

107TH CONGRESS
2^D SESSION

H. R. 4479

To authorize the Small Business Administration and the Department of Agriculture to assist farmers and ranchers seeking to develop and implement agricultural innovation plans in order to increase their profitability in ways that also provide environmental benefits, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

APRIL 17, 2002

Mr. UDALL of Colorado introduced the following bill; which was referred to the Committee on Small Business, and in addition to the Committee on Agriculture, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To authorize the Small Business Administration and the Department of Agriculture to assist farmers and ranchers seeking to develop and implement agricultural innovation plans in order to increase their profitability in ways that also provide environmental benefits, 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.**

4 This Act may be cited as the “Family Farm and
5 Ranch Innovation Act of 2002”.

1 **SEC. 2. FINDINGS; PURPOSE.**

2 (a) FINDINGS.—The Congress finds the following:

3 (1) Farming, ranching, and other businesses re-
4 lated to agriculture form a significant portion of the
5 economy of the United States.

6 (2) In 2000, 86 percent of the 1,500,000 agri-
7 cultural workers in the United States were self-em-
8 ployed farmers and ranchers.

9 (3) From 1910 to 1990, the share of the agri-
10 cultural economy received by farmers and ranchers
11 dropped from 21 percent to 5 percent, as processing,
12 packaging, and marketing became more profitable
13 than producing raw agricultural commodities.

14 (4) The trend toward a global processing and
15 distribution system for agricultural products is pro-
16 ducing a system in which the majority of food and
17 fiber products are controlled by a few large,
18 vertically integrated firms.

19 (5) Low market prices for raw agricultural
20 commodities and the rising cost of land are causing
21 many small farms and ranches to fail, which is re-
22 sulting in the urbanization of valuable farm and
23 ranch lands.

24 (6) Small farms and ranches need to employ ef-
25 ficient means of production, including methods to
26 minimize the production of pollutants, and engage in

1 practices which add value to the raw commodities
2 they produce in order to improve profitability and
3 remain competitive.

4 (7) Small farms and ranches need technical and
5 financial assistance to achieve these goals.

6 (b) PURPOSE.—The purpose of this Act is to assist
7 farmers and ranchers in increasing their incomes while re-
8 ducing pollution, conserving natural resources, and in-
9 creasing the likelihood that agricultural land will remain
10 available for farming and ranching.

11 **SEC. 3. SMALL BUSINESS LOANS FOR IMPLEMENTATION OF**
12 **AGRICULTURAL INNOVATION PLANS.**

13 (a) LOAN AUTHORITY.—The Administrator of the
14 Small Business Administration may guarantee, under sec-
15 tion 7(a) of the Small Business Act (15 U.S.C. 636(a)),
16 loans to any small business concern (as described in sec-
17 tion 3(a) of the Small Business Act (15 U.S.C. 632(a)))
18 engaged in farming or ranching, for the purpose of imple-
19 menting an Agricultural Innovation Plan described in sub-
20 section (c).

21 (b) DEVELOPMENT OF AGRICULTURAL INNOVATION
22 PLAN.—On request of a farmer or rancher whose farming
23 or ranching operation has been certified as a small busi-
24 ness concern under subsection (d), the Secretary of Agri-
25 culture, acting through the Natural Resources Conserva-

1 tion Service, shall work with the farmer or rancher to de-
2 velop an Agricultural Innovation Plan described in sub-
3 section (c).

4 (c) CONTENTS OF AGRICULTURAL INNOVATION
5 PLAN.—An Agricultural Innovation Plan is a plan to—

6 (1) increase the on-farm or on-ranch income of
7 the farmer or rancher by—

8 (A) improving farm or ranch management
9 practices;

10 (B) diversifying crops or livestock;

11 (C) using direct marketing of agricultural
12 products;

13 (D) implementing value-added initiatives;

14 (E) stimulating agri-tourism;

15 (F) capitalizing on the natural resources of
16 the farm or ranch; or

17 (G) using any other means that the Sec-
18 retary of Agriculture determines would improve
19 the efficiency and profitability of the farming or
20 ranching operation; and

21 (2) protect the environmental quality of the
22 farm or ranch where the farming or ranching oper-
23 ation is located by minimizing the production of pol-
24 lutants by the farm or ranch and conserving the nat-
25 ural resources of the farm or ranch.

1 (d) CERTIFICATION AS SMALL BUSINESS CON-
2 CERN.—On request of any business concern engaged in
3 farming or ranching, the Administrator of the Small Busi-
4 ness Administration may issue a certification that the
5 business concern is a small business concern for purposes
6 of subsection (b). Such request shall be submitted to the
7 Administrator in such form and manner as the Adminis-
8 trator may require.

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