

(Pub. L. 113-79, title XII, §12306, Feb. 7, 2014, 128 Stat. 988; Pub. L. 115-334, title XII, §12501, Dec. 20, 2018, 132 Stat. 4982.)

#### Editorial Notes

##### CODIFICATION

Section was enacted as part of the Agricultural Act of 2014, and not as part of the Agricultural Marketing Act of 1946 which comprises this chapter.

##### AMENDMENTS

2018—Subsec. (f). Pub. L. 115-334 substituted “2023” for “2018”.

### § 1632d. Dairy business innovation initiatives

#### (a) Definitions

In this section:

##### (1) Dairy business

The term “dairy business” means a business that develops, produces, markets, or distributes dairy products.

##### (2) Initiative

The term “initiative” means a dairy product and business innovation initiative established under subsection (b).

#### (b) Establishment

The Secretary shall establish not less than 3 regionally-located dairy product and business innovation initiatives for the purposes of—

(1) diversifying dairy product markets to reduce risk and develop higher-value uses for dairy products;

(2) promoting business development that diversifies farmer income through processing and marketing innovation; and

(3) encouraging the use of regional milk production.

#### (c) Selection of initiatives

An initiative—

(1) shall be positioned to draw on existing dairy industry resources, including activities conducted by the National Dairy Promotion and Research Board and other dairy promotion entities, research capacity, academic and industry expertise, a density of dairy farms or farmland suitable for dairying, and dairy businesses; and

(2) may serve a certain product niche, such as specialty cheese, or serve dairy businesses with dairy products derived from the milk of a specific type of dairy animal, including dairy products made from cow milk, sheep milk, and goat milk.

#### (d) Entities eligible to host initiative

##### (1) In general

Subject to paragraph (2), any of the following entities may submit to the Secretary an application to host an initiative:

- (A) A State department of agriculture or other State entity.
- (B) A nonprofit organization.
- (C) An institution of higher education.
- (D) A cooperative extension service.

##### (2) Capacity of eligible entity

Any entity described in subparagraphs (A) through (D) of paragraph (1) shall be eligible

to submit an application under that paragraph if the entity has—

- (A) a capacity to provide consultation and expertise necessary to advance the purpose and activities of the proposed initiative; and
- (B) expertise in grant distribution and tracking.

#### (3) Ineligible entity

A dairy promotion program shall not be eligible to host an initiative under this section.

#### (e) Partners

##### (1) In general

An entity described in subsection (d)(1) may establish as a partner an organization or entity described in paragraph (2)—

- (A) prior to the submission of the application under that subsection; or
- (B) after approval of the application, in consultation with the Secretary.

##### (2) Partner described

A partner under paragraph (1) shall be an organization or entity with expertise or experience in dairy, including the marketing, research, education, or promotion of dairy.

#### (f) Activities of initiatives

##### (1) Direct assistance to dairy businesses

An initiative shall provide nonmonetary assistance directly to dairy businesses through private consultation or widely available distribution—

- (A) by the entity that hosts the initiative under subsection (d)(1);
- (B) through contracting with industry experts;
- (C) through the provision of technical assistance, such as informational websites, webinars, conferences, trainings, plant tours, and field days; or
- (D) through research institutions, including cooperative extension services.

##### (2) Types of assistance

Eligible forms of assistance include—

(A) business consulting, including business plan development for processed dairy products, strategic planning assistance, and distribution and supply chain innovation;

(B) marketing and branding assistance, including market messaging, packaging innovation, consumer assessments, innovation in emerging market opportunities, and evaluation of regional, national, and international markets;

(C) assistance in product innovation, including the development of value-added products, innovation in byproduct reprocessing and use maximization, and dairy product production training, including in new, rare, or innovative techniques; and

(D) other nonmonetary assistance, as determined by the Secretary.

#### (3) Grants to dairy businesses

##### (A) In general

An initiative shall provide grants on a competitive basis to new and existing dairy businesses for the purposes of—

- (i) modernization, specialization, and grazing transition on dairy farms;

- (ii) value chain and commodity innovation and facility and process updates for dairy processors; and
- (iii) product development, packaging, and marketing of dairy products.

**(B) Grants to certain entities**

An initiative may provide a grant on a noncompetitive basis to an entity that receives assistance under paragraph (1) to advance the business activities recommended as a result of that assistance.

**(C) Grant amounts**

Grants provided under this paragraph shall not exceed \$500,000, unless a greater amount is approved by the Secretary.

**(4) Consultation**

An entity that hosts an initiative shall consult with the National Dairy Promotion and Research Board, the Secretary, and the Administrator of the Agricultural Marketing Service in carrying out the initiative.

**(5) Conflict of interest**

**(A) In general**

The Secretary shall establish guidelines and procedures to prevent any conflict of interest or the appearance of a conflict of interest by an initiative (including a partner of the initiative) during the allocation of direct assistance under paragraph (1) or grant funding under paragraph (3).

**(B) Penalty**

The Secretary may suspend or terminate an initiative if the initiative (including a partner of the initiative) is found to be in violation of the guidelines and procedures established under subparagraph (A).

**(g) Distribution of funds**

**(1) In general**

Using the funds made available to carry out this section, the Secretary—

(A) shall provide not less than 3 awards to eligible entities described in subsection (d) for the purposes of carrying out the activities under subsection (f); and

(B) is encouraged to award funds under subparagraph (A) in multiyear funding allocations.

**(2) Use of funds**

Not less than 50 percent of the funds made available under subsection (i) shall be allocated to grants under subsection (f)(3).

**(3) Priority**

An entity hosting an initiative shall give priority to the provision of direct assistance under subsection (f)(1) and grants under subsection (f)(3) to—

(A) dairy farms and dairy businesses with limited access to other forms of assistance;

(B) employee-owned dairy businesses;

(C) cooperatives; and

(D) dairy businesses that seek to create dairy products that add substantial value in processing or marketing, such as specialty cheeses.

**(4) Requirement**

Assistance or a grant shall not be made available to a foreign person making direct in-

vestment (as those terms are defined in section 801.2 of title 15, Code of Federal Regulations (or successor regulations)) in the United States in the case of—

- (A) direct assistance under subsection (f)(1) that is provided to a specific dairy business and is not publicly available, as determined by the Secretary; or
- (B) a grant under subsection (f)(3).

**(5) Supplementation**

To the extent practicable, the Secretary shall ensure that funds provided to an initiative supplement, and do not duplicate or replace, existing dairy product research, development, and promotion activities.

**(h) Report**

Not later than January 31, 2022, the Secretary shall submit to Congress a report on the outcomes of the program under this section and any related activities and opportunities to further increase dairy innovation.

**(i) Authorization of appropriations**

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

(Pub. L. 115-334, title XII, § 12513, Dec. 20, 2018, 132 Stat. 4996.)

**Editorial Notes**

**CODIFICATION**

Section was enacted as part of the Agriculture Improvement Act of 2018, and not as part of the Agricultural Marketing Act of 1946 which comprises this chapter.

**Statutory Notes and Related Subsidiaries**

**DEFINITION OF "SECRETARY"**

"Secretary" means the Secretary of Agriculture, see section 2 of Pub. L. 115-334, set out as a note under section 9001 of this title.

**§ 1632e. Cattle Contracts Library**

There is hereby appropriated \$1,000,000, to remain available until September 30, 2023, for a Cattle Contracts Library pilot program that the Agricultural Marketing Service shall develop and maintain within the Livestock, Poultry, and Grain Market News Division. This program shall be similar, as determined by the Secretary, to the swine contract library the U.S. Department of Agriculture currently maintains pursuant to section 198a of this title. The promulgation of the regulations and administration of this section shall be made without regard to: (1) the notice and comment provisions of section 553 of title 5; and (2) chapter 35 of title 44 (commonly known as the "Paperwork Reduction Act").

(Pub. L. 117-103, div. A, title VII, §779, Mar. 15, 2022, 136 Stat. 100.)

**Editorial Notes**

**CODIFICATION**

Section was enacted as part of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2022, and also as part of the Consolidated Appropriations Act, 2022, and