

Subsec. (j). Pub. L. 106-78, § 816(d), added subsec. (j).

#### Statutory Notes and Related Subsidiaries

##### EFFECTIVE DATE OF 2008 AMENDMENT

Amendment of this section and repeal of Pub. L. 110-234 by Pub. L. 110-246 effective May 22, 2008, the date of enactment of Pub. L. 110-234, except as otherwise provided, see section 4 of Pub. L. 110-246, set out as an Effective Date note under section 8701 of this title.

Pub. L. 110-234, title XI, § 11009(b)(2), May 22, 2008, 122 Stat. 1359, and Pub. L. 110-246, § 4(a), title XI, § 11009(b)(2), June 18, 2008, 122 Stat. 1664, 2121, provided that: “The amendment made by paragraph (1) [amending this section] takes effect on May 1, 2007.”

[Pub. L. 110-234 and Pub. L. 110-246 enacted identical provisions. Pub. L. 110-234 was repealed by section 4(a) of Pub. L. 110-246, set out as a note under section 8701 of this title.]

#### § 1627c. Local agriculture market program

##### (a) Definitions

In this section:

###### (1) Beginning farmer or rancher

The term “beginning farmer or rancher” has the meaning given the term in section 1991(a) of this title.

###### (2) Direct producer-to-consumer marketing

The term “direct producer-to-consumer marketing” has the meaning given the term “direct marketing from farmers to consumers” in section 3002 of this title.

###### (3) Family farm

The term “family farm” has the meaning given the term in section 1632a(a) of this title.

###### (4) Food council

The term “food council” means a food policy council or food and farm system network, as determined by the Secretary, that—

(A) represents—

(i) multiple organizations involved in the production, processing, and consumption of food; and

(ii) local, Tribal, or State governments; and

(B) addresses food and farm-related issues and needs within city, county, State, Tribal region, multicounty region, or other region designated by the food council or food system network.

##### (5) Majority-controlled producer-based business venture

###### (A) In general

The term “majority-controlled producer-based business venture” means a venture greater than 50 percent of the ownership and control of which is held by—

(i) 1 or more producers; or

(ii) 1 or more entities, 100 percent of the ownership and control of which is held by 1 or more producers.

###### (B) Entity described

For purposes of subparagraph (A), the term “entity” means—

(i) a partnership;

(ii) a limited liability corporation;

(iii) a limited liability partnership; and

(iv) a corporation.

##### (6) Mid-tier value chain

The term “mid-tier value chain” means a local or regional supply network that links independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—

(A) targets and strengthens the profitability and competitiveness of small and medium-sized farms and ranches that are structured as a family farm; and

(B) obtains agreement from an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture that is engaged in the value chain on a marketing strategy.

##### (7) Partnership

The term “partnership” means a partnership entered into under an agreement between—

(A) 1 or more eligible partners (as defined in subsection (e)(1)); and

(B) 1 or more eligible entities (as defined in subsection (e)(1)).

##### (8) Program

The term “Program” means the Local Agriculture Market Program established under subsection (b).

##### (9) Regional food chain coordination

The term “regional food chain coordination” means coordination and collaboration along the supply chain to increase connections between producers and markets.

##### (10) Secretary

The term “Secretary” means the Secretary of Agriculture.

##### (11) Socially disadvantaged farmer or rancher

The term “socially disadvantaged farmer or rancher” has the meaning given the term in section 2003(e) of this title.

##### (12) Value-added agricultural product

The term “value-added agricultural product” means any agricultural commodity or product that—

(A)(i) has undergone a change in physical state;

(ii) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary;

(iii) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product;

(iv) is a source of farm- or ranch-based renewable energy, including E-85 fuel; or

(v) is aggregated and marketed as a locally produced agricultural food product; and

(B) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced, marketed, or segregated—

(i) the customer base for the agricultural commodity or product is expanded; and

(ii) a greater portion of the revenue derived from the marketing, processing, or

physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.

**(13) Veteran farmer or rancher**

The term “veteran farmer or rancher” has the meaning given the term in section 2279(a) of this title.

**(b) Establishment and purpose**

The Secretary shall establish a program, to be known as the “Local Agriculture Market Program”, that—

- (1) supports the development, coordination, and expansion of—
  - (A) direct producer-to-consumer marketing;
  - (B) local and regional food markets and enterprises; and
  - (C) value-added agricultural products;
- (2) connects and cultivates regional food economies through public-private partnerships;
- (3) supports the development of business plans, feasibility studies, and strategies for value-added agricultural production and local and regional food system infrastructure;
- (4) strengthens capacity and regional food system development through community collaboration and expansion of mid-tier value chains;
- (5) improves income and economic opportunities for producers and food businesses through job creation; and
- (6) simplifies the application processes and the reporting processes for the Program.

**(c) Administration**

In administering the Program, the Secretary shall—

- (1) streamline the Program to better support the activities carried out by the recipient of a grant under the Program;
- (2) connect producers with local food markets and value-added agricultural product opportunities;
- (3) partner with cooperative extension services, as appropriate, to provide Program technical assistance and outreach to Program stakeholders; and
- (4) ensure that the Rural Business-Cooperative Service and Agricultural Marketing Service provide Program technical assistance and outreach to Program stakeholders.

**(d) Grants**

**(1) In general**

Under the Program, the Secretary may, using funds made available under subsection (i), provide grants for each of fiscal years 2019 through 2023, in accordance with the purposes of the Program described in subsection (b), for the conduct of activities described in paragraph (2).

**(2) Eligible activities**

The recipient of a grant may use a grant provided under paragraph (1)—

- (A) to support and promote—
  - (i) domestic direct producer-to-consumer marketing;
  - (ii) farmers' markets;

- (iii) roadside stands;
- (iv) agritourism activities;
- (v) community-supported agriculture programs; or
- (vi) online sales;

(B) to support local and regional food business enterprises that engage as intermediaries in indirect producer-to-consumer marketing;

(C) to support the processing, aggregation, distribution, and storage of—

- (i) local and regional food products that are marketed locally or regionally; and
- (ii) value-added agricultural products;

(D) to encourage the development of value-added agricultural products;

(E) to assist with business development plans and feasibility studies;

(F) to develop marketing strategies for producers of local food products and value-added agricultural products in new and existing markets;

(G) to facilitate regional food chain coordination and mid-tier value chain development;

(H) to promote new business opportunities and marketing strategies to reduce on-farm food waste;

(I) to respond to changing technology needs in direct producer-to-consumer marketing; or

(J) to cover expenses relating to costs incurred in—

- (i) obtaining food safety certification; and
- (ii) making changes and upgrades to practices and equipment to improve food safety.

**(3) Criteria and guidelines**

**(A) In general**

The Secretary shall establish criteria and guidelines for the submission, evaluation, and funding of proposed projects under paragraph (1) as the Secretary determines are appropriate.

**(B) Producer or food business benefits**

**(i) In general**

Except as provided in clause (ii), an application submitted for a grant under paragraph (1) shall include a description of the direct or indirect producer or food business benefits intended by the applicant to result from the proposed project within a reasonable period of time after the receipt of the grant.

**(ii) Exception**

Clause (i) shall not apply to a planning or feasibility project.

**(4) Amount**

Unless otherwise determined by the Secretary, the amount of a grant under this subsection shall be not more than \$500,000.

**(5) Value-added producer grants**

In the case of a grant provided under paragraph (1) to an eligible entity described in subparagraph (B), the following shall apply:

**(A) Administration**

The Secretary shall carry out this subsection through the Administrator of the Rural Business-Cooperative Service, in coordination with the Administrator of the Agricultural Marketing Service.

**(B) Eligible entities**

An entity shall be eligible for a grant under this paragraph if the entity is—

- (i) an independent producer (as determined by the Secretary) of a value-added agricultural product; or
- (ii) an agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture (as determined by the Secretary).

**(C) Priorities**

The Secretary shall give priority to applications—

- (i) in the case of an application submitted by a producer, that are submitted by, or serve—
  - (I) beginning farmers or ranchers;
  - (II) socially disadvantaged farmers or ranchers;
  - (III) operators of small or medium sized farms or ranches that are structured as family farms; or
  - (IV) veteran farmers or ranchers; and
- (ii) in the case of an application submitted by an eligible entity described in subparagraph (B)(ii), that provide the greatest contribution to creating or increasing marketing opportunities for producers described in subclauses (I) through (IV) of clause (i).

**(D) Limitation on use of funds****(i) In general**

Except as provided in clause (ii), an eligible entity described in subparagraph (B) may not use a grant for the purchase or construction of a building, general purpose equipment, or structure.

**(ii) Exception**

An eligible entity described in subparagraph (B) may use not more than \$6,500 of the amount of a grant for an eligible activity described in paragraph (2)(J) to purchase or upgrade equipment to improve food safety.

**(E) Matching funds**

An eligible entity described in subparagraph (B) receiving a grant shall contribute an amount of non-Federal funds that is at least equal to the amount of Federal funds received.

**(6) Farmers' markets and local food promotion program**

In the case of a grant provided under paragraph (1) to an eligible entity described in subparagraph (B), the following shall apply:

**(A) Administration**

The Secretary shall carry out this subsection through the Administrator of the Agricultural Marketing Service, in coordina-

tion with the Administrator of the Rural Business-Cooperative Service.

**(B) Eligible entities**

An entity shall be eligible to receive a grant under this paragraph if the entity is—

- (i) an agricultural cooperative or other agricultural business entity or a producer network or association, including a community-supported agriculture network or association;
- (ii) a local or Tribal government;
- (iii) a nonprofit corporation;
- (iv) a public benefit corporation;
- (v) an economic development corporation;
- (vi) a regional farmers' market authority;
- (vii) a food council; or
- (viii) such other entity as the Secretary may designate.

**(C) Priorities**

The Secretary shall give priority to applications that—

- (i) benefit underserved communities, including communities that are located in areas of concentrated poverty with limited access to fresh locally or regionally grown food; or
- (ii) are used to carry out eligible activities under a partnership agreement under subsection (e) and have not received benefits from the Program in the recent past.

**(D) Limitation on use of funds****(i) In general**

Except as provided in clause (ii), an eligible entity described in subparagraph (B) may not use a grant for the purchase or construction of a building, general purpose equipment, or structure.

**(ii) Exception**

An eligible entity described in subparagraph (B) may use not more than \$6,500 of the amount of a grant for an eligible activity described in paragraph (2)(J) to purchase or upgrade equipment to improve food safety.

**(E) Matching funds**

An eligible entity described in subparagraph (B) receiving a grant shall provide matching funds in the form of cash or an in-kind contribution in an amount that is equal to 25 percent of the total amount of the Federal portion of the grant.

**(e) Partnerships****(1) Definitions**

In this subsection:

**(A) Eligible entity**

The term “eligible entity” means—

- (i) a producer;
- (ii) a producer network or association;
- (iii) a farmer or rancher cooperative;
- (iv) a majority-controlled producer-based business venture;
- (v) a food council;
- (vi) a local or Tribal government;
- (vii) a nonprofit corporation;

- (viii) an economic development corporation;
- (ix) a public benefit corporation;
- (x) a community-supported agriculture network or association; and
- (xi) a regional farmers' market authority.

**(B) Eligible partner**

The term “eligible partner” means—

- (i) a State agency or regional authority;
- (ii) a philanthropic organization;
- (iii) a private corporation;
- (iv) an institution of higher education;
- (v) a commercial, Federal, or Farm Credit System lending institution; and
- (vi) another entity, as determined by the Secretary.

**(2) Grants to support partnerships**

**(A) In general**

The Secretary, acting through the Administrator of the Agricultural Marketing Service, in accordance with the purposes of the Program described in subsection (b), shall, using funds made available under subsection (i), provide grants for each of fiscal years 2019 through 2023 to support partnerships to plan and develop a local or regional food system.

**(B) Geographical diversity**

To the maximum extent practicable, the Secretary shall ensure geographical diversity in selecting partnerships to receive grants under subparagraph (A).

**(3) Authorities of partnerships**

A partnership receiving a grant under paragraph (2) may—

(A) determine the scope of the regional food system to be developed, including goals, outreach objectives, and eligible activities to be carried out;

(B) determine the local, regional, State, multi-State, or other geographic area covered;

(C) create and conduct a feasibility study, implementation plan, and assessment of eligible activities under the partnership agreement;

(D) conduct outreach and education to other eligible entities and eligible partners for potential participation in the partnership agreement and eligible activities;

(E) describe measures to be taken through the partnership agreement to obtain funding for the eligible activities to be carried out under the partnership agreement;

(F) at the request of a producer or eligible entity desiring to participate in eligible activities under the partnership agreement, act on behalf of the producer or eligible entity in applying for a grant under subsection (d);

(G) monitor, evaluate, and periodically report to the Secretary on progress made toward achieving the objectives of eligible activities under the partnership agreement; or

(H) at the conclusion of the partnership agreement, submit to the Secretary a report describing—

- (i) the results and effects of the partnership agreement; and
- (ii) funds provided under paragraph (4).

**(4) Contribution**

A partnership receiving a grant under paragraph (2) shall provide funding in an amount equal to not less than 25 percent of the total amount of the Federal portion of the grant.

**(5) Applications**

**(A) In general**

To be eligible to receive a grant under paragraph (2), a partnership shall submit to the Secretary an application at such time, in such manner, and containing such information as the Secretary considers necessary to evaluate and select applications.

**(B) Competitive process**

The Secretary—

- (i) shall conduct a competitive process to select applications submitted under subparagraph (A);
- (ii) may assess and rank applications with similar purposes as a group; and
- (iii) shall make public the criteria to be used in evaluating applications prior to accepting applications.

**(C) Priority to certain applications**

The Secretary may give priority to applications submitted under subparagraph (A) that—

- (i)(I) leverage significant non-Federal financial and technical resources; and
- (II) coordinate with other local, State, Tribal, or national efforts;
- (ii) cover an area that includes distressed low-income rural or urban communities, including areas with persistent poverty; or
- (iii) have multiple entities and partners in a partnership.

**(D) Producer or food business benefits**

**(i) In general**

Except as provided in clause (ii), an application submitted under subparagraph (A) shall include a description of the direct or indirect producer or food business benefits intended by the eligible entity to result from the proposed project within a reasonable period of time after the receipt of a grant.

**(ii) Exception**

Clause (i) shall not apply to a planning or feasibility project.

**(6) Technical assistance**

On request of an eligible entity, an eligible partner, or a partnership, the Secretary may provide technical assistance in carrying out a partnership agreement.

**(f) Simplification of application and reporting processes**

**(1) Applications**

The Secretary shall establish a simplified application form for eligible entities that—

- (A) request less than \$50,000 under subsection (d); or

(B) apply for grants under subsection (d) under a single application through partnership agreements under subsection (e).

**(2) Reporting**

The Secretary shall—

(A) streamline and simplify the reporting process for eligible entities; and

(B) obtain from eligible entities and maintain such information as the Secretary determines is necessary to administer and evaluate the Program.

**(g) Interdepartmental coordination**

In carrying out the Program, to the maximum extent practicable, the Secretary shall ensure coordination among Federal agencies.

**(h) Evaluation**

**(1) In general**

Using amounts made available under subsection (i)(3)(E), the Secretary shall conduct an evaluation of the Program that—

(A) measures the economic impact of the Program on new and existing market outcomes;

(B) measures the effectiveness of the Program in improving and expanding—

(i) the regional food economy through public and private partnerships;

(ii) the production of value-added agricultural products;

(iii) producer-to-consumer marketing, including direct producer-to-consumer marketing;

(iv) local and regional food systems, including regional food chain coordination and business development;

(v) new business opportunities and marketing strategies to reduce on-farm food waste;

(vi) the use of new technologies in producer-to-consumer marketing, including direct producer-to-consumer marketing; and

(vii) the workforce and capacity of regional food systems; and

(C) provides a description of—

(i) each partnership agreement; and

(ii) each grant provided under subsection (d).

**(2) Report**

Not later than 4 years after December 20, 2018, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the evaluation conducted under paragraph (1), including a thorough analysis of the outcomes of the evaluation.

**(i) Funding**

**(1) Mandatory funding**

Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section \$50,000,000 for fiscal year 2019 and each fiscal year thereafter, to remain available until expended.

**(2) Authorization of appropriations**

There is authorized to be appropriated to carry out this section \$20,000,000 for fiscal year

2019 and each fiscal year thereafter, to remain available until expended.

**(3) Allocation of funds**

**(A) Value-added producer grants**

**(i) In general**

Subject to clause (ii), of the funds made available to carry out this section for a fiscal year, 35 percent shall be used for grants under subsection (d)(5).

**(ii) Reservation of funds**

**(I) Majority-controlled producer-based business ventures**

The total amount of grants under subsection (d)(5) provided to majority-controlled producer-based business ventures for a fiscal year shall not exceed 10 percent of the amount allocated under clause (i).

**(II) Beginning, veteran, and socially disadvantaged farmers and ranchers**

Of the funds made available for grants under subsection (d)(5), 10 percent shall be reserved for grants provided to beginning, veteran, and socially disadvantaged farmers or ranchers.

**(III) Mid-tier value chains**

Of the funds made available for grants under subsection (d)(5), 10 percent shall be reserved for grants to develop mid-tier value chains.

**(IV) Food safety assistance**

Of the funds made available for grants under subsection (d)(5), not more than 25 percent shall be reserved for grants for eligible activities described in subsection (d)(2)(J).

**(B) Farmers' market and local food promotion grants**

Of the funds made available to carry out this section for a fiscal year, 47 percent shall be used for grants under subsection (d)(6).

**(C) Regional partnerships**

Of the funds made available to carry out this section for a fiscal year, 10 percent shall be used to provide grants to support partnerships under subsection (e).

**(D) Unobligated funds**

Any funds under subparagraph (A), (B), or (C) that are not obligated for the uses described in that subparagraph, as applicable, by September 30 of the fiscal year for which the funds were made available—

(i) shall be available to the agency carrying out the Program with the unobligated funds to carry out any function of the Program, as determined by the Secretary; and

(ii) may carry over to the next fiscal year.

**(E) Administrative expenses**

Not greater than 8 percent of amounts made available to provide grants under subsections (d) and (e) for a fiscal year may be used for administrative expenses.

(Aug. 14, 1946, ch. 966, title II, § 210A, as added Pub. L. 115-334, title X, § 10102(b), Dec. 20, 2018, 132 Stat. 4888.)

#### Editorial Notes

##### CODIFICATION

The authorities provided by each provision of, and each amendment made by, Pub. L. 115-334, as in effect on Sept. 30, 2023, to continue, and authorities to be carried out, until the later of Sept. 30, 2024, or the date specified in the provision of, or amendment made by, Pub. L. 115-334, see section 102(a) of Pub. L. 118-22, set out in an Extension of Agricultural Programs note under section 9001 of this title.

#### Statutory Notes and Related Subsidiaries

##### LOCAL AGRICULTURE MARKET PROGRAM

Pub. L. 115-334, title X, § 10102(a), Dec. 20, 2018, 132 Stat. 4888, provided that:

“(a) PURPOSE.—The purpose of this section [enacting this section, amending sections 1632a, 1632b, 2204h, 2207b, and 3003 of this title, and repealing sections 3005 and 3006 of this title] is to combine the purposes and coordinate the functions, as in effect on the day before the date of enactment of this Act [Dec. 20, 2018], of—

“(1) the Farmers’ Market and Local Food Promotion Program established under section 6 of the Farmer-to-Consumer Direct Marketing Act of 1976 (7 U.S.C. 3005); and

“(2) the value-added agricultural product market development grants under section 231(b) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1632a(b)).”

#### § 1628. Repealed. Pub. L. 93-86, § 2, Aug. 10, 1973, 87 Stat. 246

Section, acts Aug. 14, 1946, ch. 966, title III, § 301, 60 Stat. 1091; Dec. 29, 1967, Pub. L. 90-233, 81 Stat. 752, provided for establishment and staffing of a national advisory committee to aid in implementing the research and service work authorized under the act of Aug. 14, 1946, and set forth functions of such committee.

#### § 1629. Establishment of committees to assist in research and service programs

In the furtherance of the research and service work authorized by this Act, the Secretary of Agriculture may, in addition to the national advisory committee, establish appropriate committees, including representatives of producers, industry, government and science, to assist in effectuating specific research and service programs.

(Aug. 14, 1946, ch. 966, title III, § 302, 60 Stat. 1091.)

#### Editorial Notes

##### REFERENCES IN TEXT

This Act, referred to in text, is act Aug. 14, 1946, ch. 966, 60 Stat. 1082, which enacted this chapter and sections 427h, 427j, and 3105 of this title and amended section 3104 of this title. For complete classification of this Act to the Code, see Tables.

The national advisory committee, referred to in text, was established by section 1628 of this title, which was subsequently repealed by Pub. L. 93-86, § 2, Aug. 10, 1973, 87 Stat. 246.

##### CODIFICATION

Section was not enacted as part of the Agricultural Marketing Act of 1946 which comprises this chapter.

#### § 1630. Omitted

#### Editorial Notes

##### CODIFICATION

Section, act June 4, 1956, ch. 355, title V, § 508, 70 Stat. 241, which provided for availability of appropriations for committee expenses in effectuating research and service work, was from the Department of Agriculture and Farm Credit Administration Appropriation Act, 1957, and was not repeated in subsequent appropriation acts. Similar provisions were contained in the following prior appropriation acts:

May 23, 1955, ch. 43, title V, § 509, 69 Stat. 64.

June 29, 1954, ch. 409, title V, § 509, 68 Stat. 319.

#### § 1631. Protection for purchasers of farm products

##### (a) Congressional findings

Congress finds that—

(1) certain State laws permit a secured lender to enforce liens against a purchaser of farm products even if the purchaser does not know that the sale of the products violates the lender’s security interest in the products, lacks any practical method for discovering the existence of the security interest, and has no reasonable means to ensure that the seller uses the sales proceeds to repay the lender;

(2) these laws subject the purchaser of farm products to double payment for the products, once at the time of purchase, and again when the seller fails to repay the lender;

(3) the exposure of purchasers of farm products to double payment inhibits free competition in the market for farm products; and

(4) this exposure constitutes a burden on and an obstruction to interstate commerce in farm products.

##### (b) Declaration of purpose

The purpose of this section is to remove such burden on and obstruction to interstate commerce in farm products.

##### (c) Definitions

For the purposes of this section—

(1) The term “buyer in the ordinary course of business” means a person who, in the ordinary course of business, buys farm products from a person engaged in farming operations who is in the business of selling farm products.

(2) The term “central filing system” means a system for filing effective financing statements or notice of such financing statements on a statewide basis and which has been certified by the Secretary of the United States Department of Agriculture; the Secretary shall certify such system if the system complies with the requirements of this section; specifically under such system—

(A) effective financing statements or notice of such financing statements are filed with the office of the Secretary of State of a State;

(B) the Secretary of State records the date and hour of the filing of such statements;

(C) the Secretary of State compiles all such statements into a master list—

(i) organized according to farm products;  
(ii) arranged within each such product—

(I) in alphabetical order according to the last name of the individual debtors,