 carry out research and development to develop
4 a whole farm risk management insurance plan,
5 with a liability limitation of \$1,500,000, that
6 allows a diversified crop or livestock producer
7 the option to qualify for an indemnity if actual
8 gross farm revenue is below 85 percent of the
9 average gross farm revenue or the expected
10 gross farm revenue that can reasonably be ex-
11 pected of the producer, as determined by the
12 Corporation.

13 “(B) ELIGIBLE PRODUCERS.—The Cor-
14 poration shall permit producers (including di-
15 rect-to-consumer marketers, and producers
16 servicing local and regional and farm identity-
17 preserved markets) who produce multiple agri-
18 cultural commodities, including specialty crops,
19 industrial crops, livestock, and aquaculture
20 products, to participate in the plan in lieu of
21 any other plan under this subtitle.

22 “(C) DIVERSIFICATION.—The Corporation
23 may provide diversification-based additional
24 coverage payment rates, premium discounts, or
25 other enhanced benefits in recognition of the

1 risk management benefits of crop and livestock
2 diversification strategies for producers that
3 grow multiple crops or that may have income
4 from the production of livestock that uses a
5 crop grown on the farm.

6 “(D) MARKET READINESS.—The Corpora-
7 tion may include coverage for the value of any
8 packing, packaging, or any other similar on-
9 farm activity the Corporation determines to be
10 the minimum required in order to remove the
11 commodity from the field.

12 “(E) REPORT.—Not later than 2 years
13 after the date of enactment of this paragraph,
14 the Corporation shall submit to the Committee
15 on Agriculture of the House of Representatives
16 and the Committee on Agriculture, Nutrition,
17 and Forestry of the Senate a report that de-
18 scribes the results and feasibility of the re-
19 search and development conducted under this
20 paragraph, including an analysis of potential
21 adverse market distortions.”.

1 **SEC. 603. APPROVAL OF COSTS FOR RESEARCH AND DE-**
2 **VELOPMENT.**

3 Section 522(b)(2) of the Federal Crop Insurance Act
4 (7 U.S.C. 1522(b)(2)) is amended by striking subpara-
5 graph (E) and inserting the following new subparagraph:

6 “(E) APPROVAL.—

7 “(i) IN GENERAL.—The Board may
8 approve up to 50 percent of the projected
9 total research and development costs to be
10 paid in advance to an applicant, in accord-
11 ance with the procedures developed by the
12 Board for the making of the payments, if,
13 after consideration of the reviewer reports
14 described in subparagraph (D) and such
15 other information as the Board determines
16 appropriate, the Board determines that—

17 “(I) the concept, in good faith,
18 will likely result in a viable and mar-
19 ketable policy consistent with section
20 508(h);

21 “(II) at the sole discretion of the
22 Board, the concept, if developed into a
23 policy and approved by the Board,
24 would provide crop insurance cov-
25 erage—

1 “(aa) in a significantly im-
 2 proved form or that addresses a
 3 unique need of agricultural pro-
 4 ducers;

5 “(bb) to a crop or region not
 6 traditionally served by the Fed-
 7 eral crop insurance program; or

8 “(cc) in a form that ad-
 9 dresses a recognized flaw or
 10 problem in the program;

11 “(III) the applicant agrees to
 12 provide such reports as the Corpora-
 13 tion determines are necessary to mon-
 14 itor the development effort;

15 “(IV) the proposed budget and
 16 timetable are reasonable, as deter-
 17 mined by the Board; and

18 “(V) the concept proposal meets
 19 any other requirements that the
 20 Board determines appropriate.

21 “(ii) WAIVER.—The Board may waive
 22 the 50-percent limitation and, upon re-
 23 quest of the submitter after the submitter
 24 has begun research and development activi-
 25 ties, the Board may approve an additional

1 25 percent advance payment to the sub-
 2 mitter for research and development costs,
 3 if, at the sole discretion of the Board, the
 4 Board determines that—

5 “(I) the intended policy or plan
 6 of insurance developed by the sub-
 7 mitter will provide coverage for a re-
 8 gion or crop that is underserved by
 9 the Federal crop insurance program,
 10 including specialty crops; and

11 “(II) the submitter is making
 12 satisfactory progress towards devel-
 13 oping a viable and marketable policy
 14 or plan of insurance consistent with
 15 section 508(h).”.

16 **SEC. 604. CROP INSURANCE FOR ORGANIC CROPS.**

17 (a) IN GENERAL.—Section 508(c)(6) of the Federal
 18 Crop Insurance Act (7 U.S.C. 1508(c)(6)) is amended by
 19 adding at the end the following new subparagraph:

20 “(D) ORGANIC CROPS.—

21 “(i) IN GENERAL.—As soon as pos-
 22 sible, but not later than the 2015 reinsur-
 23 ance year, the Corporation shall offer pro-
 24 ducers of organic crops price elections for
 25 all organic crops produced in compliance

1 with standards issued by the Department
 2 of Agriculture under the national organic
 3 program established under the Organic
 4 Foods Production Act of 1990 (7 U.S.C.
 5 6501 et seq.) that reflect the actual retail
 6 or wholesale prices, as appropriate, re-
 7 ceived by producers for organic crops, as
 8 determined by the Secretary using all rel-
 9 evant sources of information.

10 “(ii) ANNUAL REPORT.—The Corpora-
 11 tion shall submit to the Committee on Ag-
 12 riculture of the House of Representatives
 13 and the Committee on Agriculture, Nutri-
 14 tion, and Forestry of the Senate an annual
 15 report on progress made in developing and
 16 improving Federal crop insurance for or-
 17 ganic crops, including—

18 “(I) the numbers and varieties of
 19 organic crops insured;

20 “(II) the progress of imple-
 21 menting the price elections required
 22 under this subparagraph, including
 23 the rate at which additional price elec-
 24 tions are adopted for organic crops;

1 “(III) the development of new in-
 2 surance approaches relevant to or-
 3 ganic producers; and

4 “(IV) any recommendations the
 5 Corporation considers appropriate to
 6 improve Federal crop insurance cov-
 7 erage for organic crops.”.

8 (b) REMOVAL FROM LIST OF RESEARCH AND DE-
 9 VELOPMENT ACTIVITIES.—Section 522(c) of the Federal
 10 Crop Insurance Act (7 U.S.C. 1522(c)) is amended by
 11 striking paragraph (10).

12 **SEC. 605. NATIONWIDE EXPANSION OF AGRICULTURAL**
 13 **MANAGEMENT ASSISTANCE PROGRAM AND**
 14 **INCLUSION OF ORGANIC CERTIFICATION**
 15 **COST SHARE ASSISTANCE.**

16 Subsection (b) of section 524 of the Federal Crop In-
 17 surance Act (7 U.S.C. 1524) is amended to read as fol-
 18 lows:

19 “(b) AGRICULTURAL MANAGEMENT ASSISTANCE,
 20 RISK MANAGEMENT EDUCATION, AND ORGANIC CERTIFI-
 21 CATION COST SHARE ASSISTANCE.—

22 “(1) AUTHORITY FOR PROVISION OF ASSIST-
 23 ANCE.—The Secretary shall provide assistance under
 24 this section as follows:

1 “(A) Provision of organic certification cost
2 share assistance pursuant to section 10606 of
3 the Farm Security and Rural Investment Act of
4 2002 (7 U.S.C. 6523).

5 “(B) Activities to support risk manage-
6 ment education and community outreach part-
7 nerships pursuant to section 522(d), includ-
8 ing—

9 “(i) entering into futures or hedging;

10 “(ii) entering into agricultural trade
11 options as a hedging transaction to reduce
12 production, price, or revenue risk; or

13 “(iii) conducting any other activity re-
14 lating to an activity described in clause (i)
15 or (ii), including farm financial
16 benchmarking, as determined by the Sec-
17 retary.

18 “(C) Provision of agricultural management
19 assistance grants to producers in States in
20 which there has been traditionally, and con-
21 tinues to be, a low level of Federal crop insur-
22 ance participation and availability, and pro-
23 ducers underserved by the Federal crop insur-
24 ance program, as determined by the Secretary,
25 for the purposes of—

- 1 “(i) constructing or improving—
- 2 “(I) watershed management
- 3 structures; or
- 4 “(II) irrigation structures;
- 5 “(ii) planting trees to form
- 6 windbreaks or to improve water quality;
- 7 and
- 8 “(iii) mitigating financial risk through
- 9 production or marketing diversification or
- 10 resource conservation practices, includ-
- 11 ing—
- 12 “(I) soil erosion control;
- 13 “(II) integrated pest manage-
- 14 ment;
- 15 “(III) organic farming; or
- 16 “(IV) to develop and implement a
- 17 plan to create marketing opportunities
- 18 for the producer, including through
- 19 value-added processing.

20 “(2) PAYMENT LIMITATION.—The total amount
 21 of payments made to a person (as defined in section
 22 1001(5) of the Food Security Act (7 U.S.C.
 23 1308(5))) (as in existence before the amendment
 24 made by section 1603(b) of the Food, Conservation,
 25 and Energy Act of 2008 (Public Law 110–246; 122

1 Stat. 1730)) under paragraph (1) for any year may
2 not exceed \$50,000.

3 “(3) FUNDING.—

4 “(A) IN GENERAL.—The Secretary shall
5 carry out this subsection through the Com-
6 modity Credit Corporation.

7 “(B) FUNDING.—The Commodity Credit
8 Corporation shall make available to carry out
9 this subsection—

10 “(i) \$15,000,000 for fiscal year 2013;

11 and

12 “(ii) \$23,000,000 for each of fiscal
13 years 2014 through 2018.

14 “(C) DISTRIBUTION OF FUNDS.—Of the
15 amount made available to carry out this sub-
16 section for a fiscal year, the Commodity Credit
17 Corporation shall use not less than—

18 “(i) 50 percent to carry out para-
19 graph (1)(A);

20 “(ii) 26 percent to carry out para-
21 graph (1)(B); and

22 “(iii) 24 percent to carry out para-
23 graph (1)(C).”.

1 **TITLE VII—MISCELLANEOUS**

2 **SEC. 701. TECHNICAL ASSISTANCE.**

3 (a) MEAT PRODUCTS.—

4 (1) IN GENERAL.—Title V of the Federal Meat
5 Inspection Act (21 U.S.C. 683 et seq.) is amended
6 by adding at the end the following new sections:

7 **“SEC. 502. TECHNICAL ASSISTANCE.**

8 “(a) ESTABLISHMENT.—The Secretary shall estab-
9 lish in the Food Safety and Inspection Service of the De-
10 partment of Agriculture a technical assistance division to
11 coordinate the initiatives of any other appropriate agency
12 of the Department of Agriculture to provide, with respect
13 to compliance with this Act—

14 “(1) outreach, education, and training to very
15 small or certain small establishments; and

16 “(2) grants to appropriate State agencies, edu-
17 cational institutions, or non-governmental organiza-
18 tions, or networks or partnerships of such agencies,
19 such institutions, or such organizations, to provide
20 outreach, technical assistance, education, and train-
21 ing to very small or certain small establishments.

22 “(b) PERSONNEL.—The technical assistance division
23 shall be comprised of individuals that, as determined by
24 the Secretary—

1 “(1) are of a quantity sufficient to carry out
2 the duties of the technical assistance division; and

3 “(2) possess appropriate qualifications and ex-
4 pertise relating to the duties of the technical assist-
5 ance division.

6 “(c) CERTAIN SMALL ESTABLISHMENT DEFINED.—
7 In this section, the term ‘certain small establishment’
8 means an establishment that meets the requirements for
9 establishments described in section 332.3 of title 9, Code
10 of Federal Regulations (issued pursuant to section 501),
11 as in effect on the date of the enactment of the Local
12 Farms, Food, and Jobs Act of 2013.’”.

13 (2) TRANSFER OF DIVISION.—Not later than
14 30 days after the date of the enactment of this Act,
15 the Secretary shall transfer the functions, personnel,
16 and assets of the technical division established under
17 section 501(f) of the Federal Meat Inspection Act
18 (21 U.S.C. 683 et seq.) (as in effect on the day be-
19 fore the date of the enactment of this Act) to the
20 technical division required to be established under
21 section 502 of the Federal Meat Inspection Act, as
22 added by paragraph (1).

23 (3) CONFORMING AMENDMENTS.—Section 501
24 of the Federal Meat Inspection Act (21 U.S.C. 683
25 et seq.) is amended—

1 (A) in subsection (b)(3)(B)(ii), by striking
 2 “subsection (j)” and inserting “subsection (i)”;
 3 (B) in subsection (e)(i), by striking “sub-
 4 section (j)” and inserting “subsection (i)”;
 5 (C) by striking subsection (f); and
 6 (D) by redesignating subsections (g)
 7 through (j) as subsections (f) through (i), re-
 8 spectively.

9 (b) POULTRY PRODUCTS.—The Poultry Products In-
 10 spection Act (21 U.S.C. 451 et seq.) is amended by adding
 11 at the end the following new section:

12 **“SEC. 32. TECHNICAL ASSISTANCE.**

13 “(a) IN GENERAL.—The technical assistance division
 14 of the Food Safety and Inspection Service established
 15 under section 502 of the Federal Meat Inspection Act
 16 shall coordinate the initiatives of any other appropriate
 17 agency of the Department of Agriculture to provide, with
 18 respect to compliance with this Act—

19 “(1) outreach, education, and training to very
 20 small or certain small establishments; and

21 “(2) grants to appropriate State agencies, edu-
 22 cational institutions, or non-governmental organiza-
 23 tions, or networks or partnerships of such agencies,
 24 such institutions, or such organizations, to provide

1 outreach, technical assistance, education, and train-
 2 ing to very small or certain small establishments.

3 “(b) CERTAIN SMALL ESTABLISHMENT DEFINED.—

4 In this section, the term ‘certain small establishment’
 5 means an establishment that meets the requirements for
 6 establishments described in section 381.513 of title 9,
 7 Code of Federal Regulations (issued pursuant to section
 8 31), as in effect on the date of the enactment of the Local
 9 Farms, Food, and Jobs Act of 2013.”.

10 **SEC. 702. GUIDANCE.**

11 (a) MEAT PRODUCTS.—Title V of the Federal Meat
 12 Inspection Act (21 U.S.C. 683 et seq.), as amended by
 13 section 701, is further amended by adding at the end the
 14 following new section:

15 **“SEC. 503. GUIDANCE.**

16 “(a) ISSUANCE.—The Secretary, acting through the
 17 Food Safety and Inspection Service, shall issue guidance
 18 to very small or certain small establishments (as defined
 19 in section 502(c)) on how to comply with the requirements
 20 of this Act.

21 “(b) CONTENTS.—The guidance issued under sub-
 22 section (a) shall be appropriate for—

23 “(1) slaughter and processing facilities that are
 24 subject to Federal or State inspection under this
 25 Act, or provide custom slaughter or processing; and

1 “(2) mobile slaughter and processing facili-
2 ties.”.

3 (b) POULTRY PRODUCTS.—The Poultry Products In-
4 spection Act (21 U.S.C. 451 et seq.), as amended by sec-
5 tion 701, is further amended by adding at the end the
6 following new section:

7 **“SEC. 33. GUIDANCE.**

8 “(a) ISSUANCE.—The Secretary, acting through the
9 Food Safety and Inspection Service, shall issue guidance
10 to very small or certain small establishments (as defined
11 in section 32(b)) on how to comply with the requirements
12 of this Act.

13 “(b) CONTENTS.—The guidance issued under sub-
14 section (a) shall be appropriate for—

15 “(1) slaughter and processing facilities that are
16 subject to Federal or State inspection under this
17 Act, or provide custom slaughter or processing;

18 “(2) on-farm slaughter and processing of poul-
19 try that is exempt under section 15(c)(1); and

20 “(3) mobile slaughter and processing facili-
21 ties.”.

22 (c) INITIAL GUIDANCE.—Not later than two years
23 after the date of the enactment of this Act, the Secretary
24 shall issue guidance under section 503(a) of the Federal
25 Meat Inspection Act, as added by subsection (a), and sec-

tion 33 of the Poultry Products Inspection Act, as added by subsection (b).

SEC. 703. LABELS AND PUBLIC INFORMATION ON LABEL CONTENT.

(a) MEAT PRODUCTS.—Title I of the Federal Meat Inspection Act (21 U.S.C. 601 et seq.) is amended by adding at the end the following new section:

“SEC. 26. LABELS AND PUBLIC INFORMATION ON LABEL CONTENT.

“The Secretary shall establish a guidebook and website to provide improved public access to user-friendly information on meat product label content and format and the approval process for meat product labels.”.

(b) POULTRY PRODUCTS.—The Poultry Products Inspection Act (21 U.S.C. 451 et seq.), as amended by section 702 of this Act, is further amended by adding at the end the following new section:

“SEC. 34. LABELS AND PUBLIC INFORMATION ON LABEL CONTENT.

“The Secretary shall establish a guidebook and website to provide improved public access to user-friendly information on poultry product label content and format and the approval process for poultry product labels.”.

(c) APPLICABILITY DATE.—Not later than one year after the date of the enactment of this Act, the Secretary

1 shall establish the guidebook and website required under
2 section 26 of the Federal Meat Inspection Act, as added
3 by subsection (a), and section 34 of the Poultry Products
4 Inspection Act, as added by subsection (b).

5 **SEC. 704. MEAT AND POULTRY PROCESSING REPORT.**

6 (a) REPORT.—Not later than two years after the date
7 of the enactment of this Act, the Secretary of Agriculture
8 shall submit to Congress a report on steps that can be
9 taken to assist very small or certain small establishments
10 to ensure that such establishments produce meat and
11 poultry products that meet the requirements under the
12 Federal Meat Inspection Act (21 U.S.C. 601 et seq.) and
13 the Poultry Products Inspection Act (21 U.S.C. 451 et
14 seq.).

15 (b) STAKEHOLDER GROUP.—

16 (1) IN GENERAL.—Not later than 120 days
17 after the date of the enactment of this Act, the Sec-
18 retary shall convene a group of stakeholders to ad-
19 vise the Secretary on—

20 (A) proposed guidance on facilities require-
21 ments, process controls and pathogen preven-
22 tion in very small or certain small establish-
23 ments;

1 (B) improving the user-friendliness of in-
2 formation contained in meat and poultry labels;
3 and

4 (C) the report required under paragraph
5 (a).

6 (2) MEMBERSHIP.—The stakeholders group
7 convened under paragraph (1) shall include persons
8 with expertise on problems that very small or certain
9 small establishments that are processing facilities,
10 including mobile processing facilities, may have in
11 meeting the requirements of the Federal Meat In-
12 spection Act and the Poultry Products Inspection
13 Act, including—

14 (A) small scale livestock and poultry grow-
15 ers;

16 (B) operators of small scale slaughtering
17 and processing facilities;

18 (C) representatives of farming organiza-
19 tions whose membership includes small scale
20 livestock and poultry producers;

21 (D) representatives of established con-
22 sumer organizations;

23 (E) Federal and industry employees, in-
24 cluding a representative of employees of the
25 Food Safety and Inspection Service that are

1 represented by a labor organization (as defined
 2 in section 7103(a)(4) of title 5, United States
 3 Code) and a representative of employees of the
 4 industries regulated by the Food Safety and In-
 5 spection Service that are represented by a labor
 6 organization (as defined in section 2(5) of the
 7 National Labor Relations Act (29 U.S.C.
 8 152(5))); and

9 (F) representatives from appropriate Fed-
 10 eral and State agencies, educational institu-
 11 tions, other non-governmental organizations, or
 12 networks or partnerships of such agencies, such
 13 institutions, and such organizations.

14 (3) TERMINATION.—The Secretary shall termi-
 15 nate the stakeholder group upon completion of the
 16 guidance and the report referred to in paragraph
 17 (1).

18 (c) CERTAIN SMALL ESTABLISHMENT DEFINED.—In
 19 this section, the term “certain small establishment”
 20 means—

21 (1) with respect to an establishment that is
 22 subject to the requirements of the Federal Meat In-
 23 spection Act (21 U.S.C. 601 et seq.), a certain small
 24 establishment as defined in section 502(c) of such
 25 Act; or

1 (2) with respect to an establishment that is
2 subject to the requirements of the Poultry Products
3 Inspection Act (21 U.S.C. 451 et seq.), a certain
4 small establishment as defined in section 32(b) of
5 such Act.

○